FRANCHISE DISCLOSURE DOCUMENT

Strong Kingdom, LLC
a Texas limited liability company
~~3420 Eldorado Pkwy~~1720 Bray Central Drive, Suite ~~4a~~100-K
McKinney, Texas ~~75071~~75069
(~~972) 836-8463~~833) 543-3496
www.specialstrong.com

You will provide virtual and on-site health and fitness services, including certified personal training, group fitness, aquatics and nutrition services, to individuals of all ages with mental, physical, and/or cognitive challenges under the trade name "SPECIAL STRONG."

The total investment necessary to begin operation of a SPECIAL STRONG franchise within one territory ranges from $~~59~~79,000 to $~~68,700~~96,200. This includes $42,500 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a SPECIAL STRONG franchise within two to three territories is $~~89~~109,000 to $~~128,700~~156,200. This includes $72,500 to $102,500 that 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 accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

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 Daniel Stein at ~~3420 Eldorado Pkwy~~1720 Bray Central Drive, Suite ~~4a~~100-K , McKinney, Texas ~~75071~~75069 or (~~972) 836-8463~~833) 543-3496.

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, D.C. 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: February ~~17, 2023.~~

22, 2024

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About This Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Texas than in your own state.

2. **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.

~~3. **Short Operating History**. The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.~~

~~4.~~3. **Mandatory Minimum Payments**. You must make mandatory minimum royalty payments and advertising contributions regardless of your sales levels. Your inability to make these payments may result in the termination of your franchise and loss of your investment.

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.

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373-7117

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this disclosure document, the term "we" or "us" means Strong Kingdom, LLC, the franchisor. The term "you" means the person buying the franchise, the franchisee. If the franchisee is a business entity, the term "you" does not include the entity's owners unless otherwise stated. The term "Owners" refers to the owners of a business entity franchisee.

The Franchisor, and any Parents, Predecessors and Affiliates

We are a Texas limited liability company, formed on February 11, 2020. We maintain our principal business address at ~~3420 Eldorado Pkwy~~1720 Bray Central Drive, Suite ~~4a~~100-K, McKinney, Texas ~~75071~~75069, and do business only under our corporate name. We began offering franchises of the type described in this disclosure document on April 27, 2020 and have never offered franchises in any other line of business. Except for franchising and providing support to our franchisees, we do not engage in any other business activities. Our agents for service of process are listed on Exhibit B to this disclosure document.

Our affiliate, Strong IP Holdings LLC ("Strong IP"), is a Texas limited liability company formed on April 8, 2020, and owns and licenses to us the trademarks and other intellectual property used in the operation of SPECIAL STRONG franchises. Strong IP shares our principal business address at ~~3420 Eldorado Pkwy~~1720 Bray Central Drive, Suite ~~4a~~100-K, McKinney, Texas ~~75071~~75069.

Our affiliate, Strong Education LLC ("Strong Education"), is a Texas limited liability company formed on April 2, 2019. Strong Education offers training and certification services to our franchisees. Strong Education shares our principal address at ~~3420 Eldorado Pkwy~~1720 Bray Central Drive, Suite ~~4a~~100-K, McKinney, Texas ~~75071~~75069.

Our affiliate, Special Strong Champions Foundation Inc is a Texas non-profit corporation formed on May 19, 2022 and a 501(c)(3) organization (the "Foundation") that creates opportunities for special needs families in need of financial assistance to participate in specialized health and wellness programs to live a more independent and abundant life. Special Strong Champions Foundation shares our principal address at ~~3420 Eldorado Pkwy~~1720 Bray Central Drive, Suite ~~4a~~100-K, McKinney, Texas ~~75071~~75069.

Our affiliate, Adaptive Fitness LLC, is a Texas limited liability company formed on October 31, 2023. Adaptive Fitness LLC provides marketing services to our franchisees. Adaptive Fitness LLC's business address is 1720 Bray Central Drive, Suite 100-K, McKinney, TX 75069.

We have never operated a business of the type described in this disclosure document, but our affiliate Special Strong, LLC, a Texas limited liability company formed on August 6, 2016, has operated a similar business in the North Texas area since August 2016. Special Strong, LLC shares our principal business address at ~~3420 Eldorado Pkwy~~1720 Bray Central Drive, Suite ~~4a~~100-K, McKinney, Texas ~~75071~~75069.

Other than as described above, none of our affiliates offer products or services to our franchisees. None of our affiliates do offer or have offered franchises in any line of business.

We do not have any parent or predecessor companies.

The Franchise Offered

We franchise the right to provide virtual and on-site health and fitness services, including certified personal training, group fitness, and nutrition services, to individuals of all ages with mental, physical, and/or cognitive challenges, under the trade name "SPECIAL STRONG." You will provide services at host locations, such as gyms, private schools, etc., which are located within a defined area consisting of at least one territory (your "Protected Area"). We call this the "Franchised Business."

You will operate the Franchised Business according to the terms of our franchise agreement (see Exhibit C) and our standards, specifications, policies and procedures (collectively, our "Standards") which we will

communicate to you in our confidential operations manual and other written directives (collectively, our "Manuals"). You will operate the Franchised Business using our proprietary business format and system (our "System") and do business under our trademarks and service marks (our "Marks"), described below.

If you are approved to operate your Franchised Business within two or more territories, you will not sign a Multi-Unit Development Agreement or Area Development Agreement because you will only be operating one Special Strong business that will serve multiple territories covering a larger geographic area. Your initial franchise fee will vary depending on the number of Territories you purchase.

Our System includes the use of our Marks, use of our proprietary training methods, our marketing methods and procedures, our customer service procedures, and our Standards, all of which we may change, improve, and further develop. ~~Our System does not include, however, any~~Any mandatory employment or human resource policies or practices are not included by our System. As an independent contractor, you are exclusively responsible for hiring personnel, for determining the number of jobs offered or job vacancies to be filled, for determining and changing employee wages and benefits and work hours, and for disciplining and discharging your employees. You are exclusively responsible for labor relations with your employees. You must sign a confidentiality and noncompetition agreement substantially in the form attached to the Franchise Agreement as Attachment D.

Our Marks include our principal service mark "SPECIAL STRONG" and associated logo and other service marks, trademarks, logos, and slogans that we periodically authorize for use in connection with the Franchised Business.

Market and Competition

You will provide services primarily to people with mental, physical, and/or cognitive challenges who are seeking to improve their health, and physical and mental abilities. While the fitness industry generally is well developed and highly competitive, we believe that the market for personal training services tailored for people with mental, physical, and/or cognitive challenges is in its early stages and growing. Our sales are not seasonal.

Industry Specific Regulations

~~There~~As of the date of this Disclosure Document, there are no regulations specific to provide personal training services, but you must comply with all local, state and federal laws that apply generally to businesses. There may be laws in your state that apply to gym memberships, and it is your responsibility to determine whether these laws may apply to your agreements with clients. The provision of training for individuals with mental, physical, and/or cognitive challenges, advice counseling, and other services offered by a SPECIAL STRONG business may require that you and certain of your employees be licensed by your state and take continuing education classes as may be required. We recommend that you consult with an attorney to help you determine which laws and regulations will apply to your Franchised Business.

We strongly recommend that you investigate the laws of the jurisdiction in which you will offer services before you purchase a franchise. It is your responsibility to determine all laws that apply to the Franchised Business and obtaining all licenses required by the jurisdiction in which the Franchised Business operates.

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer & Founder

Daniel Stein has served as our Chief Executive Officer and Founder in McKinney, Texas since our inception in February 2020, and has served as Chief Executive Officer and Founder of Special Strong, LLC, Strong IP Holdings LLC, and Strong Education LLC, all based in McKinney, Texas, since August 2016, April 2020, and April 2019, respectively. Daniel has served as an NCCA personal trainer since January 2012.

Chief Operations Officer & Co-Founder

Trinity Stein has served as our Chief Operations Officer and Co-Founder in McKinney, Texas since our inception in February 2020, and has served as Office Manager and Co-Founder of Special Strong, LLC, since August 2016.

~~Field Coach,~~ Global Training & Development

Mr. Smith has served as our Field Coach, Global Training & Development since November 2021. Mr. Smith has also served as an adaptive special needs personal trainer for Special Strong LLC since March 2019. Mr. Smith has been an NCCA certified personal trainer since 2011 and has ~~operated his own personal training business in McKinney, Texas from June 2015 until present~~trained clients privately since June 2015.

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

When you sign the Franchise Agreement, you will pay us an initial franchise fee.

Our standard initial franchise fee for one territory containing a population of approximately 200,000 is $42,500, but we currently offer a 5% discount to qualifying military veterans. The military discount is available to veterans who have received a discharge (other than dishonorable) as well as any active-duty personnel. If the franchisee is a corporation, limited liability company, or other legal entity, the veteran participant must maintain at least 51% ownership interest in the entity to qualify for this discount. To apply for the discount, you must provide us a copy of form DD-214, reflecting your military status, before the Franchise Agreement is signed. If you qualify for the military discount, you will pay a $40,375 franchise fee for your first territory.

You may purchase additional areas comprising 150,000 population each for an additional $12,500 up to a maximum population of 500,000.

The initial franchise fee for multiple territories will be equal to the initial franchise fee of $42,500 (or $40,375 if you qualify for the military discount) for the first territory plus $30,000 per additional territory. The total initial franchise fee for all of your Territories will be due upon signing the Franchise Agreement. The following table shows what the initial franchise fee will be for 2 to 3 territories.

Number of Territories	Total Initial Franchise Fee
2	$72,500
3	$102,500

During the preceding fiscal year~~, we awarded three franchises for $30,000 pursuant to the Initial Fees under our 2022 Franchise Disclosure Document.~~ ending December 31, 2023, our initial franchise fees ranged

from $42,500 to $55,000. The fees in this Item 5 are nonrefundable upon payment and, except for the differences described above, is uniform for all new franchisees.

~~[*Remainder of page intentionally left blank*]~~

ITEM 6
OTHER FEES

TYPE OF FEE[1]	AMOUNT	DATE DUE	REMARKS
Royalty Fee	(i) $~~250~~450 per month or 8% of Gross Revenue, whichever is greater, if monthly Gross Revenue is less than $10,000. (ii) 7.5% of Gross Revenue, if monthly Gross Revenue is more than $10,001 but less than $15,000. ~~(iii)~~ 7% of Gross Revenue, if monthly Gross Revenue exceeds $15,001. (iii)	Monthly	Payable by electronic funds transfer or other method we specify. ~~Due beginning in the 4th month following the opening of your Special Strong location.~~ Royalties will be calculated using Mindbody Revenue. Once you obtain the threshold Gross Revenue amount for a lower Royalty Fee tier, your Royalty Fee rate will not increase above that rate for the remainder of the applicable calendar year. See Note 2.
Brand Development Fund Contribution	Currently ~~1~~2% of Gross Revenue (we reserve the right to increase this amount to up to ~~3~~4% of Gross Revenue) or $~~250~~400 per month, whichever is greater.	Monthly	Payable by electronic funds transfer or other method we specify. Due beginning in the ~~4th~~ 1st month following the opening of your Special Strong location. See Notes 2. See also Item 11 for more information about the Brand Development Fund.

TYPE OF FEE[1]	AMOUNT	DATE DUE	REMARKS
Local Advertising Expenditure	~~One Territory: The greater of $500 or 4% of Gross Revenue~~ ~~Two or More Territories: The greater of $1,000 or 4% of Gross Revenue~~Between your grand opening and the end of the first year you agree to expend not less than $3,000 per month on location advertising in each of your Territories with at least $2,000 paid monthly to our affiliate, Adaptive Fitness for digital marketing, social media, SEO, and other lead generation activities for your Territory. Beginning in your second year of operation, you agree to expend not less than the greater of (i) $2,500 each month or (ii) 8% of your monthly Gross Sales on local promotions in each of your Territories with at least $2,000 paid monthly to our affiliate, Adaptive Fitness for digital marketing, social media, SEO, and other lead generation activities for each of your Territories.	Monthly	See Note 3.
Advertising Cooperative Contributions	Contribution amount is established by majority vote of the advertising cooperative members	As required by the advertising cooperative	Advertising cooperative contributions will be credited toward satisfaction of your Local Advertising Expenditure. See Note 4.
Additional On-Site Training/ Assistance	Our then current rates; currently, $500 per trainer per day; if training is provided at your location, you also must pay our travel and related expenses	Upon demand	Payable only if you request additional assistance or if we determine that you require additional assistance. Our rate is subject to change
Base Technology Fee	Our then current rates; currently, $~~450~~500 per month per territory	Monthly	Payable by electronic funds transfer or other method we specify. We have the right to increase this fee by up to 10% annually, in our discretion, to meet changing technology needs. See Note 5.

TYPE OF FEE[1]	AMOUNT	DATE DUE	REMARKS
NCCA Certification Administrative Review Fee	Our then current rates	Upon demand	If any of your trainers does not have an NCCA certification, we may charge an administrative fee to validate the trainer's credentials.
Additional Base Technology Software Licenses	Varies; prices range from $10-$50 per month depending on the vendor or service company.	Monthly	If you require additional software licenses for users on your team, additional software license fees may incur.
Client Conversion Fee	Our then current fee, currently $500 per client	Upon Demand	If we or another Franchisee provides services to a client in an area that is purchased by you, you may purchase the client from us for the Client Conversion Fee.
Bookkeeping Services	Varies; prices range from $100-$250 per month depending on the vendor or service company.	Monthly	We require that you use ~~a~~approved third party ~~vendor~~vendors or an approved service company to perform bookkeeping services.
Accounting Software	Varies; prices range from $30-$55 per month depending on your package.	Monthly	You must purchase a license for QuickBooks Online. You may elect to purchase additional software features.
Continuing Certification Requirements	Actual costs	Upon demand/As specified in Operations Manual	If you do not currently hold ~~a NCCA~~an approved Personal Trainer Certification, your Managing Owner will obtain one through us during training at no additional cost to you. For all of your other instructors, you are responsible for ensuring that your instructors meet the certification requirements established by us and other local, state, and federal agencies.
Successor Term Fee	$5,000	When you sign the new franchise agreement	
Management Fee	Reasonable fee, currently $500 per day plus our related costs and expenses including salary, travel, lodging, and dining if applicable	Upon demand	Payable only if we manage the Franchised Business according to our step-in rights.

TYPE OF FEE[1]	AMOUNT	DATE DUE	REMARKS
Transfer Fee (transfer of minority interest to a new owner)	Reimbursement of our legal fees and costs	Before transfer	
Transfer Fee (transfer of franchise or transfer of control)	Reimbursement of our legal fees and costs plus (i) $2,500 if transferring to an existing Special Strong franchisee, or (ii) $10,000 if transferring to someone outside the Special Strong franchise system	Before transfer	This fee also applies when transferring franchise ownership to a family member, spouse or partner.
Interest	18% per year or the highest lawful interest rate permitted by law, whichever is less	Upon demand	Payable only if you fail to make timely payments.
Nonsufficient Funds Fee	Reasonable fee, currently $100 per occurrence	Upon demand	Payable only if you have insufficient funds in your bank account for us to process electronic funds transfer.
Administrative Fee	$250 per enforcement effort (i.e., written or verbal notification and follow up), and $250 per week for each week that the issue remains unresolved	Upon demand	We may assess an administrative fee to compensate us for our time.
Insurance	Reimbursement of premium and all other out of pocket costs incurred in connection with procuring insurance on your behalf plus administrative fee of 10% of premium	Upon demand	Payable only if you fail to procure or maintain required insurance coverage, and we procure the insurance on your behalf.
Audit	This amount will vary but will be the cost of the audit and all other out of pocket costs incurred in connection with the audit	Payable upon receipt of your bill	Payable only if you fail to furnish required information.
Indemnification	This amount will vary but will be the cost of the legal fees to defend any claims against us and any other out of pocket costs incurred in connection with the claim, any settlement amounts or awards against us	Payable as incurred	Payable only if we incur costs for claims arising from your franchise operations.
Attorneys' Fees	Actual fees and costs incurred	Payable as incurred	Payable only if we prevail in any legal action with you regarding any breach of the Franchise Agreement and/or regarding any amounts past due.

Notes:

Note 1. Except for the Advertising Cooperative contributions and the Local Advertising Expenditure, all fees are uniformly imposed, payable to us, and non-refundable.

Note 2. "Gross Revenue" means all revenue derived from the operation of the Franchised Business, whether made for cash, on credit, or otherwise, without reserve or deduction for inability or failure to collect, that you, in the normal course of your operations would credit or attribute to the operation of the Franchised Business. It also includes the fair market value of any services or property received as a barter exchange for services. Gross Revenue does not include the amount of any city, county, state or federal sales, luxury or excise tax on all sales that are both (a) added to the selling price or absorbed therein and (b) paid to the taxing authority. Customer refunds may be deducted from Gross Revenue if the charge was previously included in Gross Revenue, for reporting purposes.

Note 3. The Required Marketing Expenditures section in the operations manual has the breakdown of the required local advertising spend. Expenditure breakdown is subject to change based on analytics data.

Note 4. At this time, no advertising cooperatives have been formed. At the time a cooperative is established, it will operate by majority vote, and each franchisee-operated, company-owned or affiliate-owned location member in the cooperative is entitled to vote. The majority vote will determine the minimum and maximum level of contributions.

Note 5. Once you begin operating, you pay this fee to us and we will pay those amounts over to our designated vendors. You may be required to pay this fee up to 90 days before you begin operating. ~~This fee includes Mindbody CRM/POS system, VoIP, reputation management software, Qvinci for financial reporting software, new hire e-learning system, two G Suite accounts with email hosting, website hosting, and basic website maintenance (subject to annual increases).~~This fee includes the base technology software needed to run your business.

ITEM 7
ESTIMATED INITIAL INVESTMENT

A. One Territory

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount[1]	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee[2]	$42,500	Lump sum	Upon signing of Franchise Agreement	Us
Leasehold improvements[3]	$0 - $200	As incurred/ according to contractor payment schedule	When invoiced	Third parties
Office Equipment, Software and Supplies[4]	$500 - $1,000	Lump sum or lease installment payments	Upon purchase of equipment or licensing of software	Approved Suppliers
Costs related to Initial Training[5]	$250 - $1,500	Varies	Before beginning operations and as incurred	Third Parties

Type of Expenditure	Amount[1]	Method of Payment	When Due	To Whom Payment is to be Made
Insurance[6]	$250 - $500	Lump sum or periodic payments	Before beginning operations	Insurance carrier or broker
Initial Marketing Kit[7]	$3,500- $4,500	As arranged	As arranged	Approved Third Parties
Grand Opening Marketing & Launch[8]	$10,000-$15,000	Varies	Before beginning operations and as incurred	Approved Suppliers & Third parties
Initial Marketing and ~~Promotions~~[8]Promotions[9]	$~~3~~10,000 - $~~5,000~~12,500	~~Lump sum~~Varies	~~When invoiced~~As incurred	Approved Suppliers and Vendors
Vehicle ~~Wrap~~[9]Wrap[10]	$1,500 - $2,500	Lump sum	When invoiced	Approved vendors and service providers
Miscellaneous Expenses	$500 - $1,000	Varies	As incurred	Third party vendors and service providers
Additional Funds (3 months) [10,]11, 12	~~$7,000 –~~$10,000 - $15,000	Varies	Varies	Third party vendors and service providers
Total	$~~59~~79,000 - $~~68,700~~96,200			

B. Two to Three Territories

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount[1]	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise ~~Fee~~[12]Fee[13]	$72,500 (2 Territories) $102,500 (3 Territories)	Lump sum	Upon signing of Franchise Agreement	Us
Initial ~~Investment~~[13]Investment[14]	$~~16~~36,500 - $~~26,200~~53,700	See Table A of this Item 7		
Total	$~~89~~109,000 – $~~98,700~~126,200 (2 Territories) $~~119~~139,000 – $~~128,700~~156,200 (3 Territories)			

Notes:

Note 1. All payments are nonrefundable unless otherwise stated in this Item 7. We do not offer direct or indirect financing for any part of the initial investment.

Note 2. The standard initial franchise fee is $42,500. We currently offer a 5% discount to qualifying military veterans ($40,375). This includes attendance at our New Franchisee Training Program for all owners of 25% or more of the equity interests in your franchise entity.

Note 3. We anticipate that you will operate the Franchised Business from a home office or inside an existing fitness facility. Therefore, we have estimated your commercial real estate costs to be zero. City codes or homeowners' regulations, however, may prohibit you from operating a business from your home. If you anticipate that you might need commercial space, you should investigate costs in your area before purchasing a franchise, and should budget for a one or two months' security deposit and at least three months' rent.

Note 4. This estimate includes an office computer, high speed internet, basic office software, an all-in-one printer, and smart phone.

Note 5. Our Affiliate, Strong Education LLC, offers Special Strong certification to franchisees. The cost of Special Strong certification for all owners of 25% or more of the equity of your franchise entity is included in the initial franchise fee. This line reflects travel, meals, and other related costs for franchisees to attend and complete Special Strong certification and training.

Note 6. This reflects the estimated annual premium for general liability insurance.

Note 7. The low end of the range assumes that you have previously executed a Franchise Agreement for a Special Strong business and do not need to purchase additional marketing materials at the time you execute a subsequent Franchise Agreement. Our estimate anticipates that you will only need one Initial Marketing Kit when you open, regardless of the number of Franchised Businesses you are developing. You must purchase all marketing materials from our approved third-party vendor, Suttle-Straus.

Note 8. Grand Opening Marketing & Launch: This reflects the cost for advertising and launching your grand opening at an approved third-party facility. Our affiliate, Adaptive Fitness LLC, will handle the digital marketing advertising of your grand opening event. The $10,000 marketing fee is due no later than 30 days before attending Special Strong University training program. Franchisee is responsible for all other marketing and promotions related to the grand opening.~~This reflects the cost of initial marketing and promotional materials for the first 90 days. After the initial 90 days, if you purchase one territory you will spend at least the greater of $500 each calendar month or 4% of your monthly Gross Revenue on local advertising. If you purchase two or more territories, you will spend at least the greater of $1,000 each calendar month or 4% of your monthly Gross Revenue on local advertising.~~

Note 9. This reflects the cost of initial marketing and promotional materials for the first 90 days. After the first 90 days and continuing through the end of the first year you agree to expend not less than $3,000 per month on location advertising in your Territory with at least $2,000 paid monthly to our affiliate, Adaptive Fitness for digital marketing, social media, SEO, and other lead generation activities for your Territory. Beginning in your second year of operation, you agree to expend not less than the greater of (i) $2,500 each month or (ii) 8% of your monthly Gross Sales on local promotions in your Territory with at least $2,000 paid monthly to our affiliate, Adaptive Fitness for digital marketing, social media, SEO, and other lead generation activities for your Territory.

Note 10.~~Note 9.~~ You must install premium vinyl wrap material, with SPECIAL STRONG graphic design, designed by us, on your primary work vehicle through our approved provider. We may, from time to time, designate updates or upgrades that you must make to your vehicle. In addition, we may require you to update the vehicle's wrap and/or signage, but we will not require this more frequently than every five (5) years during the term of this Agreement.

Note ~~10~~11. This represents the estimated additional funds you would likely need to operate the Franchised Business during the first three months, assuming you had no operating income. This estimate assumes that you will be working from a home office and that you will have no lease obligations. It also does not take into consideration any financing payment that may be owed during this period or any salaries or wage expenses. Our estimates are based on our experience, the experience of our affiliates, and our current requirements for Special Strong Franchises.

Note ~~11~~12. You should review these figures carefully with a business advisor before deciding to purchase a franchise.

Note ~~12~~13. The Initial Franchise Fee will be lower if you qualify for the 5% military discount for your first unit.

Note ~~13~~14. This figure represents the total estimated initial investment required to open the Franchised Business. The range includes all the items outlined in Table A of this Item 7, except for the Initial Franchise Fee because it is accounted for in the Initial Franchise Fee row of this Table B.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchases from Approved or Designated Suppliers; and Purchases According to Specifications

In order to maintain uniformity of concept, color and quality, all proprietary materials and forms, the equipment and materials bearing the Proprietary Marks (including letterhead, business cards, brochures, labels, van wraps, etc.) that are used by you in the operation of your Franchised Business must be purchased from us, our affiliates or the suppliers we designate.

Initially, you must purchase an Initial Marketing Kit from our approved third-party vendor, Suttle-Straus. The materials for this Initial Marketing Kit and the quantity of each material are as follows:

- (1000) Business Cards
- (2000) Franchisee Brochures
- (250) Thank You Notes
- (250) Thank You Note Envelopes
- (100) Our Story Flyers
- (100) Referral Vouchers
- (24) Shirts
- (2) Retractable Banners
- 6' Table Throw
- (200) 32 oz flip lid Bottles

The cost for the Initial Marketing Kit will range from $3,500 to $4,500 depending on if you have previously executed a Franchise Agreement for a Special Strong business and do not require additional marketing materials at the time you execute a subsequent Franchise Agreement. Other than as previously described, this fee is uniform and nonrefundable. Through the Special Strong Showroom, we have provided several additional items that can be ordered at any time. They are designed to support your Grand Opening and other events. These additional items are not included in the Initial Marketing Kit expenditures noted above. We and our affiliate, if an approved supplier of any item, reserve the right to earn a profit on the sale of such items to you. The use or sale of unapproved products or services constitutes a material and incurable breach of this Agreement unless such use or sale occurs as a consequence of an extreme situation and does not constitute a normal business activity~~.~~, as determined by us in our sole discretion. We may require you to use an accounting firm we designate to perform bookkeeping, payroll, and accounting services.

We will, at all times during the term of the Franchise Agreement, provide information pertaining to sources of supply of those proprietary and non-proprietary products and services which may be used in the system. A list of approved suppliers for the system will be included in the Manual and may be modified or updated by us at any time upon written notice to you.

If you wish to use a supplier or product that has not previously been approved by us, you must make a request to us in writing for our approval of the supplier or product, including any pertinent information we require. We will notify you in writing within 30 days if and when a supplier or product is approved, and our approval will not be unreasonably withheld. If we do not notify you within this 30-day period, the product or supplier is deemed not approved and you must reimburse the costs we incurred in evaluating the product or supplier, in addition to payment of the evaluation fee. We reserve the right to re-inspect any supplier or product to ensure that the supplier continues to conform to our reasonable specifications and standards. If a supplier or product fails to conform to our reasonable specifications and standards, we may revoke our approval of the supplier or product, and you must discontinue using the unapproved supplier or product after notice from us. We do not generally make available the criteria for evaluating suppliers and/or products that we deem confidential. If we notify you that a particular product or supplier's approval has been revoked by us, you must immediately stop using that product and/or stop purchasing from that supplier.

Neither we nor our affiliates are currently designated or approved suppliers for any products or services required to be purchased by our franchisees. Our affiliate, Strong Education, LLC, provides Special Strong certification to our franchisees, the cost of which is included in the Initial Franchise Fee. Our affiliate, Adaptive Fitness LLC, provides marketing services to our franchisees. We and our affiliates reserve the right to be the designated or approved suppliers for any products or service. Other than Daniel Stein's ownership interest in Strong Education, LLC and Adaptive Fitness LLC, none of our officers owns an interest in any privately-held supplier, or a material interest in any publicly-held supplier. Occasionally, our officers may own non-material interests in publicly-held companies that may be suppliers to our franchise system; however, none of our officers currently do.

Insurance

Throughout the franchise term, you must carry insurance of the type and with the minimum limits that we specify. All mandatory insurance must protect you and name us as an additional insured, on a primary non-contributory basis. The additional insured should be listed on each policy of insurance as follows: Strong Kingdom, LLC and its managers, members, officers, agents, and employees; and it must be provided on an Additional Insured Grantor of Franchise Endorsement per form CG2029 (or an endorsement form with comparable wording acceptable to us). Each insurance policy must include a waiver of subrogation in favor of us and our affiliates, and each company's respective officers, directors, shareholders, partners, managers, members, agents, representatives, independent contractors, servants and employees, and must provide for 30 days' prior written notice to us of any material modifications, cancellations, or expirations. The insurance must be underwritten by insurers licensed and admitted to write coverage in the state in which the Franchised Business is located and must have an A.M. Best rating of "A-" or higher.

The following are the current insurance requirements: (1) Commercial General Liability/Professional Liability with coverage of not less than $1,000,000 per occurrence, $3,000,000 general aggregate and $3,000,000 products aggregate with $2,500 medical expense for any one person; (2) automobile insurance, including hired and non-hired vehicle coverage and uninsured/underinsured motorist coverage, in amounts not less than $1,000,000 combined single limit; and (3) any insurance required by the terms of your lease,

if you choose to lease space for your Franchised Business, or that may be required by us in the future. Defense costs cannot erode policy limits.

At our request, you also must carry abuse and molestation coverage, employer practices liability with co-defendant coverage that covers us (regardless of whether you are a party to the action) and other insurance as necessary to fund the indemnity provisions of the Franchise Agreement.

At least 10 days before you are required to carry insurance, and after that at least 30 days before the expiration of any policy, you must deliver to us certificates of insurance evidencing the proper types and minimum amounts of required coverage, and evidence of the additional insured and waver requirements. If you fail to maintain the required insurance, we or our designee may obtain the insurance for you, in which case you must reimburse us the premium cost and pay us the administrative fee described in Item 6.

We may periodically increase the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances.

These are our minimum requirements only. You should consult with your own insurance advisor to determine whether they are appropriate and sufficient for your business and to protect your assets. Your landlord may require more coverage or different types of coverage.

Revenue Derived from Franchisee Purchases and Leases

We and our affiliates may derive revenue from franchisee purchases and leases to the extent that franchisees purchase products or services from us or our affiliates. As of December 31, ~~2022~~2023, neither we nor our affiliates have derived any revenue as a result of franchisee purchases or leases.

Estimated Proportion of Required Purchases and Leases to all Purchases and Leases

We estimate that approximately 30% to 80% of your expenditures for leases and purchases in establishing your Special Strong Franchised Business will be from us or from other approved suppliers or under our specifications. We estimate that approximately 10% to 15% of your expenditures on an ongoing basis will be from us or from other approved suppliers or under our specifications.

Description of Purchasing Cooperatives; Purchasing Arrangements

We may negotiate purchase arrangements with primary suppliers for the benefit of franchisees, and may in the future receive rebates or other material benefits on account of franchisee purchases or leases. Presently there are no purchasing or distribution cooperatives in existence for the franchise system.

We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or your use of particular suppliers.

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	Sections in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 3.1.	Items 6 and 11
b. Pre-opening purchases/leases	Sections 3.2., 9.2., 9.3., and 9.7.	Items 7 and 8

Obligation	Sections in Franchise Agreement	Disclosure Document Item
c. Site development and other pre-opening requirements	Sections 3.2., 6.1. and Article 14	Item 7
d. Initial and ongoing training	Article 6	Item 11
e. Opening	Section 3.2.	Item 11
f. Fees	Article 4 and Sections 6.2., 6.6., 9.3., 9.4., 9.7., 13.2, 13.3., 14.6, 15.2., and 15.6.	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	Articles 7, 8 and 9	Item 11
h. Trademarks and proprietary information	Articles 11 and 12	Items 13 and 14
i. Restrictions on products/services offered	Section 9.4.	Item 16
j. Warranty and customer service requirements	Section 9.1(c)	Item 8
k. Territorial development and sales quota	Section 9.1(b)	Item 12
l. Ongoing product/service purchases	Sections 9.2. and 9.3.	Item 8
m. Maintenance, appearance and remodeling requirements	Section 9.9.	None
n. Insurance	Article 14	Item 7
o. Advertising	Article 13	Items 7 and 11
p. Indemnification	Section 18.2.	Item 6
q. Owner's participation/management/staffing	Sections 9.10., 9.11., and 9.12.	Item 15
r. Records and reports	Article 5	Item 11
s. Inspections and audits	Sections 5.7. and 9.13.	Item 11
t. Transfer	Article 15	Item 17
u. Renewal	Section 2.2.	Items 6 and 17
v. Post-termination obligations	Article 17	Item 17
w. Non-competition covenants	Article 12	Item 17
x. Dispute resolution	Article 21	Item 17
y. Guaranty	Sections 2.2. and 15.2.	Item 15

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease, or obligation.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, Strong Kingdom, LLC, is not required to provide you with any assistance.

Before you begin operating the Franchised Business, we will:

1. Admit your Managing Owner and one other person into our initial training program, described below, at no charge to you. You will pay a tuition fee and expenses for any additional attendees other than equity owners holding 25% or more of the interests of your entity. (Franchise Agreement, Section 6.1.)
2. Provide you access to our Manual. (Franchise Agreement, Section 7.1.) The Table of Contents of the Manual is attached to this disclosure document as Exhibit D. Our Manual contains 106 pages.
3. Provide such pre-opening consultation and advice as we deem appropriate, which may include advice with regard to the development and operation of the Franchised Business and such other matters as we deem appropriate. (Franchise Agreement, Section 6.3.)

Office Location

We permit you to operate the Franchised Business from a home office, an ~~offsite~~off-site office, or a fitness facility, but this may not be permitted under local law or under the bylaws of your homeowners' association. ~~We do not approve any alternative business sites.~~ We approve an area for which you must select a site for your office. Your office can be home based or off-site but must be located within your protected territory. ~~We~~Otherwise, we do not have any requirements for the office and you are not required to obtain our approval for your office. We do not provide any assistance with providing equipment, signs, fixtures, opening inventory, and supplies for your office. You will be solely responsible for conforming the premises to local ordinances and building codes, obtaining any required permits, and/or construction, remodeling, or redecorating the premises, and/or hiring and training employees.

Time to Open

We estimate that you will begin operating the Franchised Business within 30 ~~to 90~~ days after you ~~sign the Franchise Agreement or pay us any consideration for the franchise.~~attend and complete, to our satisfaction, Special Strong University. Factors which may affect this include time to obtain financing (if necessary~~),~~) and time to obtain permits and licenses necessary to operate the Franchised Business~~, and time to complete training~~. We can terminate the Franchise Agreement if you fail to begin operating the Franchised Business within ~~90 days after we countersign the Franchise Agreement.~~30 days after you attend and complete, to our satisfaction, Special Strong University.

After you begin operating the Franchised Business, we will:

1. Provide you one or two days of training, at our discretion, within the first 90 days that you operate the Franchised Business, to assist you in developing marketing and sales strategies and to offer technical advice. (Franchise Agreement, Section 6.3.)
2. Provide you such periodic advice and consultation, as we deem appropriate. Such advice may include technical advice, marketing advice, operational advice, and/or general business advice. We may provide these services through on-site visits, the distribution of printed or filmed material or digital information, meetings or seminars, telephone communications, email communications or other communications. (Franchise Agreement, Section 6.4.)
3. Maintain a web site that will provide information about the SPECIAL STRONG brand and contact information for your Franchised Business. (Franchise Agreement, Section 6.5.)
4. Communicate to you information about our approved and designated suppliers. (Franchise

Agreement, Section 9.3.)

5. Administer the Brand Development Fund and allocate funds for authorized purposes, but we are not required to spend any amount within your specific territory. (Franchise Agreement, Section 13.3.)
6. To the fullest extent permitted by applicable law, we reserve the right to establish maximum, minimum or other pricing requirements with respect to the prices you may charge for products and services. (Franchise Agreement, Section 9.5.)

Advertising

Our advertising program currently consists of print ads, web site search engine optimization, press releases, telephone solicitation, word of mouth, and social media advertising (for example, through Facebook, ~~Twitter~~X, etc.). Advertising materials are currently created in-house and/or by an outside agency. You may use your own advertising, but must first submit it to us for approval. We will notify you of our approval within 15 days of receipt. Advertising materials not approved during this 15-day period will be considered not approved. You may not use any advertising materials until we have approved them. We reserve the right to designate outside marketing agencies, and vendors, which you would be required to use.

Brand Development Fund

You must contribute ~~1~~2% of Gross Revenue or $~~250~~400, whichever is greater, to the Brand Development Fund ("Fund") each month. We reserve the right to increase the Brand Development Fee up to the greater of ~~3~~4% of Gross Revenue or $~~250~~400 per month, whichever is greater. Brand Development Fees are due beginning in the ~~4th~~1st month following the opening of your Special Strong location. We anticipate that all franchisees will contribute to the Fund at the same rate. Although we are not contractually required to contribute to the Fund, we anticipate that any SPECIAL STRONG businesses that we or our affiliate operates will contribute to the Fund on the same basis as franchisees.

We will have sole control over the creative concepts, content, form, and media placement of all advertising and promotional materials developed with Fund monies, and the allocation of Fund monies to production, placement and other costs. We may use Fund contributions to pay for creative development services, preparing or procuring market studies, providing or obtaining marketing services, developing, producing, distributing and placing advertising, developing, updating and hosting our web site and/or an intranet or extranet system, obtaining sponsorships and endorsements, preparing and conducting sweepstakes and other promotions, providing and procuring public relations services, and conducting public relations activities. We also may use Fund contributions to reimburse ourselves for reasonable administrative costs and overhead (including salaries) that we incur in administering the Fund and in creating and implementing marketing programs.

Fund contributions will not be spent on advertising that is principally a solicitation for new franchise sales, but we may include in all advertising prepared from Fund contributions information concerning franchise opportunities. Fund contributions may also be used to create and maintain one or more interior pages on our website devoted to advertising franchise opportunities and identifying and screening inquiries and applications submitted by franchise candidates. We are not required to spend any Fund contributions in your Protected Area.

We anticipate that Fund contributions will be spent in the year that they are received. Fund surpluses, if any, will carry forward to succeeding years. Although the Fund is intended to be perpetual, we may terminate the Fund at any time, in our sole discretion. We will not terminate the Fund, however, until all Fund monies have been spent for advertising or promotional purposes or returned to the contributors, without interest, on the basis of their respective contributions. At your written request, we will provide to you an annual unaudited statement of Fund contributions and expenditures. In our fiscal year ended December 31, ~~2022~~2023, we collected $~~17,250~~19,500 in Fund contributions. Of this amount, ~~20% was~~

~~spent on media placement, 50~~70% was spent on administrative expenses, 10% on media production, and 20% on ~~operational~~other expenses~~, and 10% in salaries to support franchisees~~.

Initial Marketing Promotion

~~You~~Before you enter our training program, you must implement a marketing and sales program ~~upon your return from our training program,~~ to be executed within the first 90 days of operation. Your initial marketing campaign will rely heavily on telephone solicitations and distribution of marketing materials. This will include purchasing the Initial Marketing Kit. You must also install premium vinyl wrap material, with SPECIAL STRONG graphic design, designed by us, on your primary work vehicle through our approved provider. We may, from time to time, designate updates or upgrades that you must make to your vehicle. In addition, we may require you to update the vehicle's wrap and/or signage, but we will not require this more frequently than every five (5) years during the term of this Agreement.

Grand Opening Marketing & Launch

You must pay to our affiliate, Adaptive Fitness, LLC, $10,000 per territory purchased to conduct Grand Opening Advertising at an approved third-party facility in your territory. This fee is due to our affiliate not later than 30-days before attending Special Strong University. You can expend any additional amounts that you wish on Grand Opening Advertising and we estimate that you will do so.

Local Advertising~~/ Advertising Cooperatives~~

~~During~~Between your grand opening and the end of the first year you agree to expend not less than $3,000 per month on location advertising in each of your Territories with at least $2,000 paid monthly to our affiliate, Adaptive Fitness for digital marketing, social media, SEO, and other lead generation activities for each of your Territories. Beginning in your second year of operation, you agree to expend not less than the greater of (i) $2,500 each month or (ii) 8% of your monthly Gross Sales on local promotions in each of your Territories with at least $2,000 paid monthly to our affiliate, Adaptive Fitness for digital marketing, social media, SEO, and other lead generation activities for each of your Territories. We reserve the right to modify the lead generation activities we use for each of your Territories. We shall maintain the right during the term of ~~the Franchise~~this Agreement~~, you must spend the greater of 4% of Gross Revenue per month or $500 per month to promote the Franchised Business in your Protected Area (your "Local Advertising Expenditure") if you purchase one Territory. If you purchase two or more Territories, your required Local Advertising Expenditure is the greater of 4% of Gross Revenue per month or $1,000 per month to promote the Franchised Business. Within 30 days after our request, you must provide us with a report detailing your local advertising activities, which includes copies of bills for expenses related to~~ to increase your local advertising~~. Any reimbursed expenses or direct expenses made~~ requirement annually in accordance with any increase in the Consumer Price Index: All Items/U.S. City Average – All Urban Consumers ("Index" – 1967 Base Year + 100) as published by ~~a supplier of your Special Strong Business are separate from the required Standards for local advertising spend.~~the U.S. Department of Labor's Bureau of Labor Statistics. Any amounts contributed to an advertising cooperative, as described below, will count toward satisfaction of your minimum Local Advertising Expenditure.

Advertising Cooperatives

We can designate any geographic area in which two or more company or affiliate-owned or franchised SPECIAL STRONG businesses are located as a region for a Local Advertising Cooperative ("Cooperative"). Each Cooperative will be organized and governed according to bylaws that we create or approve. Each Cooperative will be organized for the exclusive purpose of developing and placing advertising in the market served by the Cooperative. If a Cooperative is established for the area in which your Franchised Business operates, your membership to the Cooperative is automatic, and you must participate in and contribute to the Cooperative the amounts required by the Cooperative's governing documents. Amounts that you contribute to a Cooperative will be credited against your Local Advertising

Expenditure requirement. Company-owned locations, if any, will have voting power and be active members of any Cooperatives in their market. Company or affiliate-owned locations will have voting power and be active members of any cooperative established in their market(s). We have the exclusive right to administer, create, dissolve, and merge advertising cooperatives. We will also have the exclusive right to create and amend their governing documents. We may seek advice from the council members regarding advertising policies, however the final decision is ours. At this time, no Cooperatives have been formed, and there are no sample bylaws available for review.

Advertising Council

As of the date of this disclosure document, there is no advertising council in effect for the franchise system.

Computer Systems

You must obtain, install, and use, at your expense, the computer hardware, software, on-line services, and communications links that we specify periodically in the Manuals. We currently do not have any required computer and network requirements, except that you must own a personal computer with high-speed connection to the Internet. We do suggest a PC based operating system and operate solely on PC. Required software and systems infrastructure include, but are not limited to, software for CRM/POS, phone internet line, and office supplies. Software vendors and pricing that we charge for through our base technology fee are subject to change. We estimate that the cost of obtaining the required computer hardware and software will be between $500 to $1,000. Neither we nor our affiliates are required to provide any ongoing computer hardware or software components, maintenance, upgrades, updates, and/or support. We estimate that the costs for maintenance, repairs, or updates to the computer systems is $150 per year. There are no contractual limitations on the frequency and costs for maintenance, repairs, and updates to the computer systems.

You must register and use our designated supplier's web-based software application, which performs registration, scheduling, billing, and accounting functions.

You must install any other hardware and/or software that we may require in the future, including any enhancements, additions, substitutions, modifications, and upgrades. There is no contractual limitation on the frequency or cost of these obligations. We may also require you to license from us, or others we designate, any computer software we develop or acquire for use by the SPECIAL STRONG System. You must use ~~Qvinci~~FranMetrics for financial reporting, which is a part of the Base Technology Fee, in connection with QuickBooks Online. If you require additional software licenses for FarnMetrics then you must pay an additional Base Technology Software License fee of $10 to $50 per month per license. You must ensure that FranMetrics and QuickBooks are properly linked at all times for financial reporting purposes.

We will have independent access to the information and data that you enter into the software application, and you also must give us unrestricted electronic access (including user IDs and passwords, if necessary) to your computer system and accounting files for purposes of obtaining information relating to your sales and customers. There are no contractual limitations to our right to access the information and data recorded by your computer system.

Except as described above, neither we, our affiliate, nor any third parties must provide ongoing maintenance, repairs, upgrades, or updates to your computer system or other computer equipment. Except as described above, there are currently no optional or required maintenance/upgrade contracts for your computer hardware or software.

Training

You must successfully complete the New Franchisee Training Program 30 days prior to begin operating the Franchise Business. At your request we will invite a designated Managing Owner and one other person to attend the ~~initial training program.~~New Franchisee Training Program. Owners of more than 25% of the equity interests in your entity may attend ~~training~~the New Franchisee Training Program at no charge other

than your incurred expenses. This means that you may send up to four (4) owners of your franchise entity to the New Franchisee Training Program. You and the representative(s) must successfully complete all required aspects of the New Franchisee Training Program and appropriate supplemental session(s) to our satisfaction. Training begins after the effective date of you signing the Franchise Agreement. Initial Training requires access to the Strong Kingdom and Strong Certification systems known as the Strong Learning Management Systems (LMS).

WeFor additional training, we will provide the training, the instructor(s), training manuals, and other materials without charge for your first two trainees attending the same session. We may charge a reasonable fee (currently $500 per day) for each additional attendee you send to the initial training program. We will charge no more than $1,000 per day in the future.

If you do not currently hold a NCCA Personal Trainer Certification, your Managing Owner will obtain one through us during training at no additional cost to you. During our training program, you will also obtain our Special Strong Certification.

In addition, you and your representatives are encouraged but are not required, to complete any On-Going Development, as updates in content and programs are complete and notification is received.

The InitialNew Franchisee Training programProgram consists of comprehensive business, operations, marketing, sales management systems, and hands-on practical application designed to deliver a highly structured framework to assist you in establishing and operating your Franchise. AThe New Franchisee Training Program consists of a distinctive blended learning solution includes a 77-hour course, including classroom, and in-gym (on-the-job) learning, eLearning modules and manuals/guides. You will leave the InitialNew Franchisee Training Program with a customized 90-day development plan to implement and follow during the first 90 days following completion.

Initial training can be offered in your home, virtually, or at our corporate headquarters or other place that we designate. The initial training programThe New Franchisee Training Program is held on an as-needed basis, and is directed and conducted primarily by or under the supervision of Daniel SteinAdam Smith, who foundedis the SPECIAL STRONG concept in 2016Special Strong University Facilitator and has over eleventen years' experience in providing personal training services. The following is a summary of our initial training program:

TRAINING PROGRAM

Subject	Hours of Classroom Training[1]	Hours of On the Job Training[1]	Location
Preliminary Training			
eLearning Tutorials and Instruction LMS courses by appropriate position must be completed prior to attending the classroom training.	40	10-20	In-home, virtually, or McKinney, TX
Special Strong Operations Manual Special Strong provides a complete electronic manual through Strong Kingdom	10	0	In-home, virtually, or McKinney, TX
Initial Training			

Subject	Hours of Classroom Training[1]	Hours of On the Job Training[1]	Location
Week 1:			
Special Strong Brand	3	0	In-home, virtually, and McKinney, TX
Special Strong Experience & Activities	8	0	In-home, virtually, and McKinney, TX
Local & Digital Marketing	6	0	In-home, virtually, and McKinney, TX
Sales Strategies	6	0	In-home, virtually, and McKinney, TX
Negotiation Strategies	4	0	In-home, virtually, and McKinney, TX
Financial Dashboards/KPIs	6	0	In-home, virtually, and McKinney, TX
Team Building & Leadership	6	0	In-home, virtually, and McKinney, TX
Week 2:			
Hands-On Practical Application	24	0	In-home, virtually, and McKinney, TX
Client Program Development	8	0	In-home, virtually, and McKinney, TX
Business Planning & Management	4	0	In-home, virtually, and McKinney, TX
On-Going Development			
eLearning Tutorials and Instruction Completion of recommended courses added to the LMS.	0	20-30	In-home, virtually, or McKinney, TX
Total Hours	**125**	**30-50**	

At our request, your Managing Owner and other instructors that we designate must attend additional courses, seminars and training programs that we may reasonably require. We may charge a reasonable fee for tuition for these additional programs. You are responsible for all training-related costs and expenses including salary, travel, lodging, and dining costs for all of your employees who attend training.

Note:

~~1.~~ Approximate hours are given to allow for differing learning styles and speed. Your actual hours may vary from these numbers and in fact may be significantly more or fewer than these estimates. Classroom training includes approximately 96-125 hours for you and your representative(s). Classroom hours includes all required for completion of eLearning required for classroom initial training. Virtual classroom (eLearning) and teleconference training, which may be accessed from any location includes approximately 30-50 hours. These courses are designated as training that can be accessed without attending the ~~Initial~~New Franchisee Training Program.

The instructional materials used in training include operations manuals, reference guides, models, handouts,

videos, communication guides, intranet, checklists, certification, and the Strong LMS.

Certification Training

Certain services or programs require certification prior to accessing, using or participating in that specific program, product or service. We provide certification training, upon satisfactory completion of which, you will receive certification with respect to that specific Special Strong ~~programs~~program. Additional certification training will be provided periodically as an opportunity to meet the minimum, but acceptable, knowledge and/or skill requirements for Special Strong. We reserve the right to alter the manner in which certification is achieved by Franchisees.

Evidence of your successful completion of training and of your certification in required programs will be required. ~~("~~(“Certification~~"~~” is defined as the minimum acceptable knowledge and skills needed to offer the then-current Special Strong.) Failure to successfully complete training could result in a breach of the Franchise Agreement. If there is a dispute regarding whether you have successfully completed training or regarding your certification status, our determination will be deemed accurate and binding.

Periodic and Optional Staff Sales Training Programs and Continuing Education

We may also offer periodic, required and/or optional training programs designed to enhance your abilities in sales, business management, computer skills, client techniques and other areas relevant to your Special Strong Business and continuing education programs. Some of these training programs will be offered via eLearning/distance learning or classroom style offered regionally with open enrollment for your staff to attend. Additionally, programs may require pre-work and/or post-course work offered as self-study. Costs to attend these programs will vary depending primarily on content and duration, but typically will range from $0 to $1,500 per person, plus travel and living expenses, for each person who attends. You must comply with the laws of your state for compensating your employees or sales representatives while they attend training classes.

On-Going Field Support

At the discretion of the franchisor, we will provide virtual and/or in-person support within the first 90 days as well as quarterly and annual ongoing support.

ITEM 12
TERRITORY

Before you sign the Franchise Agreement, we will mutually agree on your Protected Area. ~~The Protected Area~~We will determine the boundaries of your Territory and your Territory will be ~~defined~~described in terms of ~~ZIP~~street names, contiguous zip codes, ~~physical~~town boundaries~~,~~ or county boundaries, or we may depict your Territory on a map attached as an attachment to ~~the~~your Franchise Agreement. We will use mapping software and other similar resources to obtain the population data we will use to determine your Territory. We have a minimum population requirement of at least ~~250~~200,000 for a Protected Territory. Additional areas comprising 150,000 population may be purchased for $12,500 each up to a maximum population of 500,000.

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

You may provide training services and programs and may engage in direct marketing activities only in the Protected Area. “Direct marketing activities” for purposes of the restriction means directing mailings or brochures that primarily targets areas outside the Protected Area and advertising on the Internet, or in any media with a circulation or broadcast area that is exclusively beyond the perimeter of the Protected Area. You may only distribute private label products and other merchandise under the Marks through other channels of distribution, including the offering of virtual online training services, inside the Protected Area,

unless that client originated inside the Protected Area, and then relocated outside the Protected Area.

If you purchase one Territory, during the franchise term, we will neither provide nor grant anyone but you the right to provide training services and programs under the Marks in the Protected Area~~.~~; however, if we or our affiliate was previously providing training services and programs in the Protected Area then we, our affiliate or franchisee may continue to do so subject to a Client Conversion Fee.

If you purchase two or more Territories, we will neither provide nor grant anyone but you the right to provide training services and programs under the Marks in the Protected Area unless (i) you fail or refuse to provide training services to any clients within the Protected Area without our approval ahead of time~~.~~ or (ii) we or our affiliate were previously providing training services and programs in the Protected Area to a particular client or clients subject to a Client Conversion Fee. If you purchase two or more Territories and you fail or refuse to provide training services to any individuals within the Protected Area without our approval, we reserve the right to provide training services to these individuals or otherwise authorize a third-party to provide such services with no compensation due to you. We reserve to ourselves all other rights. These rights include providing and granting others the right to provide physical fitness services under the SPECIAL STRONG name and other trademarks anywhere outside the Protected Area and distributing private label products and other merchandise under any trademarks (including SPECIAL STRONG) through other channels of distribution, including the offering of virtual online training services, both inside and outside the Protected Area.

Neither we, nor an affiliate, operates, franchises, or has plans to operate or franchise a business under a different trademark that will sell similar goods or services to those that you will offer.

You have no options, rights of first refusal or similar rights to acquire additional franchises in contiguous areas. However, you may apply to us for the right to purchase additional franchises and we will consider your application according to our then-current policies and procedures for awarding new franchises.

You may not relocate your Office without our prior written consent, which will not be unreasonably withheld. With respect to either a Franchised Business operated from your home or from an approved office space, we will consent to the relocation if the new location is located within your Protected Area, the new location meets our-then current standards and criteria, and you are not in default of the Franchise Agreement or any other agreement with us.

You may not offer or sell products or services under the marks through any location (other than the Franchised Business) or through any other channels of distribution (such as the Internet, catalog sales, telemarketing or other direct marketing).

ITEM 13
TRADEMARKS

Our affiliate, Strong IP Holdings, LLC ("Strong IP"), owns and has registered the following principal trademarks on the Principal Register of the United States Patent and Trademark Office, and all required affidavits and renewals have been filed.

Mark	Registration Number	Registration Date	International Class
	5264689	August 15, 2017	41
SPECIAL STRONG (standard character)	6236979	January 5, 2021	41
	6368385	June 1, 2021	41
	6662329	March 8, 2022	41
Unlock The Disability Strong Within	6898042	November 15, 2022	41
	7139205	August 15, 2023	36
CBSE ADAPTIVE FITNESS	7142973	August 22, 2023	41

Strong IP owns and is in the process of registering the following Marks on the Principal Register:

~~[Continues on the following page, the remainder of this page intentionally left blank]~~

Mark	Serial Number	Application Date	International Class
~~CBSE ADAPTIVE FITNESS~~AdaptiveFit	~~974872079~~8374130	~~July 3,~~ January 24, 2024~~2022~~	41

Mark	Serial Number	Application Date	International Class
AdaptiveFit	~~977388979~~837 4157	January ~~2, 2023~~24, 2024	~~36~~41
Special Strong Games	98359360	January 16, 2024	41
SPECIAL STRONG GAMES	98359402	January 16, 2024	41

~~To date, Strong IP does not have a federal registration for these Marks. Therefore, these Marks do not have as many legal benefits and rights as a federally registered trademark. If our right to use these Marks are challenged, you may have to change to alternative trademarks, which may increase your expenses.~~

Strong IP has granted us the right to use the all the Marks in this Item 13 in connection with the franchising of SPECIAL STRONG franchise businesses and the operation of company or affiliate-owned businesses. Strong IP's agreement with us is perpetual unless otherwise terminated by mutual agreement. If the agreement is ever terminated, your franchise rights will remain unaffected. There are no other agreements currently in effect which significantly limit our rights to use or license the use of the Proprietary Marks in any manner material to the franchise.

There is no currently effective material determination of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition or cancellation proceeding or any pending material litigation involving the Marks. There are no agreements currently in effect, which significantly limit our rights to use or license the use of the Marks in any manner material to the Franchised Business. We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

You must use the Marks according to the rules we periodically prescribe, and must use them with the symbols, "®", "™", or "℠", as appropriate. You may not use any Mark as a part of your legal or corporate name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than the logos we license to you). You may, with our written approval, use the Marks as part of a trade name. You may not use any name or mark associated with the sale of any unauthorized product or services in any other manner not explicitly authorized in writing by us. You may use the Marks only for the operation and promotion of the Franchised Business and only in the manner we prescribe. You may not contest ownership or validity of the Marks or any registration of the Marks or our right to use or to sublicense the use of the Marks. You must sign all documents that we require in order to protect the Marks and to maintain their validity and enforceability.

You may not use the Marks or any part or derivative of the Marks on the Internet and you are prohibited from creating any type of website associated with the business and using the Marks on any website, except as expressly permitted in writing. This prohibition includes use of the Marks or any derivative of the Marks as part of any URL or domain name, as well as their registration as part of any username on any gaming website or social networking web site (such as FACEBOOK, INSTAGRAM, or ~~TWITTER~~X), whether or

not such social media platform is used for commercial gain, or as part of any unauthorized email address.

If there is any infringement of, or challenge to, your use of any name, mark or symbol, you must immediately notify us, and we may take any action that we deem appropriate, in our sole discretion. The Franchise Agreement does not require us to take affirmative action if notified of the claim. We have the right to control all administrative proceedings or litigation involving your use of the Marks. The Franchise Agreement does not require us to participate in your defense or to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding based on your use of the Marks, or if the proceeding is resolved unfavorably to you.

You may not contest, directly or indirectly, our ownership, title, right or interest in the name or marks, trade secrets, methods, procedures, and advertising techniques which are part of the System or contest our sole right to register, use or license others to use our names, marks, trade secrets, methods, procedures, or techniques.

We may, in our sole discretion, modify or discontinue the use of any name or Mark and/or use one or more additional or substitute names or Marks. We have the right to create new, modified or replacement Marks, and to require you to use them in addition to or in lieu of any previously designated Marks. You must promptly, and at your expense, take all actions necessary to adopt all new and modified Marks and discontinue using obsolete Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or pending patent applications that are material to the franchise. We have one copyright material to the franchise, and we claim copyright protection in many elements of the System including any materials that we create or produce for the activities curricula, the Manual, the design elements of the Marks, our advertising and promotional materials, the content and design of our web site, and our proprietary software (the "Copyrighted Works").

Our Special Strong Certification has been copyrighted by our affiliate, Strong IP:

Copyrighted Material	Registration Number	Date of Publication	Date of Registration
Special Strong Certification	TX0008833629	November 11, 2016	January 3, 2020

Strong IP has granted us the right to use the copyrighted material in this Item 14 in connection with the franchising of SPECIAL STRONG franchise businesses and the operation of company or affiliate-owned businesses. Strong IP's agreement with us is perpetual unless otherwise terminated by mutual agreement. If the agreement is ever terminated, your franchise rights will remain unaffected. There are no other agreements currently in effect which significantly limit our rights to use or license the use of the copyrighted materials in any manner material to the franchise. The duration of the copyright is 95 years from the date of publication.

You must promptly notify us of any apparent infringement of, or challenge to, your use of any of the Copyrighted Works. We are not required to take affirmative action when notified of a claim, or to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving any of the Copyrighted Works, or if the proceeding is resolved unfavorably to you, but will take whatever action we determine to be appropriate under the circumstances.

We have the right to control all administrative proceedings or litigation involving the Copyrighted Works, and we will control administrative proceedings or litigation involving Confidential Information. You must sign all documents and perform any acts and things as may, in the opinion of our counsel, be necessary for the defense or prosecution of any litigation pertaining to any of the Copyrighted Works or Confidential

Information. You may not use any of our copyrighted works on the Internet without our written permission. This includes display of the copyrighted works on commercial websites, gaming websites, and social networking web sites (such as FACEBOOK, INSTAGRAM, or ~~TWITTER~~X).

You and your Owners and employees must maintain the confidentiality of all trade secrets, the Standards and other elements of the System, including all materials reflecting the activities curricula; all client information; all information contained in the Manuals; and any other information that we designate as "Confidential Information." If the franchisee is a corporation, limited liability company, or other business entity, each of the business entity's owners must sign the Guaranty and Personal Undertaking agreement attached to the Franchise Agreement as Attachment C. All employees with access to Confidential Information must sign a confidentiality and noncompetition agreement substantially in the form attached to the Franchise Agreement as Attachment D.

If and before you or any Owner develops any new concept, product, sales technique, or improvement in the operation or promotion of the Business (including any computer software enhancements), you must promptly notify us, and provide to us all necessary related information. By signing the Franchise Agreement, you and each principal assign your respective rights in and to the concept, product, sales technique or improvement and permit us to use or disclose the information to other System franchisees as we determine appropriate, without providing you any compensation.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

The Franchised Business must be operated, day-to-day by someone with an ownership interest in the business (your "Managing Owner"). If the franchisee is a natural person, the individual franchisee will be the Managing Owner. If the franchisee is a business entity, the Managing Owner must maintain at least a 50% ownership interest in the franchise entity.

The Managing Owner may participate in the business as semi-absentee upon our written approval. If you operate multiple Special Strong Franchised Businesses or if we have given our prior consent, you may hire a manager to oversee the Franchised Business' daily operation. The manager need not have an equity interest in the Franchised Business but must agree in writing to preserve confidential information to which he or she has access and to not compete with the Franchised Business.

The Managing Owner must successfully complete our initial training program. If your Managing Owner ceases to serve in, or no longer qualifies for, the position, you must designate a new Managing Owner within 30 days. Each replacement Managing Owner must successfully complete our initial training program before assuming responsibility. When hiring trainers for their Special Strong location, the Managing Owner must perform background checks, require NCCA Certifications, and ensure that the trainer is CPR/AED certified. If the trainer does not have an NCCA certification, Special Strong will charge an administrative fee to qualify the trainer's certification and credentials before working for Special Strong.

Each Owner must sign a Guaranty and Personal Undertaking substantially in the form attached as Attachment C to the Franchise Agreement. Any person we designate, including spouses of Owners and any other individual who attends our initial training program must sign a confidentiality and non-competition agreement substantially in the form attached as Attachment D to the Franchise Agreement. For purposes of these requirements, "Owner" means any holder of the franchisee's securities and the franchisee's officers and directors, if the franchisee is a corporation; the franchisee's members and managers, if the franchisee is a limited liability company; the franchisee's partners, if the franchisee is a general or limited partnership. If any Owner is a business entity, the term "Owner" also includes the Owners of the Business Entity.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and provide all of the service offerings and products that we require and may not offer nor provide any service offerings or products that we have not approved. We may add, eliminate or modify authorized service offerings and products and we may modify standards and procedures, all in our sole discretion. There are no contractual limitations on our rights to make these changes.

You may provide training services and programs and may engage in direct marketing activities only in the Protected Area. "Direct marketing activities" means directing mailings or brochures that primarily target areas outside the Protected Area and advertising on the Internet, or in any media with a circulation or broadcast area that is exclusively beyond the perimeter of the Protected Area.

You may not engage in wholesale sales or distribute private label products or any other products, including training videos, virtual streaming videos, through wholesale means or through other alternative channels of distribution including mail order, videos, catalog sales, and/or online sales.

We have the right to establish maximum, minimum or other retail pricing requirements to the extent permitted by law.

[*Remainder of page intentionally left blank*]

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
a. Length of the franchise term	Section 2.1.	Ten years.
b. Renewal or extension of the term	Section 2.2.	You have an option to enter into successor agreements for two additional five-year terms if certain conditions are met.
c. Requirements for franchisee to renew or extend	Section 2.2.	You must have notified us of your intent to renew, you are not in default of your franchise obligations, you have satisfied all monetary obligations owed to us, our affiliates, and third-party suppliers, you meet our then-current qualifications for new franchisees and satisfy our training requirements, and you must sign a general release in our favor (subject to applicable state law). You also must sign our then-current form of franchise agreement, the terms of which may be materially different than the terms of the franchise agreement you are presently signing, and anyone with an ownership interest in the franchisee entity must sign a personal guaranty.

Provision	Section in Franchise Agreement	Summary
d. Termination by franchisee	No provision	Not applicable.
e. Termination by franchisor without cause	No provision	Not applicable.
f. Termination by franchisor with cause	Article 16	We can only terminate if you are in default.
g. "Cause" defined – curable defaults	Sections 16.3., 16.4, and 16.5.	Your failure to (a) pay monies owed to us, to our affiliates, or to your vendors; (b) misuse the Marks or our Copyrighted Works or other intellectual property; and (c) comply with any other provision of the Franchise Agreement, except as described in subsection *h*, below.
h. "Cause" defined – non-curable defaults	Section 16.1. Section 16.2.	The Franchise Agreement will terminate automatically without notice and without an opportunity to cure upon the happening of certain bankruptcy or insolvency-related events, or in the event of foreclosure or lien against the assets of the Franchised Business. We may terminate the Franchise Agreement without providing you an opportunity to cure if: you don't begin operating the Franchised Business by the required date; you fail to participate in or complete the initial training program to Franchisor's satisfaction; you abandon the Franchised Business; you have made any false or misleading representations in your franchise application; you or any Owner is convicted or pleads no contest to certain types of crimes; you or any Owner violates confidentiality obligations; the Franchised Business fails two consecutive quality assurance inspections, or fails three quality assurance inspections during any rolling 24-month period; termination of any other franchise agreement with us; we deliver to you three or more notices of defaults during any rolling 24-month period, whether or not the defaults described in the notices ultimately are cured; opening and operating your Franchised Business on a Sunday or on December 25th of any calendar year; your engaging, or any of your Owners engaging, in any conduct which, in Franchisor's reasonable opinion, adversely affects or might adversely affect the reputation of SPECIAL STRONG, the reputation of other SPECIAL STRONG Franchises or the goodwill associated with the Marks.

Provision	Section in Franchise Agreement	Summary
i. Franchisee's obligations on termination/ nonrenewal	Article 17	Obligations include ceasing to hold yourself out as a franchisee or former franchisee; canceling fictitious or assumed name; transferring to us all telephone numbers used in connection with the operation of the Franchised Business; at our option, sell to us any graphics, signage or other materials bearing the Marks; at our option, assign to us your customer contracts; de-identify your office; and comply with post term obligations (also see subsection *n,* below).
j. Assignment of contract by franchisor	Section 15.1.	No restriction on our right to assign our interest in the Franchise Agreement or to transfer any of our assets.
k. "Transfer" by franchisee – defined	Section 15.2.	Includes transfer of the franchise or change in ownership of the franchisee entity.
l. Franchisor approval of transfer by franchisee	Section 15.2.	We have the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section 15.2.	We may condition our approval on satisfaction of the following: (a) all monetary obligations must be satisfied; (b) you must be in full compliance with the Franchise Agreement and all other agreements; (c) you and each Owner must sign a release; and (d) the transferee must meet our then-current standards for new franchisees. If the transfer is of a non-controlling interest in the franchisee entity, you must reimburse us our associated costs. If you are transferring your interest in the franchise or if a transfer results in a change of control in the franchisee entity, the transferee must sign our then-current form of franchise agreement and you must pay the transfer fee described in Item 6. You also must offer us the right of first refusal to purchase the interest as described in subsection *n*, below.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 15.3.	We may match any bona fide offer to purchase your interest in the Franchised Business.
o. Franchisor's option to purchase your business	No provision	Not applicable.

Provision	Section in Franchise Agreement	Summary
p. Death or disability of franchisee	Section 15.4.	If your Managing Owner dies or becomes incapacitated, you must appoint a new Managing Owner and transfer the Managing Owner's interest in the franchise or in the franchisee entity to an approved third party within six months after death or disability occurs. If this does not occur, we may step-in and operate the business as provided in Section 15.6.
q. Non-competition covenants during the term of the franchise	Article 12	During the term, neither you nor any Owner may be involved in any business similar to Special Strong that provides health and fitness service programs to people who have mental, physical and/or cognitive challenges, or induce any employee of another franchisee to leave his or her employment, or employ any person who had been employed by another franchisee within the previous 60-day period without paying the former employer a $1,000 training fee.
r. Non-competition covenants after the franchise is terminated or expires	Article 12	For a two-year period following termination or expiration of the franchise, neither you nor any Owner may be involved in any business that provides health and fitness service programs (a) within the Protected Area, (b) within 20 miles of the perimeter of the Protected Area (c) within the protected area of any other SPECIAL STRONG franchise, or (d) within a 20-mile radius surrounding our headquarters or a location used or maintained by us, or our affiliates, or another SPECIAL STRONG franchisee existing on the date of termination, expiration or transfer. For a two-year period following termination or expiration of the franchise, neither you nor any Owner may solicit or perform services for any client of the former Franchised Business or induce any employee of another franchisee to leave his or her employment.
s. Modification of the agreement	Section 20.2.	The Franchise Agreement may be modified only by a written document signed by both parties.

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	Section 20.1.	Only the terms of the Franchise Agreement are binding (subject to applicable state law). Any representations or promises made outside of the disclosure document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Sections 21.2. and 21.3.	Except for certain types of claims relating to our intellectual property, disputes must be resolved through information methods, mediation or arbitration.
v. Choice of forum	Sections 21.2., 21.3., 21.4., and 21.5.	Mediation will be held at our then-current principal office (currently located in McKinney, TX), and arbitration at the AAA offices located in the city where our principal business office is located (subject to applicable state law).
w. Choice of law	Section 21.1.	Texas law applies. (Subject to applicable state law).

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned businesses, 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 location 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.

Revenue Information for Special Strong

Our affiliate, Special Strong, LLC, has operated the type of SPECIAL STRONG business offered under this disclosure document since August 2016. within a geographic area equal to approximately one territory as offered under this Disclosure Document. Our affiliate does not pay us Royalty Fees ~~or~~, Brand Development Fund Fees or Technology Fees, but our affiliate utilizes most of the software that our franchisees receive under the Technology Fee. Our affiliate also is not required to expend any specific amount on local advertising. Otherwise, there are no material operational or financial differences between the type of business operated by our affiliate and the business operated by our franchisees. During 2017 to 2021, we had no franchisees, and our affiliate was the only operating SPECIAL STRONG business. During 2023~~2022~~, we had ~~three~~five (5) franchisees open for the entire calendar year. The five (5) franchisees disclosed below in Chart II each operated in one (1) territory. The following charts include actual historical

financial performance data that our affiliate and our franchisees derived from providing health and fitness services during the applicable periods of time. This information is based on data reported to us by our affiliate and franchisees. These figures are represented on an accrual basis.

Chart I – Affiliate Gross Revenue and Financial Performance

Special Strong, LLC North Dallas, Texas						
	2017	2018	2019	2020*	2021	2022
Gross Revenue	$220,361	$328,105	$320,053	$248,489	$306,972	$327,473

Special Strong, LLC North Dallas, Texas						
	2018	2019	2020*	2021	2022	2023
Gross Revenue	$328,105	$320,053	$248,489	$306,972	$327,473	$273,782

Below is a detailed report of the financial performance of our Affiliate for the year ending December 31, 2023.

Income	
Mindbody Revenue	$0.00
Fees	$19,838.26
Local Group Classes	$23,231.80
On-Site Private Training	$14,149.75
Private Training	$207,428.37
Semi-Private Training	$7,413.91
Total Mindbody Revenue	$272,062.09
Other Income	$1,200.00
Stripe Income	$520.45
Total Income	**$273,782.54**
Cost of Goods Sold	
Contractors	$55,727.92
Facilities Rent & Lease	$12,748.25
Total Cost of Goods Sold	**$68,476.17**
Gross Profit	**$205,306.37**
Expenses	
Advertising & Marketing	
Other	$142.35
Promotional Gifts/Other Promotional	$1,432.55
Social Media/Other Media/SEO	$139.70
Software	$36.78
Total Advertising & Marketing	**$1,751.38**
Auto	$3,177.86
Bank Charges	$2,298.44

Charitable Contributions	$250.00
Dues & Subscriptions	
Adobe	$200.17
Checkr	$31.97
QuickBooks	$479.70
TextMagic	$50.00
Total Dues & Subscriptions	**$761.84**
General & Administrative	
Merchant Dues	$2,850.65
Office Expense	$1,165.00
Total General & Administrative	**$4,015.65**
Insurance	
Farmers	$529.28
Liberty Mutual	$993.00
Next	$1,425.26
Philadelphia	$1,323.02
Progressive	$497.98
Total Insurance	**$4,768.54**
Legal & Professional Fees	
Accounting	$2,700.00
Recruitment	$31.97
Total Legal & Professional Fees	**$2,731.97**
Meals & Entertainment	$0.00
Payroll Expenses	
Payroll Processing Fees	$1,779.99
Payroll Taxes	$6,673.68
Salaries & Wages	
Admin	$27,780.00
Owner Wages	$60,861.00
Total Salaries & Wages	$88,641.00
Total Payroll Expenses	**$97,094.67**
Shipping & Delivery	$187.29
Studio Supplies	$84.85
Taxes & Licenses	$17,039.53
Utilities	
AT&T	$2,166.57
Spectrum	$958.02
Total Utilities	**$3,124.59**
Total Expenses	**$137,286.61**
Net Operating Income	**$68,019.76**

Notes to Chart I:

1. Total Income means all revenue derived from the operation of the Affiliate location, whether made for cash, on credit, or otherwise, without reserve or deduction for inability or failure to collect, that our Affiliate, in the normal course of its operations would credit or attribute to the operation of the Business.
2. The Affiliate owned location did not pay royalties, base technology fees or brand development fund contributions and are not required to spend a defined amount in their local areas for marketing.
3. The Affiliate owned location had a Gross Margin of 74.99%.
4. In the above chart, Owner Wages includes $4,555.66 of Meals & Entertainment.

Chart II – Franchisee Gross Revenue

Franchisees January 1, 2022 - December 31, 2022			
	West North Dallas, TX	**West Valley, AZ**	**Southeast Houston, TX**
Gross Revenue	$108,512	$82,158	$94,726
Opened for Business	April 30, 2021	October 4, 2021	April 13, 2021

Franchisees January 1, 2023 – December 31, 2023				
	Opened for Business	**Gross Revenue**	**COGS**	**Gross Profit & Gross Margin**
West North Dallas, TX	April 30, 2021	$149,689	$33,861	$116,008 (77.49%)
Southeast Houston, TX	April 13, 2021	$143,403	$47,455	$95,948 (66.91%)
West Valley, AZ	October 4, 2021	$132,565	$33,336	$99,229 (74.85%)
Northeast Tarrant County, TX	May 14, 2022	$98,579	$28,654	$69,925 (70.93%)
North West Houston, TX	April 30, 2022	$72,071	$18,553	$53,518 (74.26%)

Notes~~:~~ to Chart II:

1. **Gross Revenue**. "Gross Revenue" means all revenue derived from the operation of the Special Strong's business, whether made for cash, on credit, or otherwise, without reserve or deduction for inability or failure to collect, that Special Strong, in the normal course of its operations would credit or attribute to the operation of the business. It also includes the fair market value of any services or property received as a barter exchange for services. Gross Revenue does not include the amount of any city, county, state or federal sales, luxury or excise tax on all sales that are both (a) added to the selling price or absorbed therein and (b) paid to the taxing authority.

2. **Gross Profit and Gross Margin**. "Gross Profit" means "Gross Revenue" less Cost of Goods Sold ("COGS"). "Gross Margin" is the percentage resulting from dividing Gross Profit by Gross Revenue.

[*Remainder of page intentionally left blank*]

Chart III – Rates for Services

Our affiliate, Special Strong, LLC, and the franchisees disclosed in this Item 19 charge the following rates for services, which are also the rates we suggest to our franchisees.

~~Type of Class~~Service	Tier 1 & 2 Fee Range	Number of ~~Classes~~Sessions per Month
1:1 Private Training 30-minute ~~Class~~session	$199-$299 per month	4 ~~Classes~~Sessions per Month
1:1 Private Training 50-minute ~~Class~~session	$299-$399 per month	4 ~~Classes~~Sessions per Month
Group ~~Training~~Classes 45-minute Class	$100-$120 per month	4 ~~Classes~~Sessions per Month
Corporate ~~Training~~Classes 45-minute Class	$~~150~~200-$600 per ~~class~~month	Varies

Some outlets have earned this amount. Your individual results may differ. There is no assurance you will earn as much.

Written substantiation of the financial performance representation will be provided to the prospective franchisee upon reasonable request.

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 business, however, we may provide you with the actual records of that business. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Daniel Stein at ~~3420 Eldorado Pkwy~~1720 Bray Central Drive, Suite ~~4a~~100-K McKinney, Texas ~~75071~~75069 or (~~972) 836-8463~~833) 543-3496, the Federal Trade Commission, and the appropriate state regulatory agencies.

[*Remainder of* ~~Page Intentionally Left Blank~~*page intentionally left blank*]

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years ~~2020~~2021 to 2023~~2022~~

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021~~2020~~	0	~~0~~3	~~0~~+3
	2022~~2021~~	~~0~~3	~~3~~6	+3
	~~2022~~2023	~~3~~6	6	~~+3~~0
Company-Owned	2021~~2020~~	1	1	0
	~~2021~~2022	1	1	0
	~~2022~~2023	1	1	0
Total Outlets	~~2020~~2021	1	~~1~~4	~~0~~+3
	~~2021~~2022	~~1~~4	~~4~~7	+3
	~~2022~~2023	~~4~~7	7	~~+3~~0

Table No. 2

Transfers of Outlets from Franchisee to New Owners (other than the Franchisor)
For Years Ending ~~20~~2021 to 2023~~2022~~

State	Year	Number of Transfers
Texas	2021	0
	2022	0
	2023	1
Totals	~~2020~~2021	0
	~~2021~~	~~0~~
	2022	0
	2023	1

Table No. 3

Status of Franchised Outlets
For Years Ending ~~2020~~2021 to 2023~~2022~~

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Arizona	~~2020~~2021	0	~~0~~1	0	0	0	0	~~0~~1
	~~2021~~2022	~~0~~1	~~1~~0	0	0	0	0	1
	~~2022~~2023	1	0	0	0	0	0	1
~~Tennessee~~Texas	~~2020~~2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	1	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Texas	2021	0	2	0	0	0	0	2
	2022	2	3	0	0	0	0	5
~~Totals~~	~~2020~~2023	~~0~~5	0	0	0	0	0	~~0~~5
Totals	2021	0	3	0	0	0	0	3
	2022	3	3	0	0	0	0	6
	2023	6	1	1	0	0	0	6

Table No. 4

Status of Company Owned Outlets
For Years Ending ~~2020~~2021 to ~~2022~~2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Texas	~~2020~~2021	1	0	0	0	0	1
	2022~~2021~~	1	0	0	0	0	1
	~~2022~~2023	1	0	0	0	0	1
Totals	~~2020~~2021	1	0	0	0	0	1
	2022~~2021~~	1	0	0	0	0	1
	~~2022~~2023	1	0	0	0	0	1

Table No. 5

Projected Openings
As of December 31, ~~2022~~2023

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
Arizona	0	3	0
Florida	0	4	0
Ohio	1	3	0
South Dakota~~Tennessee~~	~~2~~1	~~1~~0	0
Texas	1	~~1~~5	0
Totals	3	~~2~~15	0

See Exhibit F to this disclosure document for a list of all current franchisees as of our most recently completed fiscal year ending December 31, ~~2022~~2023. No franchisee has had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within ten

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

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We are not aware of any trademark-specific franchisee organization associated with the franchise system being offered.

ITEM 21
FINANCIAL STATEMENTS

~~We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission.~~ Attached to this disclosure document as Exhibit E are our audited financial statements for the fiscal years ending December 31, ~~2022~~2023, December 31, 2022~~2021~~, and December 31, ~~2020~~2021.

Our fiscal year ends on December 31.

ITEM 22
CONTRACTS

Attached to this disclosure document are the following contracts and their attachments:

Attached as Exhibit C is our current form of Franchise Agreement with all Attachments.

ITEM 23
RECEIPTS

The last two pages of this disclosure document are detachable duplicate Receipts. Please sign and date both copies of the Receipt. Keep one signed copy of the Receipt for your file and return to us the other signed copy of the Receipt. The Receipt page also contains the names, addresses and telephone numbers of our franchise sellers or brokers.

EXHIBIT A

LIST OF STATE ADMINISTRATORS

California
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(866) 275-2677

Hawaii
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street
Honolulu, Hawaii 96813
(808) 586-2722

Illinois
Office of Attorney General
500 S. Second Street
Springfield, Illinois 62701
(217) 782-4465

Indiana
Franchise Section
Securities Division
302 W. Washington St., Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Maryland
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

Michigan
Michigan Department of Attorney General
Consumer Protection Division
Franchise Section
525 W. Ottawa St.
G. Mennen Williams Bldg., 1st Floor
Lansing, Michigan 48909
(517) 373-7117

Minnesota
Department of Commerce
Securities-Franchise Registration
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 539-1600

New York
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8222

North Dakota
Franchise Examiner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor
Bismarck, North Dakota 58505-0510
(701) 328-4712

Rhode Island
Securities Division
Department of Business Regulation
1511 Pontiac Avenue, Building 68-2
Cranston, Rhode Island 02920
(401) 462-9527

South Dakota
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

Virginia
State Corporation Commission
1300 East Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

Washington
Department of Financial Institutions
Securities Division
P.O. Box ~~9033~~41200
Olympia, Washington ~~98507~~98504-1200
(360) 902-8760

Wisconsin
Franchise Administrator
Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703
(608) 266-2801

EXHIBIT B

AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

California
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(866) 275-2677

Hawaii
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street
Honolulu, Hawaii 96813
(808) 586-2722

Illinois
Office of Attorney General
500 S. Second Street
Springfield, Illinois 62701
(217) 782-4465

Indiana
Franchise Section
Securities Division
302 W. Washington St., Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Maryland
Maryland Commissioner of Securities
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

Michigan
Michigan Department of Attorney General
Consumer Protection Division
Franchise Section
525 W. Ottawa St.
G. Mennen Williams Bldg., 1st Floor
Lansing, Michigan 48909
(517) 373-7117

Minnesota
Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 539-1600

New York
Secretary of State
99 Washington Avenue
Albany, New York 12231

North Dakota
Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor
Bismarck, North Dakota 58505-0510
(701) 328-4712

Rhode Island
Securities Division
Department of Business Regulation
1511 Pontiac Avenue, Building 68-2
Cranston, Rhode Island 02920
(401) 462-9527

South Dakota
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

Texas
Daniel Stein
~~3420 Eldorado Pkwy~~1720 Bray Central Drive, Suite ~~4a~~100-K
McKinney, Texas ~~75071~~75069 USA

Virginia
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

Washington
Administrator
Department of Financial Institutions
Securities Division
150 Israel Road S.W.
Tumwater, Washington 98501
(360) 902-8760

Wisconsin
Franchise Administrator
Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703
(608) 266-2801

EXHIBIT C

FRANCHISE AGREEMENT

SPECIAL STRONG

FRANCHISE AGREEMENT

SPECIAL STRONG FRANCHISE AGREEMENT

SUMMARY PAGES

TOTAL NUMBER OF TERRITORIES IN THE PROTECTED AREA: _____ (See Attachment G)

EFFECTIVE DATE: _____

EXPIRATION DATE: 10th anniversary of the Effective Date

COMMENCEMENT DATE: _____

FRANCHISEE(S): _____

OFFICE ADDRESS: _____

TELEPHONE NUMBER: _____

FACSIMILE NUMBER: _____

E-MAIL ADDRESS: _____

INITIAL FRANCHISE FEE _____

SUCCESSOR TERM FEE: $5,000

ROYALTY FEE:

$~~250~~450 per month or 8% of Gross Revenue, whichever is greater, if monthly Gross Revenue is less than $10,000; or	7.5% of Gross Revenue, if monthly Gross Revenue is more than $10,001 but less than $15,000; or	7% of Gross Revenue, if monthly Gross Revenue exceeds $15,001.

INITIAL MARKETING KIT _____

BRAND DEVELOPMENT FUND CONTRIBUTION: Currently ~~1~~2% of Gross Revenue or $~~250~~400 per month, whichever is greater, but up to ~~3~~4% of Gross Revenue or $~~250~~400 per month, whichever is greater

LOCAL ADVERTISING

~~**EXPENDITURE:** ___ The greater of $500 per month or 4% of your Gross Revenue~~

~~___ The greater of $1,000 per month or 4% of your Gross Revenue~~

EXPENDITURE: $3,000 per month per territory during your first year of operation with at least $2,000 paid to our affiliate for digital marketing, social media, SEO and other lead generation. Beginning in your second year of operation, the greater of $2,500 per month or 8% of Gross Revenue per territory with at least $2,000 paid to our affiliate for digital marketing, social media, SEO and other lead

generation.

TRANSFER FEE:	Reimbursement of our legal fees and costs plus (i) $2,500 if transferring to an existing SPECIAL STRONG franchisee, or (ii) $10,000 if transferring to anyone other than an existing SPECIAL STRONG franchisee.
FRANCHISOR ADDRESS FOR NOTICE:	Strong Kingdom, LLC ~~3420 Eldorado Pkwy~~1720 Bray Central Drive, Suite ~~4a~~100-K McKinney, Texas ~~75071~~75069 Attention: President

_____ _____

Franchisor Initial Franchisee Initial

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ATTACHMENTS:

A Glossary of Additional Terms
B Statement of Ownership Interests and Franchisee's Owners
C Guaranty and Personal Undertaking
D Confidentiality and Noncompetition Agreement
E Electronic Debit Authorization
F Telephone Number Assignment Agreement
G Protected Area
H State Specific Addenda to the Franchise Agreement
~~I Franchisee Compliance Certification Questionnaire~~

STRONG KINGDOM, LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("**Agreement**") is made and entered into on the Effective Date reflected in the Summary Pages ("**Effective Date**"), by and between Strong Kingdom, LLC ("**Franchisor**") and the Franchisee identified in the Summary Pages (referred to in this Agreement as "**you**").

WHEREAS, Franchisor has the right to use and to sublicense the use of the System and Marks to qualified franchisees for purposes of enabling them to operate a Franchised Business;

WHEREAS, you have applied for the right to operate a Franchised Business using the System and Marks in accordance with the terms and conditions of this Agreement;

WHEREAS, Franchisor has approved your application in reliance on the representations contained therein, including those concerning your financial resources, your business experience and interests, and the manner in which the Franchised Business will be owned and operated.

NOW THEREFORE, in consideration of the premises and mutual promises contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. GRANT OF FRANCHISE, TERRITORIAL PROTECTION

1.1. Grant.

(a) Subject to the provisions of this Agreement, Franchisor hereby grants you the nonexclusive right to continuously operate a Franchised Business in the Protected Area identified in the Summary Pages and in Attachment G to this Agreement. You hereby undertake the obligation and agree to continually operate the Franchised Business for the term hereof in accordance with the terms and conditions of this Agreement.

(b) This Agreement grants you the right to use the Marks to promote the Franchised Business in the Protected Area, to engage in direct marketing activities in the Protected Area, and to provide virtual and on-site health and fitness services programs located in the Protected Area.

(c) You may not engage in direct marketing activities outside the Protected Area without Franchisor's prior written approval. For purposes of this Agreement, "direct marketing activities" means directing mailings or brochures to areas primarily outside the Protected Area, advertising on the Internet, or advertising in any media with a circulation or broadcast area that is exclusively beyond the perimeter of the Protected Area. You may not engage in wholesale sales, or distribute private label products or any other products through wholesale means or through other alternative channels of distribution, including mail order, catalog sales, and/or online sales.

(d) You may not provide health and fitness services programs or perform any other services outside the Protected Area.

(e) You may not sublicense the use of the System or Marks or cobrand with another concept.

1.2. Protected Area.

(a) Franchisor shall not provide in the Protected Area, or grant anyone but you the right to provide in the Protected Area, health and fitness services programs under the Marks, except as described herein. If you purchase two (2) or more Territories, as stated on the Summary Pages to this Agreement, and you fail or otherwise refuse to provide health and fitness services to any individual(s) within the Protected Area without Franchisor's prior written approval, Franchisor may provide health and fitness services to such individual(s) or authorize a third-party to provide health and fitness services to such individual(s) with no compensation due to you.

(b) Franchisor retains for itself all other rights including, without limitation, the right to provide and grant others the right to provide personal training services under the SPECIAL STRONG name outside the Protected Area, the right to conduct and grant others the right to conduct similar or competitive businesses under different trademarks both within and outside the Protected Area, and the right to distribute services and products identified by the Marks (such as private label products), and virtual streaming training videos, through alternative channels of distribution including mail order, catalog sales, internet videos, and/or online sales both within and outside the Protected Area. You may only distribute private label products and other merchandise under the Marks through other channels of distribution, including the offering of virtual online training services, inside the Protected Area, unless that client originated inside the Protected Area, and then relocated outside the Protected Area.

(c) Nothing in this Agreement prohibits or restricts Franchisor from: ***(i)*** owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses under a different trademark or service mark, whether or not the business is the same as or competitive with SPECIAL STRONG franchised businesses, within or outside the Protected Area; or ***(ii)*** owning, operating, or franchising one or more similar businesses as the franchise, other than the one authorized in this Agreement, under the name SPECIAL STRONG or some derivative of the Marks.

2. INITIAL AND SUCCESSOR TERMS

2.1. Initial Term. The initial term of this Agreement ("**Initial Term**") begins on the Effective Date and expires, unless earlier terminated, at midnight on the Expiration Date identified in the Summary Pages.

2.2. Successor Term. You may renew the franchise granted by this Agreement for two consecutive five-year successor terms if, at the end of each term, each of the following conditions has been satisfied:

(a) you have notified Franchisor of your intent to enter into a successor franchise agreement no less than 12 months and no more than 24 months before the then-current term expiration date;

(b) you are not in default of any material provision of this Agreement and you have complied with the material terms and conditions of this Agreement throughout the term;

(c) you have satisfied all monetary obligations owed to Franchisor, its Affiliates and third-party suppliers;

(d) you comply with Franchisor's then-current qualifications and training requirements;

(e) you sign Franchisor's then-current form of franchise agreement, the terms of which may be materially different than the terms of this Agreement; provided that, in lieu of the initial franchise fee, you will pay Franchisor the Successor Term Fee reflected in the Summary Pages of this Agreement;

(f) each Owner executes a guaranty and personal undertaking in the form Franchisor prescribes; and

(g) you and each Owner sign a general and full release in favor of Franchisor and its Affiliates, and their respective, officers, directors, shareholders, members, managers, employees, and agents, of any claims arising out of or related to the franchise relationship.

You understand that upon renewal of the franchise granted by this Agreement that we have the right, but not the obligation, to modify your Territory based upon our then-current standards which may result in a reduction in the geographic area granted to you under this Agreement.

2.3. Operation after Expiration of Term. If this Agreement expires without the parties having signed a successor franchise agreement, or if, after termination or expiration of this Agreement, you continue to operate the Franchised Business or continue to use any version of the Marks, the terms of this Agreement will continue to govern the parties' relationship for such period of operation, provided that ***(a)*** either party may terminate the relationship at any time, for any reason or for no reason, by delivering to the other party written notice of termination; and ***(b)*** the Royalty Fee due and payable during this extension period shall

increase to 150% of the Royalty Fee reflected in the Summary Pages. The inclusion of this Section 2.3. does not constitute permission for you to continue operations after the natural expiration of this Agreement.

3. BEGINNING OPERATIONS

3.1. Office Requirements. You may operate the Franchised Business from an Office location of your choice, including a home office, if permitted by applicable law, or an existing fitness facility located within the Protected Area. Upon selection of your Office, the Summary Pages shall be amended to reflect your Office address. You also must secure a Post Office Box, and all contracts, business cards and other stationery shall reflect your Post Office Box address. You may relocate your Office with Franchisor's prior written consent, which will not unreasonably be withheld.

3.2. Beginning Operations. You shall begin operating the Franchised Business no later than the Commencement Date specified in the Summary Pages ("**Commencement Date**"). Before the Commencement Date:

(a) Your Managing Owner shall have completed Franchisor's initial training requirements;

(b) You shall have acquired all required computer hardware and electronic devices, and have acquired the necessary licenses to use all software applications;

(c) You shall have delivered to Franchisor a certificate of insurance reflecting all required coverages, and all such insurance is in full force and effect;

(d) You shall have delivered to Franchisor documentation evidencing that you have registered with the appropriate vendors regarding fingerprinting and criminal background, as detailed in the Manual;

(e) You shall have delivered to Franchisor documentation evidencing that all persons employed by you that will be conducting sessions with trainees have met the then-current minimum certification requirements established by Franchisor;

(f) You are in full compliance with the terms of this Agreement; and

(g) Franchisor has consented, in writing, to your commencing operations.

4. FEES

4.1. Initial Franchise Fee. Upon execution of this Agreement, you shall pay to Franchisor an Initial Franchise Fee in the amount stated in the Summary Pages. The Initial Franchise Fee is fully earned upon payment and is nonrefundable.

4.2. Royalty Fee. During the Initial Term, you shall pay Franchisor a nonrefundable and continuing Royalty Fee in the amount specified in the Summary Pages. ~~The Royalty Fee is due beginning in the 4th month following the opening of your Special Strong location.~~ During any given calendar year, once you reach a certain level of monthly Gross Revenue that corresponds with a lower Royalty Fee percentage according to the table on the Summary Pages, your Royalty Fee percentage for the remainder of that calendar year will not be higher than the lowest Royalty Fee percentage you have achieved. For example, if you achieve $10,500 in Gross Revenue in a month, your Royalty Fee percentage of 7.5% of Gross Revenue will continue through the end of the calendar year even if you achieve a lower amount of Gross Revenue in another month of that year. Following this example, if you achieve Gross Revenue of $15,500 in a later month of the same calendar year, your Royalty Fee percentage of 7% of Gross Revenue will continue through the end of the calendar year even if you achieve lower Gross Revenue in a later month of the same year.

4.3. Local Advertising and Brand Development Fund Contributions. You shall spend minimum amounts for local advertising and shall contribute to Franchisor's Brand Development Fund as described

in Article 13 of this Agreement.

4.4. Base Technology Fee. The parties acknowledge and agree that the technological environment is rapidly changing and that it is difficult to anticipate the cost of developing, acquiring, implementing, and licensing Internet and communications technologies that may benefit franchisees of the System. Accordingly, in addition to the Royalty Fee, you shall pay a Base Technology Fee in an amount determined by Franchisor~~.~~ for each territory owned and operated by you. For the calendar year in which this Agreement became effective, the Base Technology Fee is $~~450~~500 per month. You agree to pay the Base Technology Fee according to the terms prescribed by Franchisor. You may be required to pay this fee up to 90 days before you begin operating.

~~4.5.~~4.5 Additional Base Technology Software Licenses. In addition to the Base Technology Fee, if you request or require additional software licenses then you shall pay an Additional Base Technology Software License fee for each additional license. For the calendar year in which this Agreement became effective, the Additional Base Technology Software License fee ranges from $10 to $50 per license per month.

4.6 Certification Administrative Review Fee. We require that all trainers have an NCCA certification. If you intend to hire any trainer for your Franchised Business who does not have an NCCA certification, they must have an equivalent certification and you must pay to us our then current Certification Administrative Review Fee for us to qualify the trainer's certification.

4.7 Client Conversion Fee. We, our affiliate and our other franchisees may provide personal training services to clients in your Protected Area before you sign this Agreement. If we, our affiliate or another franchisee were providing personal training services to a client in your Protected Area before you sign this Agreement then upon signing this Agreement we or our affiliate may continue providing personal training services to the client unless you purchase the client from us or our affiliate for a fee of $500 per client.

4.8. Other Payments. In addition to all other fees and charges payable under this Agreement, you shall pay Franchisor and its Affiliates when due all amounts advanced by Franchisor or which Franchisor has paid, or for which it has become obligated to pay on your behalf for any reason whatsoever.

4.~~6~~9. No Set-Off Rights. You may not set off, deduct or otherwise withhold any fees or other amounts due Franchisor under this Agreement on grounds of alleged nonperformance by Franchisor of any of its obligations or for any other reason. Withholding Royalty Fee payments or any other amounts due Franchisor is a material breach of this Agreement.

4.~~7~~10. Payment Terms. All payments required by this Agreement shall be paid within the time Franchisor specifies, provided that such day is a Business Day (the "**Due Date**"). If the Due Date is not a Business Day, then payment shall be due on the next Business Day.

4.~~8~~11. Taxes. If any taxes, fees, or assessments are imposed on your payment of any fees (except taxes imposed on Franchisor's net taxable income), you must also pay the amount of those taxes, fees, or assessments within 15 days after receipt of Franchisor's written notice to you.

4.~~9~~12. Payment Procedures. Each month, Franchisor shall electronically debit from your commercial bank operating account ("**Account**") an amount sufficient to satisfy the Royalty Fee, your Brand Development Fund Contribution, the Base Technology Fee, the Additional Base Technology Software License fee and other amounts due under this Agreement. Any overpayment will be credited against future payments due under this Agreement. Funds will be drafted on the tenth day of each calendar month, or such other day as Franchisor establishes as the monthly payment date. If any check, draft, or other payment is dishonored due to insufficient funds or for any other reason, you shall reimburse Franchisor for insufficient fund fees and other expenses arising from such non-payment.

4.~~10~~13. Electronic Fund Transfer. You shall participate in Franchisor's then-current electronic funds transfer program authorizing Franchisor to use a pre-authorized bank draft system. To this end, you shall: ***(a)*** comply with Franchisor's procedures, as specified in the Manual, or otherwise in writing; ***(b)*** perform

those acts and sign and deliver those documents as may be necessary to accomplish payment by electronic funds transfer as described in this Section 4.~~10~~13.; ***(c)*** execute and deliver to Franchisor a form authorizing Franchisor and/or its Affiliate(s) to collect the Royalty Fee, and all other amounts due under this Agreement; and ***(d)*** make sufficient funds available in the Account for withdrawal by electronic funds transfer no later than the Due Date for payment thereof. Notwithstanding the provisions of this Article 4, Franchisor reserves the right to modify, at its option, the method by which you pay the Royalty Fee, and other amounts owed under this Agreement upon receipt of written notice by Franchisor. Your failure to have sufficient funds in the Account is a material breach of this Agreement.

4.~~11~~14. Interest; Nonsufficient Funds Charge. Any payments not received by Franchisor by the Due Date will accrue interest at the rate of 18% per annum or the highest lawful interest rate permitted by the jurisdiction in which the Franchised Business operates, whichever is less. If any check, draft, electronic or otherwise, is returned for insufficient funds, you shall pay to Franchisor a nonsufficient funds charge in the amount of the then current fee, which is $100 as of the Effective Date, and reimburse Franchisor for all expenses that it incurs on account of such nonsufficient funds.

4.~~12~~15. Partial Payments; Application of Payments. If you pay less than the amount due, your payment will be considered a partial payment on account. Franchisor may accept such payment as a partial payment, irrespective of any endorsement or other statement that the payment constitutes full payment. Franchisor's acceptance of such partial payment will not be considered a waiver of any of its right to demand or receive full payment, and you hereby waive any estoppel defense in this regard. Franchisor may apply your payments to any indebtedness, in its sole and reasonable discretion, regardless of any designation that accompanies the payment.

4.~~13~~16. Collection Costs and Expenses. You shall pay Franchisor on demand any and all costs and expenses incurred by Franchisor in enforcing the terms of this Agreement including, without limitation, collecting any monies that you owe to Franchisor. These costs and expenses include, without limitation, costs and commissions due a collection agency, reasonable attorneys' fees, costs incurred in creating or replicating reports demonstrating Gross Revenue of the Franchised Business, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.

4.~~14~~17. CPI Adjustment. All fees expressed as fixed dollar amounts (as opposed to percentage-based fees) under this Agreement are subject to adjustment based on any increase in the Consumer Price Index (meaning the annual average of the Consumer Price Index for All Urban Consumers, Other goods and services, 1982-1984=100, published by the Bureau of Labor Statistics of the United States Department of Labor). If the Bureau of Labor Statistics ceases publishing the Consumer Price Index, then the successor or most nearly comparable index as we select will be used. Fees will be changed no more than once per year.

4.~~15~~18. Administrative Fee. If at any time your Franchised Business fails to conform to System Standards, Franchisor shall have the right to impose and collect from you an administrative fee as described in this paragraph ("**Administrative Fee**"). Specifically, ***(a)*** Franchisor may impose and collect from you a $250 Administrative Fee for each "enforcement effort" that Franchisor undertakes on account of your noncompliance with the System (e.g., a letter, email, or telephone communication notifying you of noncompliance or continued noncompliance), and ***(b)*** if Franchisor has notified you of noncompliance and you have failed to correct the issue within seven days, Franchisor may impose and collect from you a $250 Administrative Fee per week until the issue has been corrected to Franchisor's satisfaction. Franchisor also may impose and collect a $250 Administrative Fee if you fail to acknowledge receipt of Franchisor's communications to you, or to respond to Franchisor's communications within 24 hours of delivery. This fee is not a penalty but is intended to compensate Franchisor for the additional costs that Franchisor incurs in enforcing your compliance with the System and is in addition to and not in lieu of any other rights or remedies that Franchisor may have based on your noncompliance with the System. Franchisor may impose and collect the Administrative Fee whether or not the noncompliance at issue is of the type or degree that

constitutes a material default of your obligations under this Agreement and, if it is, whether or not a cure period applies.

5. RECORDKEEPING AND REPORTS

5.1. Software. You shall: ***(a)*** use any proprietary software programs, system documentation manuals, and other proprietary materials that Franchisor requires in connection with the operation of the Franchised Business; ***(b)*** input and maintain in your computer such data and information as Franchisor prescribes in the Manual, software programs, documentation, or otherwise; and ***(c)*** purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever Franchisor adopts such new or upgraded programs, manuals, and materials system-wide. You shall enter into all software license agreements, "terms of use" agreements, and software maintenance agreements, in the form and manner Franchisor prescribes, and pay all fees imposed thereunder.

5.2. Independent Access. Franchisor may independently access all information input and compiled by your Computer System and Smart Devices. There is no limitation on Franchisor's right to access this information.

~~5.3~~5.3 Financial Accounts. You shall maintain, for each Special Strong franchised business or territory that you own, separate bank accounts.

5.4. Maintenance of Records. You shall prepare and preserve for at least five years from the date of preparation complete and accurate books, records, and accounts according to generally accepted accounting principles and in the form Franchisor prescribes.

5.~~4~~5. Recordkeeping. You agree to use computerized cash and data capture and retrieval systems that meet Franchisor's specifications and to accurately report all sales. You shall keep and maintain, in accordance with any procedures set forth in the Manual, complete and accurate books and records pertaining to the Franchised Business sufficient to fully report to Franchisor. We require that you use a third party vendor of our choosing or an approved service company to perform bookkeeping services. Books and records must be done by the 10th of the following month each month. If Books and records are not done by the 10th of the following month, you will be charged fifty dollars ($50) per week that Books and record are not completed for the following month. our books and records shall be kept and maintained using a standard chart of accounts and income statements that Franchisor prescribes. At Franchisor' request, you shall engage an accounting firm designated by Franchisor to perform the bookkeeping, payroll, and accounting services that Franchisor prescribes. You shall provide online access to your accounting files to Franchisor at all times, and shall provide Franchisor log in and password information. You shall preserve all of your books, records and state and federal tax returns for at least five years after the later of preparation or filing (or such longer period as may be required by any governmental entity) and make them available and provide duplicate copies to Franchisor within five days after Franchisor's written request.

5.~~5~~6. Periodic Reports. You shall provide such periodic accounting as Franchisor shall reasonably require. This includes submission of weekly sales reports, monthly and/or quarterly balance sheets and statements of income and expenses~~.~~ which, if you own more than one Franchised Business must be prepared for each Franchised Business. Each statement shall be verified by your chief financial officer as a true and correct representation of your financial condition. You shall submit to Franchisor, for review or auditing, such other forms, reports, records, information and data as Franchisor may reasonably designate, in the form and at times and places reasonably required by Franchisor, upon request and as specified from time to time in the Manual or otherwise in writing. Currently, the required the software is ~~Qvinci~~FranMetrics and QuickBooks Online for financial reporting. You must ensure that a connection is maintained between FranMetrics and QuickBooks Online at all times. Your failure or refusal to ensure this connection shall be a breach of this Agreement.

5.~~6~~7. Annual Reports. You shall, at your expense, provide to Franchisor a profit and loss statement and balance sheet signed by you or by your treasurer or chief financial officer attesting that the financial

statements present fairly your financial position and the results of operations of the Franchised Business during the period covered. Franchisor also shall have the right, in its reasonable discretion, to require that you, at your expense, submit financial statements that have been reviewed by a certified public accounting firm acceptable to Franchisor for any fiscal year or any period or periods of a fiscal year.

5.~~7~~8. Audit Rights. Franchisor or its designated agent has the right to audit, examine, and copy your books, records, accounts, and business tax returns, and such other forms, reports, information and data as Franchisor reasonably may designate, applicable to the operation of the Franchised Business at any time. If an inspection or audit is made necessary by your failure to furnish reports or supporting records as required under this Agreement, or to furnish such reports, records or information on a timely basis, you shall reimburse Franchisor for the reasonable cost of the inspection or audit including, without limitation, the charges of attorneys and independent accountants, and the travel expenses, room, board and compensation of Franchisor's employees or designees involved in the inspection or audit. If an inspection or audit reveals underpayment of amounts owed to Franchisor, you shall immediately pay the understated amount with interest as provided in Section 4.~~11~~14. If an audit or inspection reveals your understatement of Gross Revenue by 2% or more for any accounting period then, in addition to amounts due on the understatement and interest, you shall promptly reimburse Franchisor all costs and expenses that it incurred in connection with performing the audit or inspection (including travel, lodging and wage expenses, and attorneys' and accountants' fees). The foregoing remedies shall be in addition to all other remedies and rights available to Franchisor under this Agreement and applicable law. Franchisor may require you to use a designated accounting service of its choosing and pay all applicable fees incurred with such service.

6. TRAINING, ASSISTANCE, AND SUPPORT

6.1. Initial Training. Before you may begin operations, Franchisor will provide, and your Managing Owner must attend and complete to Franchisor's satisfaction Franchisor's initial training program. The initial training program will take place at your home, virtually, or at a location and time that Franchisor designates. Up to two individuals, including your Managing Owner, may attend Franchisor's initial training program without charge. At your request, Franchisor may permit additional individuals to attend the same training program, subject to space availability and payment of a reasonable tuition. You are responsible for all costs and expenses of complying with Franchisor's training requirements including, without limitation, tuition and registration costs and salary, travel, lodging, and dining costs for all of your employees who participate in the training. Owners of 25% or more of the equity interests in your entity may attend training with no additional fees.

6.2. Additional Training. You shall cause your Managing Owner and other employees that Franchisor designates to attend such additional courses, seminars, and other training programs as Franchisor may reasonably require. Franchisor may charge a reasonable tuition for these additional courses, seminars, or other training programs, and you are responsible for all training-related costs and expenses including, without limitation, salary, travel, lodging, and dining costs for all employees who participate in the training.

6.3. Initial Assistance. Franchisor will provide you with such pre-opening consultation and advice as Franchisor deems appropriate, which may include advice with regard to the development and operation of the Franchised Business and such other matters as Franchisor deems appropriate. Franchisor will provide you, at its sole discretion, one or two days of onsite training within the first 90 days after you begin operations to assist you in developing marketing and sales strategies and to offer technical advice.

6.4. Ongoing Assistance. During the term, Franchisor shall provide you such periodic advice and consultation as it deems appropriate. Such advice may include technical advice, marketing advice, operational advice, and/or general business advice. Franchisor may provide these services through on-site visits, the distribution of printed or filmed material or digital information, meetings or seminars, telephone communications, email communications or other communications.

6.5. Webpage. During the term, Franchisor shall maintain a web site that will provide information about

the SPECIAL STRONG brand, and identify and provide contact information for your Franchised Business. Franchisor has sole discretion and control over the design and content of the web site. **The parties agree that Franchisor shall not be liable to you for any interruption of service.**

6.6. Franchise Conventions. Franchisor, in its discretion, may host periodic franchise system conventions or other meetings for the benefit of franchise owners, and may charge a reasonable fee to help defray its costs. Your Managing Owner shall attend all such meetings. You are responsible for all attendance-related costs including payment of the registration fee or tuition (which is payable whether or not the Managing Owner attends), and travel and lodging costs for each attendee.

6.7. Performance by Delegate. You acknowledge and agree that any rights or duties of Franchisor may be exercised and/or performed by any of Franchisor's designees, agents, or employees.

6.8 ~~NCCA~~Personal Training, Red Cross, and CPR/AED Certification. You must hold ~~a NCCA-accredited~~an approved personal training certification and CPR/AED certification at all times during the operation of your Franchised Business. You must also complete Red Cross water safety certification courses. We will pay for the costs for the initial Managing Owner to obtain an ~~NCCA~~approved personal training certification. If you do not hold ~~NCCA-accredited~~an approved personal training certification, your Managing Owner or General Manager will obtain it through Franchisor at no additional cost to you. If you do not hold CPR/AED certification, you must obtain one through us or a third party and you will be solely responsible for all costs in obtaining such certification. For CPR/AED certification, Franchisor requires that you complete a CPR/AED course that involves a in person hands-on assessment. Online CPR/AED courses will not be accepted unless a live, in person hands-on assessment is included in the course.

7. MANUAL

7.1. Loan of Manuals. Franchisor shall provide you access to our Manuals, which may be in an electronic format. The Manuals shall at all times remain the sole property of Franchisor.

7.2. Updating Manuals. You shall keep your copy of the Manuals current and up to date and shall purchase whatever equipment and related services (including, without limitation, audio/video equipment, computer system, internet service, dedicated phone line, facsimile machine, etc.) as may be necessary to receive these communications. If a dispute relating to the contents of the Manuals develops, the master copy maintained by Franchisor at its principal offices shall control.

7.3. Compliance with Manuals. The Manuals contain detailed standards, specifications, instructions, requirements, methods and procedures for the management, operation and promotion of a Franchised Business. You shall operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Manuals.

7.4. Return and Replacement. Upon termination or expiration of this Agreement, you shall immediately return the Manuals without retaining any copies.

8. MODIFICATIONS AND IMPROVEMENTS

8.1. Franchisor's Right to Modify System. Franchisor, in its sole discretion, shall be entitled from time to time to change or modify elements of the System, which may include introducing new service offerings and activities (such as summer camp programs), eliminating service offerings and activities, or changing activities curricula, changing the presentation of the Marks and Copyrighted Works, and the adoption and use of new or modified Marks or Copyrighted Works. You shall implement such changes or modifications as if they were a part of the System at the time this Agreement was executed, and you shall make such expenditures as the changes or modifications in the System reasonably require.

8.2. Your Developments and Improvements. You may, from time to time, develop and suggest improvements to the System; before you develop any concept, process, improvement, or product for the promotion and/or operation of the System and Franchised Business, you shall promptly notify Franchisor and provide Franchisor with all information regarding the new concept, process, improvement, or product,

all of which shall become the property of Franchisor and its Affiliates and which may be incorporated into the System without any payment to you. You shall promptly take all actions deemed necessary or desirable by Franchisor, at your expense, to vest in Franchisor ownership of such concepts, processes or improvements.

9. PERFORMANCE REQUIREMENTS

9.1. General Operating Requirements. You understand and acknowledge that every detail of the System is essential to maintain and enhance the goodwill associated with the Marks and the integrity of the brand. Accordingly, you agree as follows:

(a) You shall operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations including, without limitation, all laws or regulations governing or relating to immigration and discrimination, occupational hazards, employment laws (including, without limitation, workers' compensation insurance, unemployment insurance, and the withholding and payment of federal and state income taxes, social security taxes) and the payment of sales taxes. You shall operate the Franchised Business in conformity with the highest ethical standards and sound business practices and in a manner that will enhance the goodwill associated with the marks.

(b) In all dealings with clients, suppliers and the public, you shall adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You shall refrain from any business or advertising practices that may be injurious to the good will associated with the Marks or to the business of Franchisor or its Affiliates, the System or other System franchisees.

(c) You shall immediately notify Franchisor in writing after the start of any action, suit or proceeding, or the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation of the Franchised Business or your financial condition. Upon the occurrence of a Crisis Management Event, you shall immediately inform the Franchisor according to prescribed procedures, and cooperate fully with Franchisor with respect to Franchisor's response to the Crisis Management Event. **"Crisis Management Event"** means any event that occurs in connection with the operation of the Franchised Business that has or may cause harm or injury to customers, customers' property, employees, or the property of the Franchised Business, including but not limited to, traffic accidents, natural disasters, terrorist acts, acts of violence, or any other circumstances which may materially and adversely affect the System or the goodwill symbolized by the Marks.

9.2. Standards, Specification, and Procedures. You acknowledge that each of the Standards and all elements of the System are important to Franchisor and other businesses operating under the System and Marks. You shall acquire and use in the operation of the Franchised Business all vehicles, equipment, signage, inventory and supplies that Franchisor prescribes and that meet Franchisor's Standards. You agree to comply with all of the Standards.

9.3. System Suppliers; Approved Suppliers and Approved Brands.

(a) You shall purchase only from Franchisor or suppliers designated by Franchisor ("**Approved Suppliers**") your ongoing requirements of t-shirts and other branded merchandise, stationery and business cards, and advertising and marketing materials.

(b) You shall purchase from suppliers and distributors such equipment, materials and supplies that meet Franchisor's standards and specifications, as promulgated from time to time. Franchisor has the right to require that you use only certain brands of products and materials ("**Approved Brands**"), and to the extent that Approved Brands have been identified, you may purchase and use only the Approved Brands.

(c) Franchisor may from time to time modify the list of Approved Suppliers and/or Approved Brands. You shall promptly comply with all such modifications.

(d) Franchisor may approve one or more suppliers for any goods or materials and may approve a supplier only as to certain goods or materials. Franchisor may concentrate purchases with one or more

suppliers to obtain lower prices and/or the best advertising support and/or services for franchisees or for a particular group or subset. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, or other criteria, and concentration of purchases, as set forth above, and may be temporary pending a further evaluation of such suppliers by Franchisor. **Franchisor makes no representation concerning, and expressly disclaims any liability arising out of or in connection with, the services rendered or products furnished by any supplier approved or designated by Franchisor. Franchisor's approval or consent to any services, goods, suppliers, or any other individual, entity or any item shall not create any liability to Franchisor.**

(e) If you wish to use a supplier or product that has not previously been approved by Franchisor, you must make a request to Franchisor in writing for Franchisor's approval of the supplier or product, including any pertinent information Franchisor requires. Franchisor will notify you in writing within 30 days if and when a supplier or product is approved, and Franchisor's approval will not be unreasonably withheld. If Franchisor does not notify you within this 30-day period, the product or supplier is deemed not approved and you must reimburse the costs Franchisor incurred in evaluating the product or supplier. Franchisor reserves the right to re-inspect any supplier or product to ensure that the supplier continues to conform to Franchisor's reasonable specifications and standards. If a supplier or product fails to conform to Franchisor's reasonable specifications and standards, Franchisor may revoke Franchisor's approval of the supplier or product, and you must discontinue using the unapproved supplier or product after notice from Franchisor. Franchisor does not generally make available the criteria for evaluating suppliers and/or products that Franchisor deems confidential. If Franchisor notifies you that a particular product or supplier's approval has been revoked by Franchisor, you must immediately stop using that product and/or stop purchasing from that supplier.

9.4. Authorized Products and Services. You shall offer and provide all service offerings and products that Franchisor requires, and shall offer and provide only the service offerings and products that Franchisor has approved. Franchisor has the right to add, modify and discontinue authorized Programs, products and services at any time, in its sole discretion. You shall begin offering additional or modified service offerings and products, and cease offering discontinued service offerings and products, within 10 days of the date you receive written notice of the addition, modification or discontinuance. All service offerings and products shall meet Franchisor's Standards.

9.5. Pricing. To the fullest extent permitted by applicable law, Franchisor reserves the right to establish maximum, minimum or other pricing requirements with respect to the prices you may charge for products and services. You agree to honor all such pricing.

9.6. Omitted.

9.7. Computer Systems.

(a) Computer Hardware and Software Requirements; Electronic Devices. You shall acquire and use in the operation of the Franchised Business all computer hardware and related accessories and peripheral equipment (collectively, "**Computer System**") and smart devices, such as cell phones, personal digital assistants, tablets, and other mobile and/or wireless devices (collectively, "**Smart Devices**") that Franchisor prescribes for use, and may not use any computer hardware, accessories or peripheral equipment or smart devices that Franchisor has not approved for use. Requirements may include, among other things, connection to remote servers, off-site electronic repositories, high speed Internet connections, and maintaining an account or accounts with Franchisor's prescribed service providers. You shall: ***(a)*** use any proprietary and third party software programs, system documentation manuals and other materials provided to you by Franchisor in connection with the operation of the Franchised Business; ***(b)*** input and maintain in your Computer System and Smart Devices such data and information as Franchisor prescribes in the Manuals; and ***(c)*** purchase new or upgraded software programs, system documentation manuals and other

proprietary materials at then-current prices whenever Franchisor adopts such new or upgraded programs, manuals and materials system-wide. As technology is ever changing and as technology or software is developed in the future, Franchisor may, in its sole discretion, require you to add to your Computer System memory, ports and other accessories or peripheral equipment or additional, new or substitute software, and replace or upgrade your Computer System, software, and Smart Devices as Franchisor prescribes.

(b) Software Licenses and Maintenance. To ensure full operational efficiency, you agree to keep your Computer System in good maintenance and repair and to make additions, changes, modifications, substitutions and replacements to your computer hardware, accessories and peripherals, software, telephone and power lines, high speed Internet connections and other computer-related facilities as directed by Franchisor. Upon termination or expiration of this Agreement, all computer software, disks, tapes and other magnetic storage media shall be returned to Franchisor in good operating condition, excepting normal wear and tear. You shall enter into all software license agreements, "terms of use" agreements and software maintenance agreements, in the form and manner Franchisor prescribes, and pay all software license and maintenance fees imposed by Franchisor and third-party software and maintenance service providers.

(c) Independent Access to Information. Franchisor may independently access from a remote location, at any time, all information input to, and compiled by, your Computer System, an off-site server, and/or your Smart Devices, including information concerning Gross Revenue. You shall provide Franchisor unrestricted access to information on your Computer System, the off-site server, and your Smart Devices (which may include providing Franchisor all of your user IDs and passwords, if necessary) to download and transfer data via modem or other connection as Franchisor determines. There are no limitations on Franchisor's right to access the information and data recorded by your computer system.

(d) Intranet System. Franchisor may, at its option, establish and maintain an intranet or extranet system through which members of the SPECIAL STRONG franchise network may communicate and through which Franchisor may disseminate updates to the Manuals and other Confidential Information. Franchisor will have no obligation to establish or to maintain the intranet indefinitely, and may dismantle it at any time without liability to you. Franchisor may establish policies and procedures for the intranet's use. Franchisor expects to adopt and adhere to a reasonable privacy policy. However, you acknowledge that, as administrator of the intranet, Franchisor can technically access and view any communication that anyone posts on the intranet. You further acknowledge that the intranet facility and all communications that are posted to it will become Franchisor property, free of any claims of privacy or privilege that you or any other individual may assert.

9.8. Payment Systems. You shall accept debit cards, credit cards, stored value cards, or other non-cash systems that Franchisor specifies periodically to enable customers to purchase authorized goods and services, and to install all hardware and/or software necessary to accept such payments. You are solely responsible for PCI-DSS compliance, for taking reasonable precautions to prevent data security breaches, and for complying with breach notification statutes and other legal requirements in the event of a security breach.

9.9. Equipment; Signage. You shall continuously operate the Franchised Business and shall maintain in excellent condition (subject to normal wear and tear) and in good working order all equipment and materials in accordance with the requirements of the System. You shall promptly and diligently perform all necessary maintenance, repairs and replacements to the equipment and materials as Franchisor may prescribe from time to time. You shall not display on or in connection with any vehicle or equipment used in connection with the Franchised Business unauthorized sign, logo or advertising media of any kind.

9.10. Days and Hours of Operation. You shall cause the Franchised Business to operate on the days and during the hours that Franchisor designates, and only on the days and during the hours that Franchisor permits.

9.11. Management and Personnel. You shall maintain a competent, conscientious, and trained staff, and

shall take such steps as are necessary to ensure that your employees render competent, prompt, courteous, and knowledgeable service in the performance of their duties. While on duty, each employee shall comply with the dress attire, personal appearance and hygiene standards set forth in the Manual. Any employee who conducts training shall have met the certification requirements of Franchisor, and any federal, state, or local agencies. The parties acknowledge and agree that these requirements are necessary to protect public safety and to preserve the goodwill identified by the Marks. The parties further acknowledge and agree that Franchisor neither dictates nor controls labor or employment matters for you or your employees. You are exclusively responsible for hiring personnel, for determining the number of jobs offered or job vacancies to be filled, for determining and changing employee wages and benefits and work hours, and for disciplining and discharging your employees. You are exclusively responsible for labor relations with your employees.

9.12. Managing Owner and Owner Obligations.

9.12.1 The Franchised Business must be supervised, day-to-day, by your Managing Owner, as provided in this Section 9.12.

9.12.2 Your Managing Owner must devote his or her best efforts towards the management, operation, promotion, and growth of the business. Your Managing Owner may initially have outside employment, as long as that Managing Owner intends to leave said employment within a reasonable time period after signing the Franchise Agreement, and the Franchised Business does not commercially suffer from said outside employment. Your Managing Owner must successfully complete our initial training program. If your Managing Owner ceases to serve in, or no longer qualifies for, the position, you must designate a new Managing Owner within 30 days. Each replacement Managing Owner must successfully complete our initial training program before assuming responsibility.

9.12.3. If the franchisee is a Business Entity, each Owner identified in Attachment B to this Agreement (including your Managing Owner) must sign a Guaranty and Personal Undertaking substantially in the form attached as Attachment C to this Agreement. Spouses of Owners, individuals who attending training, and other individuals designated by Franchisor must sign a confidentiality and non-competition agreement substantially in the form attached as Attachment D to the Franchise Agreement.

9.13. Inspections. Franchisor or its designees shall have the right at any reasonable time and without prior notice to you to: ***(a)*** observe, photograph and record evidence of work performed by the Franchised Business; ***(b)*** interview your employees; ***(c)*** interview your clients; and ***(d)*** inspect and copy any books, records and documents relating to the operation of the Franchised Business or, upon request of Franchisor or its designee, require you to send copies thereof to Franchisor or its designee. You agree to cooperate fully with Franchisor or its designee in connection with any such quality assurance inspection, observations and interviews. Additionally, you shall present to your clients those evaluation forms as are periodically prescribed by Franchisor and shall participate and/or ask your clients to participate in any surveys performed by or on behalf of Franchisor as Franchisor may direct. You shall take all necessary steps to immediately correct any deficiencies detected during these quality assurance inspections. Franchisor shall have the right to develop and implement a grading system for such quality assurance inspections.

9.14. Payment of Taxes and Other Indebtedness. You shall promptly pay, when due, all taxes levied or assessed by any federal, state or local tax authority and any and all other indebtedness incurred by you in the operation of the Franchised Business. In the event of any bona fide dispute as to liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; provided, however, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Franchised Business or any improvements thereon.

9.15. Social Media and Internet Listings. You shall follow Franchisor's mandatory specifications, standards, operating procedures, and rules for using Social Media in connection with your operation of the Franchised Business and you agree to comply with any Social Media policy Franchisor implements.

Franchisor shall create and own all Social Media accounts used in operation of the Franchised Business and shall allow your access and use only in strict compliance with Franchisor's rules. Franchisor reserves its right to remove your access to Social Media accounts at any time at its sole discretion. Upon termination of this Agreement for any reason, your access to all Social Media accounts will terminate. The term "**Social Media**" includes, without limitation, personal blogs; common social networks such as FACEBOOK, SNAPCHAT, INSTAGRAM, LINKEDIN, ~~TWITTER~~X, or YOUTUBE; internet listing sites such as WIKIPEDIA, GOOGLE, FOURSQUARE, and YELP; applications supported by mobile platforms such as iOS and Android; virtual worlds; file, audio, and video-sharing sites; and other similar internet, social networking, or media sites, mobile platforms, or tools.

9.16. Public Relations. You shall not make any public statements (including giving interviews or issuing press releases) regarding the Franchised Business or any particular incident or occurrence related to the Franchised Business, without the Franchisor's prior written approval.

9.17. Association with Causes. You shall not in the name of the Franchised Business: ***(a)*** donate money, products, or services to any charitable, political, religious or other organization, or ***(b)*** act in support of any such organization, without the Franchisor's prior written approval.

9.18. Technology Risk. You acknowledge and agree that technology is constantly changing. Technologic devices and computer systems are always being updated, improved, replaced, and discontinued. Consequently, computer systems are sometimes incompatible and are susceptible to Internet, computer system, and communication failures. By entering into this Agreement, you assume all of the risk of all such issues and technology failures, which you acknowledge may affect your ability to order or receive products or to conduct business, and you acknowledge that Franchisor is not responsible for any damages caused by such issues or technology failures, including lost sales or profits.

10. ORGANIZATION OF THE FRANCHISEE

10.1. Representations.

10.1.1. If you are a Business Entity, you make the following representations and warranties: ***(a)*** the Business Entity is duly organized and validly existing under the laws of the state of its formation; ***(b)*** it is qualified to do business in the state or states in which the Franchised Business operates; ***(c)*** execution of this Agreement and the development and operation of the Franchised Business is permitted by its governing documents; and ***(d)*** unless waived in writing by Franchisor, its charter documents and its governing documents shall at all times provide that the activities of the Business Entity are limited exclusively to the operation of the Franchised Business.

10.1.2. If you are an individual, or a partnership comprised solely of individuals, you make the following additional representations and warranties: ***(a)*** each individual has executed this Agreement; ***(b)*** each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and ***(c)*** notwithstanding any transfer for convenience of ownership pursuant to Article 15, each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement.

10.2. Governing Documents. If you are a corporation, copies of your formation documents, bylaws, other governing documents and any amendments, including the resolution of the Board of Directors authorizing entry into and performance of this Agreement, and all shareholder agreements, including buy/sell agreements, have been furnished to Franchisor. If you are a limited liability company, copies of your formation documents, operating agreement, other governing documents and any amendments, including the resolution of the Managers authorizing entry into and performance of this Agreement, and all agreements, including buy/sell agreements, among the members have been furnished to Franchisor. If you are a general or limited partnership, copies of your formation documents, written partnership agreement, other governing documents and any amendments, as well as all agreements, including buy/sell agreements,

among the partners have been furnished to Franchisor, in addition to evidence of consent or approval of the entry into and performance of this Agreement by the requisite number or percentage of partners, if that approval or consent is required by your written partnership agreement or applicable law. When any of these governing documents are modified, or changed, you promptly shall provide copies of the modifying documents to Franchisor.

10.3. Ownership Interests. If you are a Business Entity, you represent that all of your equity interests are owned as set forth on Attachment B. In addition, if you are a corporation, you shall maintain a current list of all owners of record and all beneficial owners of any class of securities of the corporation (and the number of shares owned by each). If you are a limited liability company, you shall maintain a current list of all members (and the percentage membership interest of each member). If you are a partnership, you shall maintain a current list of all owners of an interest in the partnership (and the percentage ownership interest of each general and limited partner). You shall comply with Article 15 prior to any change in ownership interests and shall execute addenda to Attachment B of this Franchise Agreement as changes occur in order to ensure the information contained in Attachment B is true, accurate and complete at all times.

10.4. Restrictive Legend. If you are a corporation, you shall maintain stop-transfer instructions against the transfer on your records of any securities, and each stock certificate of the corporation shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of this stock is subject to the restrictions imposed on assignment by Strong Kingdom, LLC Franchise Agreement to which the corporation is a party." If you are a limited liability company, each membership certificate or other evidence of interest in the limited liability company shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of an interest in this limited liability company is subject to the restrictions imposed on assignment by Strong Kingdom, LLC Franchise Agreement to which the limited liability company is a party." If you are a partnership, your written partnership agreement shall provide that ownership of an interest in the partnership is held subject to, and that further assignment or transfer is subject to, all restrictions imposed on assignment by this Agreement.

11. MARKS AND COPYRIGHTED WORKS

11.1. Acknowledgments. You expressly understand and acknowledge that: ***(a)*** as between you and Franchisor, Franchisor is the exclusive owner of all right, title and interest in and to the Marks (and all goodwill symbolized by them) and the Copyrighted Works; ***(b)*** the Marks are valid and serve to identify the System and those who are licensed to use the System; ***(c)*** your use of the Marks and Copyrighted Works pursuant to this Agreement does not give you any ownership interest or other interest in or to them, except the nonexclusive license to use them in accordance with this Agreement and the Standards; ***(d)*** any and all goodwill arising from your use of the Marks and/or the System shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System or the Marks; and ***(e)*** the license and rights to use the Marks and Copyrighted Works granted hereunder to you are nonexclusive, and Franchisor may: ***(i)*** itself use, and grant franchises and licenses to others to use, the Marks, Copyrighted Works and the System; ***(ii)*** establish, develop and franchise other systems, different from the System licensed to you herein, without offering or providing you any rights in, to or under such other systems; and ***(iii)*** modify or change, in whole or in part, any aspect of the Marks or Copyrighted Works.

11.2. Modification of the Marks and Copyrighted Works. Franchisor reserves the right, in its sole discretion, to add, eliminate, or modify any of the Marks and Copyrighted Works. You must promptly, and at your expense, take all actions necessary to adopt all new and modified Marks and/or Copyrighted Works and discontinue using obsolete Marks and/or Copyrighted.

11.3. Use of the Marks and Copyrighted Works.

11.3.1. You shall use only the Marks and Copyrighted Works designated by Franchisor and shall use them only in connection with the operation and promotion of the Franchised Business and in the manner required or authorized and permitted by Franchisor.

11.3.2. Your right to use the Marks and Copyrighted Works is limited to the uses authorized under this Agreement and in the Manual, and any unauthorized use thereof shall constitute an infringement of Franchisor rights and grounds for termination of this Agreement.

11.3.3. You shall not use the Marks as part of your Business Entity or other legal name. You may, with Franchisor's written approval, use the Marks as part of a trade name. You shall comply with all requirements of Franchisor and applicable state and local laws concerning use and registration of fictitious and assumed names, and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Marks or to maintain their continued validity and enforceability.

11.3.4. You shall not use the Marks or any part or derivative thereof or any of Franchisor's Copyrighted Works on the Internet, except as expressly permitted in writing. Without limiting the generality of the foregoing, you may not use the Marks or any part or derivative of the Marks as part of any URL or domain name, and may not register the Marks or any part or derivative of the Marks as part of any user name on any gaming website or social networking website (such as FACEBOOK, INSTAGRAM, or ~~TWITTER~~X), whether or not such social media platform is used for commercial gain, or as part of any unauthorized email address. You also may not display on any website (including commercial websites, gaming websites, and social networking websites) Franchisor's Copyrighted Works, which include the design portion of its Marks, or any items or collateral merchandise identified by the Marks.

11.4. Assignment of Copyrighted Works. To the extent that you or any Owner creates any derivative work based on the Copyrighted Works ("**Derivative Works**"), you and each such Owner assigns to Franchisor all ownership in and to the Derivative Work, and agree to execute such further assignments as Franchisor may request. You and each Owner shall take all actions and sign all documents necessary to give effect to the purpose and intent of this Section 11.4. You and each Owner irrevocably appoint Franchisor as true and lawful attorney-in-fact for you and each Owner, and authorize Franchisor to take such actions and to execute, acknowledge and deliver all such documents as may from time to time be necessary to convey to Franchisor all rights granted herein.

11.5. Infringement; Notice of Claims. If you become aware of any infringement of the Marks or Copyrighted Works or if your use of the Marks or Copyrighted Works is challenged by a third party, then you must immediately notify Franchisor. Franchisor shall have the exclusive right to take whatever action it deems appropriate. If Franchisor or its Affiliate undertakes the defense or prosecution of any litigation pertaining to any of the Marks or other intellectual property, you must sign all documents and perform such acts and things as may, in the opinion of Franchisor's counsel, be necessary to carry out such defense or prosecution. If it becomes advisable at any time in the sole discretion of Franchisor to modify or discontinue the use of any Mark or Copyrighted Works, or to substitute a new mark or graphic for any Mark or Copyrighted Work, as applicable, you must promptly comply, at your expense (which may include the cost of replacement signage and/or trade dress), with such modifications, discontinuances or substitutions.

11.6. Remedies and Enforcement. You acknowledge that in addition to any remedies available to Franchisor under this Agreement, you agree to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, a temporary restraining order and/or an injunction against violation of the provisions of this Article 11.

12. CONFIDENTIALITY OBLIGATIONS AND RESTRICTIVE COVENANTS

12.1. Confidential Information. You and each Owner and Manager acknowledge that all Confidential Information belongs exclusively to Franchisor. You and each Owner and Manager agree to maintain the

confidentiality of all Confidential Information, to refrain from duplicating any materials containing Confidential Information (including the Manuals), and to refrain from divulging any Confidential Information to anyone, except to other franchisees, your employees and your professional advisors on a need-to-know basis. You may use the Confidential Information only for the purpose of operating the Franchised Business. This provision will survive expiration or termination of this Agreement. You shall cause your Managing Owner and any employee with access to Confidential Information, including information contained in the Manuals, to sign a confidentiality agreement in a form prescribed by Franchisor, which identifies Franchisor as a third-party beneficiary of such agreement and gives Franchisor independent rights of enforcement.

12.2. Covenants of the Franchisee.

12.2.1. During the term of this Agreement and for a two-year uninterrupted period beginning upon expiration or termination of this Agreement, regardless of the reason for termination, you shall not, directly or indirectly, for yourself or through, on behalf of or in conjunction with any individual or business entity: ***(a)*** divert clients or potential clients to other businesses; ***(b)*** induce any employee of another franchisee to leave his or her employment, or employ any person who had been employed by another franchisee within the previous 60-day period without paying the former employer a $1,000 training fee; or ***(c)*** own, operate, engage in, be employed by, advise, assist, invest in, franchise, make loans to or have any interest in any business, product, or service (except another Franchised Business pursuant to a valid franchise agreement with Franchisor) or other business, product, or service that provides, contracts with businesses that provide, or derive revenue from the provision of a Competitive Business, product, or service (provided that such restriction shall not apply to less than a 5% beneficial interest in any publicly traded corporation).

12.2.2. During the term of this Agreement, the restrictions contained in this Section 12.2. shall apply universally. During the two-year restrictive period described above, the restrictions shall apply only to businesses located ***(a)*** at the former Franchised Business location; ***(b)*** within your former Protected Area; ***(c)*** within 20 miles from the perimeter of your former Protected Area; ***(d)*** within the Protected Area of any other SPECIAL STRONG franchise; or ***(e)*** within a 20-mile radius surrounding Franchisor's headquarters or of an office maintained by us, or our affiliates, or of another SPECIAL STRONG franchise existing on the date of termination or expiration of this Agreement.

12.2.3. The two-year restrictive period described above shall be tolled during any period of noncompliance.

12.3. Covenants of the Franchisee's Owners.

12.3.1. During the term of this Agreement and for a continuous uninterrupted two-year period beginning: ***(a)*** upon expiration or termination of this Agreement, regardless of the cause for termination, or ***(b)*** dissolution of the franchisee entity, or ***(c)*** the transfer or redemption of the Owner's interest in the franchisee entity, whichever occurs first, such Owner shall not, directly or indirectly, for himself or herself or through, on behalf of or in conjunction with any individual or business entity: ***(i)*** divert clients or potential clients to other businesses; ***(ii)*** induce any employee of another franchisee to leave his or her employment, or employ any person who had been employed by another franchisee within the previous 60-day period without paying the former employer a $1,000 training fee; or ***(iii)*** own, operate, engage in, be employed by, advise, assist, invest in, franchise, make loans to or have any interest in any Competitive Business, product, or service (except another Franchised Business pursuant to a valid franchise agreement) (provided that such restriction shall not apply to less than a 5% beneficial interest in any publicly traded corporation).

12.3.2. During the term of this Agreement, the restrictions contained in this Section 12.3. shall apply universally. During the two-year restrictive period described above, the restrictions shall apply only to businesses located ***(a)*** at the former Franchised Business location; ***(b)*** within the Protected Area; ***(c)*** within 20 miles from the perimeter of the Protected Area; ***(d)*** within the Protected Area of any other SPECIAL STRONG franchise; or ***(e)*** within a 20-mile radius surrounding Franchisor's headquarters or of

an office maintained by us, or our affiliates, or of another SPECIAL STRONG franchise existing on the date of termination or expiration of this Agreement, or the transfer or redemption of the Owner's interest, as applicable.

12.3.3. The two-year period restrictive period described above shall be tolled during any period of noncompliance.

12.3.4. At Franchisor's request, the Managing Owner and each Owner shall execute a separate agreement containing the terms contained in this Section 12.3.

12.4. Reformation and Reduction of Scope of Covenants. If all or a portion of any covenant contained in this Article 12 is held to be unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor or its Affiliate is a party, you and the Owners will 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 Article 12. Notwithstanding the foregoing, Franchisor has the unilateral right, in its sole discretion, to reduce the scope of any covenant set forth in this Article 12, or any portion thereof, which reduction will become effective immediately upon delivery of notice of the reduction. If the two-year restrictive period would be unenforceable under applicable law as an unreasonable restraint of trade, then such restriction is modified to prohibit you and each Owner, as applicable, from soliciting or providing services, during said two-year period, to any client previously serviced by the Franchised Business.

12.5. Acknowledgments. The parties and each Owner acknowledge and agree that any claims that you or the Owner may have or allege to have against Franchisor shall not constitute a defense to the enforcement of any covenant contained in this Article 12.

12.6. No Undue Hardship. You and each Owner acknowledge and agree that the covenants set forth in this Article 12 are fair and reasonable. You acknowledge and agree that such covenants will not impose any undue hardship on you and that you have other considerable skills, experience and education affording you the opportunity to derive income from other endeavors. Each Owner acknowledges and agrees that such covenants will not impose any undue hardship on him or her, and that each has other considerable skills, experience and education affording him or her the opportunity to derive income from other endeavors.

12.7. Injunctive Relief. You and each Owner acknowledge that the violation of any covenant contained in this Article 12 would result in immediate and irreparable injury to Franchisor for which there is no adequate remedy at law. The parties acknowledge and agree that, in the event of a violation of any covenant contained in this Article 12, Franchisor shall be entitled to seek injunctive relief to restrain such violation in accordance with the usual equity principles. The party in violation of any foregoing covenant shall reimburse Franchisor for any costs that it incurs (including attorneys' fees) in connection with enforcement of the provisions contained in this Article 12.

13. ADVERTISING

13.1. General Requirements. All of your promotional and marketing materials shall be presented in a dignified manner and shall conform to Franchisor's standards and specifications related to advertising, marketing, trademark, and copyright use. You shall submit to Franchisor samples of proposed promotional and marketing materials, and notify Franchisor of the intended media, before first publication or use. Franchisor shall use good faith efforts to approve or disapprove the proposed promotional and marketing materials within 15 days of their receipt. Advertising materials that are not approved within this 15-day period are considered disapproved. You may not use any promotional or marketing materials unless previously approved in writing by Franchisor. Once approved, you may use the materials only in connection with the media for which they were approved. Franchisor may disapprove your promotional or marketing materials, or the media for which they were approved, at any time, and you must discontinue using any disapproved materials or media upon your receipt of written notice of disapproval.

13.2. Initial Marketing Kit. ~~You~~Before attending your initial training program, you shall purchase from Franchisor or Franchisor's approved third-party vendor an Initial Marketing Kit for the fee specified on the Summary Pages. The Initial Marketing shall include, at minimum, the following unless specified otherwise in writing by Franchisor:

- (1000) Business Cards
- (2000) Franchisee Brochures
- (250) Thank You Notes
- (250) Thank You Note Envelopes
- (100) Our Story Flyers
- (100) Referral Vouchers
- (24) Shirts
- (2) Retractable Banners
- 6' Table Throw
- (200) 32 oz flip lid Bottles

13.3. Initial Marketing Promotion. During the 90-day period after you begin operating the Franchised Business, you shall spend at least $~~3~~10,000 per territory purchased on initial marketing and promotion in accordance with the Standards. You must also install premium vinyl wrap material, with SPECIAL STRONG graphic design, designed by us, on your primary work vehicle through our approved provider. We may, from time to time, designate updates or upgrades that you must make to your vehicle. In addition, we may require you to update the vehicle's wrap and/or signage, but we will not require this more frequently than every five (5) years during the term of this Agreement.

~~13.4. Brand Development Fund.~~

~~13.4~~13.4 Grand Opening Marketing & Launch. You agree to conduct a grand opening advertising and promotional program for each territory you purchase ("Grand Opening Program"). The Grand Opening Program must target prospective customers throughout the Territory and meet the standards we establish from time to time. You must pay to our affiliate a minimum of $10,000 in each territory you own to perform Grand Opening Advertising at an approved third-party facility in your Protected Area. The amounts you spend on the Grand Opening Program are in addition to the Brand Development Fund Contributions that you must pay to us. Upon request by us, you must provide us with a report itemizing the amounts you spent on the Grand Opening Program.

13.5. Brand Development Fund.

13.5.1. Each month during the Term, you shall contribute to the Brand Development Fund (the "**Fund**") an amount ~~equal to one percent (1%) of your prior month's Gross Revenue.~~as specified in the Summary Pages. Franchisor may increase the Brand Development Fund fee up to the greater of ~~three~~four percent (~~3~~4%) of your prior month's Gross Revenue or four hundred dollars ($400) per month. At all times during the Term, the Brand Development Fund fee shall be subject to a minimum amount of ~~two~~four hundred ~~and fifty~~ dollars ($~~250~~400) per month. You shall submit the Brand Development Fund fee to Franchisor in the same manner as the Royalty Fee and on such Due Date as Franchisor designates. Brand Development Fund fees are due beginning in the ~~4~~1st month following the opening of your Special Strong location.

13.4~~5~~.2.Franchisor has the right to use Fund monies, in its sole discretion, to pay for creative development services (including creation and modification of logos, graphics and vehicle wraps), preparing or procuring market studies, providing or obtaining marketing services (including, without limitation, conducting client surveys, focus groups, and client interviews), developing, producing, distributing and placing advertising (including, without limitation, developing and producing point-of-sale advertising and promotional materials); developing, updating and hosting Franchisor's web site (including development of

interior pages featuring franchised and Franchisor or Affiliate-owned businesses operating under the SPECIAL STRONG System and Marks and developing locator programs) and/or an intranet or extranet system, obtaining sponsorships and endorsements, preparing and conducting sweepstakes and other promotions, providing and procuring public relations services, and conducting public relations activities. Franchisor also may use Fund monies to reimburse itself for its costs of personnel and other administrative and overhead costs associated with providing the services described in this Section 13.45.

13.45.3.The parties acknowledge that Franchisor owns all rights, and retains all copyrights, in all design and content developed using Fund monies, and that Franchisor will have sole control over the creative concepts, content, form, and media placement of all advertising and promotional materials developed with Fund monies, and the allocations of Fund monies to production, placement and other costs. Franchisor will own all copyright in any works created using Fund monies. You acknowledge and agree that Franchisor is not obligated to expend Fund monies for placement of advertising in your trading area, or to ensure that the Franchised Business benefits directly or *pro rata* from the expenditure of Fund monies. Franchisor will not use Fund monies for creating or placing any advertisement that is principally a solicitation for new franchisees, but may include in all advertising prepared using Fund monies (including Internet advertising) information concerning franchise opportunities, and a portion of Fund monies may be used to create and maintain one or more pages on Franchisor's web site devoted to advertising franchise opportunities and identifying and screening inquiries and applications submitted by franchise candidates. Franchisor has no fiduciary duty to you or to any Owner or to anyone else with respect to the collection or expenditure of Fund monies. Upon your reasonable request, Franchisor will provide you an annual statement of Fund contributions and expenditures.

13.45.4.Although the Fund is intended to be perpetual, Franchisor may terminate the Fund at any time. The Fund will not be terminated, however, until all monies in the Fund have been spent or returned to the contributors of the Fund on the basis of their respective contributions. Any amounts paid to the Fund may be used for advertising, marketing, brand promotion, and the costs associated with same, including but not limited to, the costs of administering the Fund, such as staff salaries and any out-of-pocket expenses incurred by the Franchisor – as determined in the Franchisor's sole and absolute discretion.

13.56. Local Advertising. The parties acknowledge and agree that participation in local and community marketing efforts is important to the financial performance of the Franchised Business. In addition to the Initial Marketing Promotion, described above, you agree to continuously market the Franchised Business using methods set forth in the Manual, which includes conducting periodic marketing campaigns that conform to Franchisor' Standards, and to spend on such marketing efforts the amount stated in the Summary Pages (your "**Local Advertising Expenditure**"). ~~If you purchase one (1) Territory, as reflected on the Summary Pages, your required monthly Local Advertising Expenditure shall be the greater of five hundred dollars ($500) per month or four percent (4%) of your Gross Revenue from the prior month. If you purchase two (2) or more Territories, as reflected on the Summary Pages, your required monthly Local Advertising Expenditure shall be the greater of one thousand dollars ($1,000) per month or four percent (4%) of your Gross Revenue from the prior month.~~We, or our affiliate, shall be responsible for conducting Local Advertising on your behalf. Therefore, you will pay the Local Advertising Expenditure to us, or our affiliate, each month during the Term of this Agreement. Any amounts contributed to an Advertising Cooperative pursuant to Section 13.6., below, shall be credited toward satisfaction of the Local Advertising Expenditure.

13.67. Advertising Cooperatives.

13.67.1.Franchisor may, from time to time, form local or regional advertising cooperatives ("**Advertising Cooperative**") to pay for the development, placement and distribution of advertising for the benefit of SPECIAL STRONG Businesses located in the geographic region served by the Advertising Cooperative. Any Advertising Cooperative established by Franchisor will be operated solely as a conduit for the collection and expenditure of Advertising Cooperative fees for the foregoing purposes.

13.67.2.If Franchisor forms an Advertising Cooperative for the area in which the Franchised

Business operates, you agree to participate in the Advertising Cooperative pursuant to the terms of this Section 13.~~6~~7.

13.~~6~~7.3.Franchisor shall have the exclusive right to create, dissolve and merge each Advertising Cooperative created, in its discretion, and to create and amend the organizational and governing documents related thereto; provided that such documents shall: ***(a)*** operate by majority vote, with each SPECIAL STRONG Business (including businesses owned by Franchisor or its Affiliates) entitled to one vote, ***(b)*** entitle Franchisor to cast one vote (in addition to any votes it may be entitled to on account of its operations in the area served by the Advertising Cooperative, ***(c)*** permit the members of the Advertising Cooperative, by majority vote, to determine the amount of required contributions, and ***(d)*** provide that any funds left in the Cooperative at the time of dissolution shall be returned to the members in proportion to their contributions during the 12-month period immediately preceding termination.

13.~~6~~7.4.You agree to be bound by all organizational and governing documents created by Franchisor and, at Franchisor's request, shall execute all documents necessary to evidence or affirm your agreement. The Advertising Cooperative shall begin operating on a date determined in advance by Franchisor. Your required Advertising Cooperative contribution shall not exceed the Local Advertising Expenditure stated on the Summary Pages.

13.~~6~~7.5.No advertising or promotional plans or materials may be used by the Advertising Cooperative or furnished to its members without Franchisor's prior approval. All advertising plans and materials must conform to the Standards and must be submitted to Franchisor for approval according to the procedures set forth in Section 13.1. of this Agreement.

13.~~7~~8. Restriction Against Internet Advertising. You may not establish or maintain, without Franchisor's prior written approval, a web site or other presence on the World Wide Web portion of the Internet that reflects any of the Marks or any of Franchisor's Copyrighted Works, that includes the terms "SPECIAL," or "STRONG" as part of its URL or domain name, that otherwise states or suggests your affiliation with Franchisor or the SPECIAL STRONG franchise system, or that uses or displays any merchandise or advertises any services offered by the Franchised Business.

13.~~8~~9. Price Promotions. If Franchisor develops and advertises national price promotions or package promotions, you shall participate in such promotion to the extent permitted by applicable law.

14. INSURANCE

14.1. Obligation to Maintain Insurance. You shall be responsible for all loss or damage arising from or related to your operation of the Franchised Business. You shall maintain in full force and effect throughout the term of this Agreement that insurance which you determine is necessary or appropriate for liabilities caused by or occurring in connection with the operation of the Franchised Business, including the minimum coverages described in Section 14.3. below. Franchisor, and any entity with an insurable interest designated by Franchisor, shall be an additional named insured in such policies to the extent each has an insurable interest. Your obligation to obtain and maintain insurance is not limited in any way by reason of any insurance maintained by Franchisor, and your compliance with minimum insurance requirements will not relieve you of your indemnification obligations under Section 18.2. of this Agreement.

14.2. Minimum Insurance Coverage

14.2.1. All insurance policies shall be written by an insurance company or companies satisfactory to Franchisor, in compliance with the standards, specifications, coverages, and limits set forth in the Manual or other written directives. Such policy or policies shall include, at a minimum, the following types of coverages, with minimum limits prescribed by Franchisor: comprehensive general liability insurance, including broad form contractual liability, abuse and molestation, automobile liability coverage for owned and non-owned vehicles; workers' compensation insurance that complies with the statutory requirements of the state(s) in which the Franchised Business operates. At Franchisor's request, you also must carry

employer practices liability coverage with co-defendant coverage that covers Franchisor, regardless of whether you are party to the action; and such insurance as necessary to fund the indemnity provisions set forth in Section 18.2.

14.2.2. Franchisor shall have the right to establish and modify the minimum required coverages and to require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in laws or standards of liability, higher damage awards, or other relevant changes in circumstances. All insurance requirements will be communicated to you via the Manuals or otherwise in writing.

14.3. Insurance Policy Requirements. The following general requirements shall apply to each insurance policy that you are required to maintain under this Agreement:

(a) Each insurance policy shall be specifically endorsed to provide that the coverage shall be primary and that any insurance carried by any additional insured shall be excess and non-contributory.

(b) No insurance policy shall contain a provision that in any way limits or reduces coverage for you in the event of a claim by Franchisor or its Affiliates.

(c) Each insurance policy shall extend to, and provide indemnity for, all of your obligations and liabilities to third parties and all other items for which you are required to indemnify Franchisor under this Agreement.

(d) Each insurance policy shall be written by an insurance company that has received and maintains "A-" or better rating by the latest edition of A.M. Best's Insurance Rating Service.

(e) No insurance policy shall provide for a deductible amount that exceeds $5,000, unless otherwise approved in writing by Franchisor, and your co-insurance under any insurance policy shall be 80% or greater.

(f) Each insurance policy shall include a waiver of subrogation in favor of Franchisor and its Affiliates, and their respective officers, directors, shareholders, partners, managers, members, agents, representatives, independent contractors, servants and employees.

14.4. Delivery of Certificate. No later than 30 days after this Agreement is executed by Franchisor, and on each policy renewal date thereafter, you shall submit evidence of satisfactory insurance and proof of payment therefore to Franchisor. The evidence of insurance shall include a statement by the issuer that the policy or policies will not be cancelled or materially altered without at least 30 days' prior written notice to Franchisor. Upon request, you also shall provide to Franchisor copies of all or any policies, and policy amendments and riders.

14.5. Minimum Insurance Requirements Not a Representation of Adequacy. You acknowledge that no requirement for insurance contained in the Agreement constitutes advice or a representation by Franchisor that only such policies, in such amounts, are necessary or adequate to protect you from losses in connection with your business under this Agreement. Maintenance of this insurance, and the performance of your obligations under this Article 14, shall not relieve you of liability under the indemnification provisions of this Agreement.

14.6. Franchisor's Right to Procure Insurance. If you fail to procure or maintain at least the insurance required by this Article 14, as revised from time to time pursuant to the Manual or otherwise in writing, Franchisor shall have the immediate right and authority, but not the obligation, to procure such insurance. If Franchisor procures insurance on your behalf, you shall pay Franchisor, upon demand, an administrative fee, which will not exceed 10% of the annual premium amount and reimburse Franchisor the amount of the premium.

15. TRANSFER

15.1. Transfer by Franchisor. Franchisor may transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal entity. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform such obligations, and shall become solely responsible for all of Franchisor's obligations under this Agreement from the date of assignment.

15.2. Transfer by Franchisee. You understand and acknowledge that Franchisor has entered into this Agreement in reliance on your business skill, financial capacity, personal character, and experience. Accordingly, you may not sell or transfer your interest in this Agreement or the assets of the Franchised Business (except in the ordinary course of your business) without Franchisor's prior written consent. In addition, if you are a Business Entity, no Owner may transfer or assign his or her equity interest in the Business Entity without Franchisor's prior written consent. For purposes of this Section 15.2. the term "transfer" means and includes an actual assignment, sale or transfer of an interest, or a collateral assignment or pledge of the interest as security for performance of an obligation. You must notify Franchisor in writing at least 60 days before the date of any such intended transfer. Any purported transfer, by operation of law or otherwise, not having Franchisor's written consent is null and void and shall constitute a material breach of this Agreement. Franchisor shall not unreasonably withhold its consent to any transfer, but may, in its sole discretion, require any or all of the following as conditions of its consent:

(a) With respect to any transfer:

(i) All of your accrued monetary obligations and all other outstanding obligations to Franchisor and its Affiliates and your suppliers shall be up to date, fully paid and satisfied;

(ii) You must be in full compliance with this Agreement and any other agreements between you and Franchisor, its Affiliates and your suppliers;

(iii) You and each Owner shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, shareholders, agents and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that any release will not be inconsistent with any state statute regulating franchising;

(iv) The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's then-current educational, managerial and business standards – including any credentials required by Franchisor, or any applicable federal, state or local authorities; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business; and has sufficient equity capital to operate the Franchised Business; and

(v) You reimburse Franchisor any out-of-pocket costs that it incurs, including reasonable attorneys' fees, in connection with the transfer.

(b) With respect to a transfer of an ownership interest that results in a "change of control" or the transfer of all or substantially all of the assets of the Franchised Business in connection with the transfer of franchise rights:

(i) The transferee shall execute Franchisor's then-current form of franchise agreement for the remaining balance of the franchise term (and if the transferee is a Business Entity, then the transferee's Owners shall jointly and severally guarantee the transferee's obligations thereunder in writing in a form satisfactory to Franchisor), which franchise agreement shall be amended to reflect that there shall be no initial franchise fee payable thereunder, that the initial

term of the new franchise agreement will expire on the natural expiration date of this Agreement, and that number and length of renewal terms under the new franchise agreement will equal the number and length of renewal terms left under this Agreement. The parties acknowledge that the terms of Franchisor's then-current form of franchise agreement may differ from the terms of this Agreement and may include, among other things, a different percentage and/or minimum royalty fees, Brand Development Fund contributions and/or advertising requirements;

(ii) The transferee shall agree to upgrade all equipment, materials and supplies used in connection with the Franchised Business to conform to Franchisor's then-current standards and specifications, if required by Franchisor;

(iii) You agree to remain liable for all direct and indirect obligations to Franchisor in connection with the Franchised Business prior to the effective date of the transfer, shall continue to remain responsible for its obligations of nondisclosure, noncompetition and indemnification as provided elsewhere in this Agreement, and all other obligations that survive termination, expiration or transfer and shall execute any and all instruments reasonably requested by Franchisor to further evidence such obligation;

(iv) The transferee shall comply with Franchisor's initial training and certification requirements, and transferee's employees will comply with Franchisor's requirements for background and criminal checks;

(v) You shall have complied with the requirements set forth in Section 15.3.;

(vi) You or the transferor must provide Franchisor with a copy of the agreements of purchase and sale between the transferor and the transferee. The economic terms of the transfer may not materially and adversely affect, in Franchisor's sole judgment, the post transfer viability of the Franchised Business; and

(vii) Franchisor shall have received the Transfer Fee in the amount set forth in the Summary Pages and you reimburse Franchisor any out-of-pocket costs that it incurs, including reasonable attorneys' fees, in connection with the transfer.

(viii) For purposes of this Section 15.2., "change of control" means ***(1)*** the direct or indirect acquisition by any person(s), not currently an Owner, of beneficial ownership of more than 20% of the total voting power of the Business Entity; ***(2)*** merger of the franchisee Business Entity with or into any other Business Entity; or ***(3)*** any other transaction that results in the current Owners holding less than ~~a~~an 80% of the total ownership or 80% of the control of the Business Entity.

15.3. Right of First Refusal. If you receive a bona fide offer to purchase your interest in this Agreement or all or substantially all of the assets of the Franchised Business, or if any Owner receives a bona fide offer to purchase his or her equity interests in you, and you or such Owner wishes to accept such offer, you or the Owner must deliver to Franchisor written notification of the offer and, except as otherwise provided herein, Franchisor shall have the right and option, exercisable within 30 days after receipt of such written notification, to purchase the seller's interest on the same terms and conditions offered by the third party. If the bona fide offer provides for the exchange of assets other than cash or cash equivalents, the bona fide offer shall include the fair market value of the assets and you shall submit with the notice an appraisal prepared by a qualified independent third party evidencing the fair market value of such assets as of the date of the offer. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. If Franchisor elects to purchase the seller's interest, closing on such purchase must occur by the later of: ***(a)*** the closing date specified in the third-party offer; or ***(b)*** within 60 days from the date of notice to the seller of Franchisor' election to purchase. Franchisor's failure to exercise the option described in this Section 15.3. shall not constitute a waiver of any of the transfer conditions set forth in this Article 15.

15.4. Transfer Upon Death or Mental Incapacity. If your Managing Owner dies or becomes incapacitated, Franchisor shall consent to the appointment of a new Managing Owner and to the transfer of the former Managing Owner's interest in this Agreement or equity interest in the franchisee (as applicable) to his or her spouse, heirs or relatives, whether such transfer is made by will or by operation of law, if, in Franchisor's sole discretion and judgment, the replacement Managing Owner meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the Franchised Business herein; has at least the same managerial and financial criteria required by new franchisees and has sufficient equity capital to operate the Franchised Business. If said transfer is not approved by Franchisor, the executor, administrator or personal representative of such person shall transfer the former Managing Owner's interest to a third party approved by Franchisor within six months after such death, mental incapacity or disability. Such transfer shall be subject to Franchisor right of first refusal and to the same conditions as any *inter vivos* transfer.

15.5. Non-Waiver of Claims. Franchisor's consent to a transfer shall not constitute a waiver of any claims it may have against the transferring party, nor a waiver of its right to demand strict compliance with any of the terms of this Agreement, or any other agreement to which Franchisor and the transferee are parties, by the transferee.

15.6. Step-In Rights. To prevent any interruption of the business of the Franchised Business and any injury to the goodwill and reputation thereof which may be caused thereby, you hereby authorize Franchisor, and Franchisor shall have the right (but not the obligation), and without waiving any other rights or remedies that Franchisor may have, to step in and operate the Franchised Business for as long as Franchisor deems necessary and practical in the event that: ***(a)*** your Managing Owner is absent or incapacitated by reason of illness or death and that you are not, therefore, in the sole judgment of Franchisor, able to operate the Franchised Business, or ***(b)*** any allegation or claim is made against the Franchised Business, or against you or any Owner, director or employee, involving or relating to misrepresentations or any fraudulent or deceptive practice or criminal misconduct. If Franchisor undertakes to operate the Franchised Business, Franchisor shall have the right to collect and pay from the revenues of the Franchised Business all expenses relating to the operation of the Franchised Business including, without limitation, Royalty Fees, Brand Development Fund contributions, employee salaries, reimbursement of Franchisor's expenses incurred in connection with such operation, and a reasonable management fee. You shall indemnify and hold Franchisor harmless from any and all claims arising from the alleged acts and omissions of Franchisor and its representatives.

16. DEFAULT AND TERMINATION

16.1. Automatic Termination. This Agreement will terminate automatically without notice and without an opportunity to cure if you become insolvent or make a general assignment for the benefit of creditors, or if a petition in bankruptcy is filed by you or against you, or if you are adjudicated bankrupt, or if a bill in equity or other proceeding for the appointment of a receiver for your business or assets is filed and against you, or if any court of competent jurisdiction appoints a receiver for your business assets, or if a final judgment is entered against you and remains unsatisfied or of record for 30 days or longer (unless a *supersedeas* bond is filed), or if execution is levied against any assets of the Franchised Business, or foreclosure proceedings are initiated against you by any secured lender, or if you fail to use the CRM POS software as designated by Franchisor and as prescribed in the Manual.

16.2. Termination with Notice and Without Opportunity to Cure. Franchisor may terminate this Agreement, by delivering to you written notice of termination, upon the occurrence of any of the following events of default:

(a) Your failure to begin operating the Franchised Business according to Sections 3.1. or 3.2.;

(b) Your failure to participate or complete the initial training program to Franchisor's

satisfaction;

(c) Your abandonment of the Franchised Business (for purposes of this provision "abandonment" will be deemed to occur if you fail to operate the Franchised Business on three or more consecutive days or if you otherwise convey an intention to discontinue operations);

(d) The making of any false or materially misleading representations in your franchise application or during the franchise application process;

(e) Your conviction, or any Owner's conviction, of a felony, a crime involving moral turpitude or any other crime which is likely to materially and adversely affect System or the goodwill associated with the Marks, or if you or any Owner is held liable in any civil action involving allegations of fraud or unfair trade practices or similar allegations;

(f) Violation of any confidentiality or noncompetition obligations, as described in Article 12, by you or any Owner;

(g) Failure to meet or maintain any Gross Revenue requirements for any anniversary year;

(h) The Franchised Business fails two consecutive quality assurance inspections, or fails three quality assurance inspections during any rolling 24-month period;

(i) Termination for cause of any other franchise agreement between Franchisor and you or your Affiliate (including franchise agreements related to the operation of a different business under different proprietary marks);

(j) Delivery of three or more notices of default during any rolling 24-month period, whether or not the event(s) of default described in such notices ultimately are cured;

(k) You fail to maintain your ~~NCCA accredited~~ personal training certification and/or CPR/AED certification at any time during the term of this Franchise Agreement according to Section 6.8;

(l) You open and operate you Franchised Business on a Sunday and/or on December 25th of any given calendar year; or

(m) Your engaging, or any of your Owners engaging, in any conduct which, in Franchisor's reasonable opinion, adversely affects or might adversely affect the reputation of SPECIAL STRONG, the reputation of other SPECIAL STRONG Franchises or the goodwill associated with the Marks.

16.3. Termination with Five-Day Cure Period. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure the following defaults within five days after delivery of written notice: ***(a)*** your misuse of the Marks, the Copyrighted Works, or any of Franchisor's other intellectual property (which includes, without limitation, offering or selling unauthorized products or services under or in conjunction with the Marks), ***(b)*** the Franchised Business is cited for violation of safety laws or regulations, or ***(c)*** failure to maintain all required insurance coverage, and failure to cure the violation within five days after receiving the citation.

16.4 Termination with 10-Day Cure Period. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure the following defaults within 10 days after delivery of written notice: ***(a)*** failure to pay any amounts due to Franchisor or its Affiliates; ***(b)*** failure to pay any amounts due to your trade creditors (unless such amount is subject to a bona fide dispute); or ***(c)*** failure to pay any amounts for which Franchisor has advanced funds for or on your behalf, or upon which Franchisor is acting as guarantor of your obligations.

16.5. Termination with 30-Day Cure Period. Except as otherwise provided in this Article 16, Franchisor

has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure any curable default within 30 days after delivery of written notice.

17. OBLIGATIONS UPON EXPIRATION OR TERMINATION

17.1. Expiration or Termination of Franchise.

17.1.1. Upon termination or expiration of this Agreement, you shall have no further right to use the Marks, Copyrighted Works or other intellectual property owned and licensed to you by Franchisor. You may no longer hold yourself out as a SPECIAL STRONG franchise owner, and you shall refrain from representing any present or former affiliation with Franchisor or the SPECIAL STRONG franchise system. You shall immediately pay all sums due and owing to Franchisor and its Affiliates.

17.1.2. You shall immediately take all actions necessary to cancel any assumed or fictitious name containing the Marks, and shall do all things necessary to transfer to Franchisor or its designee all telephone number(s) used in connection with the operation of the Franchised Business. You hereby grant to Franchisor and its representatives power of attorney for the specific purpose of executing all documents and doing all things necessary to affect such cancellations and transfers, and shall execute all documents required by Franchisor to give effect to this provision, including Attachment F to this Agreement.

17.1.3. You shall immediately surrender to Franchisor all copies of all materials in your possession including the Manual and all other documentation relating to the operation of the Franchised Business in your possession, and all copies thereof, and shall retain no copy or record of any of the foregoing, excepting only your copy of this Agreement, any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law.

17.2. Option to Purchase Assets. Upon termination or expiration of this Agreement, Franchisor shall have the option to purchase or may require you to destroy, any graphics, signage or other materials bearing the Marks. To the extent that Franchisor elects to purchase any such items, the purchase price shall be equal to the fully depreciated book value of such items. Franchisor shall have the right to offset against the purchase price of any items purchased from you pursuant to this Section 17.2.: ***(a)*** amounts that you owe to Franchisor or its Affiliates, and ***(b)*** all costs incurred by Franchisor relating to its purchase of the Franchised Business's assets (including the cost of an independent appraiser, if necessary).

17.3. Option to Assume Customer Contracts. Upon termination or expiration of this Agreement, Franchisor shall have the option to assume any or all customer contracts relating to services provided by the Franchised Business. If the option is exercised, you shall assign to Franchisor all rights and benefits accruing from and after the date of termination or expiration, and Franchisor shall assume all obligations arising under said contracts from and after the date of termination or expiration. You shall indemnify Franchisor from and against all liabilities accruing prior to the effectiveness of the assignment. Franchisor shall exercise its option by delivery of written notice to Franchisee within 30 days after termination or expiration.

17.4. De-Identification of Commercial Office. If you are operating the Franchised Business from a commercial office location, you shall immediately remove from the office premises all items bearing the Marks and Copyrighted Works and modify the trade dress as necessary to distinguish the premises from a SPECIAL STRONG business. If you fail or refuse to comply with the requirements of this Section 17.3., Franchisor and its representatives shall have the right to enter on the Office premises, without liability for trespass or other civil tort, for purposes of making such changes, at your expense, which you shall pay upon demand.

17.5. Compliance with Post Term Obligations. You and each Owner shall comply with all covenants and obligations which, by their nature, surviving termination of this Agreement including, without limitation, the confidentiality obligations and restrictive covenants contained in Article 12 and the indemnification obligations described in Section 18.2.

18. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

18.1. Independent Contractor.

(a) The parties acknowledge and agree that this Agreement does not create a fiduciary relationship between them, that you will operate the Franchised Business as an independent contractor, and that neither party to this Agreement shall be considered an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other party.

(b) Except as otherwise expressly authorized by this Agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between the parties are other than that of franchisor and franchisee. Franchisor does not assume any liability, and will not be deemed liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement, nor will Franchisor be obligated for any damages to any person or property which directly or indirectly arise from or relate to the operation of the Franchised Business.

(c) During the term of this Agreement, you shall conspicuously identify yourself as the owner of the Franchised Business operating under a franchise granted by Franchisor, and shall apply for all permits and certificates of occupancy in your own name. Additionally, your individual name (if you are an individual) or your corporate name (if you are a Business Entity) must appear prominently on all invoices, order forms, receipts, business stationery and contracts. You shall not use the Marks to incur or secure any obligation or indebtedness on behalf of Franchisor. You shall conspicuously display, in connection with your operation of the Franchised Business, a form of notice approved by Franchisor, stating that you are an independent franchise owner of the SPECIAL STRONG franchise system.

18.2. Indemnification. You shall defend at your own cost and indemnify and hold harmless to the fullest extent permitted by law, Franchisor, its Affiliates and their respective directors, officers, employees, agents, shareholders, designees, and representatives (collectively, the "**Franchisor Indemnities**") from all Losses and Expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises out of or is based upon any of the following: ***(a)*** your alleged infringement or any other violation or any other alleged violation of any patent, trademark or copyright or other proprietary right owned or controlled by third parties; ***(b)*** your alleged violation or breach of any contract, federal, state or local law, regulation, ruling, standard or directive of any industry standard; libel, slander or any other form of defamation by you; ***(c)*** your alleged violation or breach of any warranty, representation, agreement or obligation in this Agreement; ***(d)*** the training you, your Managing Owner, or any of your employees receive from Franchisor; ***(e)*** any acts, errors or omissions by you or any of your agents, servants, employees, contractors, proprietors, affiliates, or representatives; ***(f)*** the inaccuracy, lack of authenticity or nondisclosure of any information by any client of the Franchised Business; ***(g)*** any services or products provided by you related to the operation of the Franchised Business; ***(h)*** any services or products provided by any affiliated or nonaffiliated participating entity; ***(i)*** any action by any client of the Franchised Business; and, ***(j)*** any damage to the property of you or Franchisor, their agents or employees, or any third person, firm or corporation, whether or not such losses, claims, costs, expenses, damages, or liabilities were actually or allegedly caused wholly or in part through the active or passive negligence of Franchisor or any of its agents or employees, or resulted from any strict liability imposed on Franchisor or any of its agents or employees. "**Losses and Expenses**" means all losses and expenses including compensatory, exemplary, incidental, consequential or punitive damages, fines, charges, expenses, lost profits, legal fees, expert fees, court costs, settlement amounts, judgments, costs of or resulting from delays, financing, costs of advertising material and media/time/space and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

19. NOTICES

19.1. Notices. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail; by private overnight delivery; or by or by facsimile or other electronic system. Service shall be deemed conclusively made ***(a)*** at the time of service, if personally served; ***(b)*** 24 hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; ***(c)*** upon the earlier of actual receipt or three calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; ***(d)*** 24 hours after delivery by the party giving the notice, statement or demand if by private overnight delivery; and ***(e)*** at the time of transmission by facsimile or e-mail, if such transmission occurs prior to 5:00 p.m. on a Business Day or, if transmission occurs after that time, on the following Business Day. Notices and demands shall be given to the respective parties at the addresses set forth on the Summary Pages, unless and until a different address has been designated by written notice to the other party. Either party may change its address for the purpose of receiving notices, demands and other communications as in this Agreement by providing a written notice given in the manner aforesaid to the other party.

20. SEVERABILITY AND CONSTRUCTION

20.1. Entire Agreement. This Agreement and its Attachments constitute the final and fully integrated agreement between the parties concerning the subject matter hereof, and supersede all prior agreements. Nothing in this Agreement or any related agreement, is intended to disclaim the representations made in Franchisor's disclosure document, delivered to you in conjunction with this Agreement.

20.2. Modification. This Agreement may be modified only by a written document, signed by both parties.

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

20.4. No Waiver. Franchisor's failure to exercise any power reserved to it by this Agreement, or to insist upon your strict compliance with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement. Franchisor's waiver of any particular default by you shall neither affect nor impair its rights with respect to any subsequent default, nor shall Franchisor's delay or forbearance in exercising any power or right based on a violation of this Agreement affect or impair Franchisor's future right to exercise the same. Franchisor's acceptance of payments due to it hereunder shall not be deemed a waiver of any prior breach of this Agreement by you.

20.5. Severability. Except as expressly provided to the contrary herein, each section, part, term and/or provision of this Agreement shall be considered severable, and if, for any reason, any section, part, term and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and/or provisions of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereto, and said invalid sections, parts, terms and/or provisions shall be deemed severed from this Agreement; provided, however, that if Franchisor determines that such finding of invalidity or illegality adversely affects the basic consideration of this Agreement, Franchisor, at its option, may terminate this Agreement.

20.6. Captions and Headings; References to Gender. All captions in this Agreement are intended solely for the convenience of the parties, and none of the captions shall be deemed to affect the meaning or construction of any provision hereof. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural.

20.7. Definitions. Unless otherwise defined in this Agreement, capitalized terms have the meaning

ascribed to them in Attachment A of this Agreement.

20.8. Persons Bound. All acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all of the parties executing this Agreement as franchisee hereunder. As used in this Agreement, the term "you" shall include all persons who succeed to the interest of the original franchisee by transfer or operation of law.

20.9. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

20.10. No Strict Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

20.11. Business Judgment. Notwithstanding any contrary provisions contained in this Agreement, the parties acknowledge and agree that: ***(a)*** this Agreement (and the relationship of the parties which arises from this Agreement) grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with your explicit rights and obligations hereunder that may affect favorably or adversely your interests; ***(b)*** Franchisor will use its business judgment in exercising such discretion based on Franchisor's assessment of Franchisor's own interests and balancing those interests against the interests, promotion and benefit of the System and franchised businesses generally (including Franchisor, and its Affiliates and other franchisees), and specifically without considering your individual interests or the individual interests of any other particular franchisee (examples of items that will promote or benefit the System and franchised businesses generally include, without limitation, enhancing the value of the Marks and/or the SPECIAL STRONG brand, improving customer service and satisfaction, improving project quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System); ***(c)*** Franchisor will have no liability to you for the exercise of its discretion in this manner; and ***(d)*** even if Franchisor has numerous motives for a particular action or decision, so long as at least one motive is a reasonable business justification no trier of fact in any legal action shall substitute its judgment for Franchisor's judgment so exercised and such action or decision will not be subject to challenge for abuse of discretion. IF FRANCHISOR TAKES ANY ACTION OR CHOOSES NOT TO TAKE ANY ACTION IN ITS DISCRETION WITH REGARD TO ANY MATTER RELATED TO THIS AGREEMENT AND ITS ACTION OR INACTION IS CHALLENGED FOR ANY REASON, THE PARTIES EXPRESSLY DIRECT THE TRIER OF FACT THAT FRANCHISOR'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF ITS DISCRETION, WITHOUT REGARD TO WHETHER OTHER REASONS FOR ITS DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

21. GOVERNING LAW; DISPUTE RESOLUTION; OTHER REMEDIES

21.1. Governing Law. This Agreement is made in and takes effect upon its acceptance and execution by Franchisor at its headquarters. This Agreement, all claims arising out of or related to the relationship created hereby, and all other claims between the parties, whether or not arising out of the franchise relationship, shall be governed by and interpreted and construed under the substantive laws of the State of Texas, without regard to its choice of law or conflicts of laws principles.

~~21.2~~21.2 Christian Dispute Resolution. If a dispute arises out of or relates to this Agreement, or the breach thereof, the parties agree to attempt to settle the matter through information means consistent with scriptural commands for those in the body of Christ to resolve such disputes with a commitment toward mutual love, truth, unity, and God's eternal purposes, Franchisor has defined a process which incorporates these principles (see Matthew 5:23-26, 18:15-17 and 1 Corinthians 6:1-7). Specifically, Franchisee agrees

to not pursue public legal action, which serves to generate great expense, compromises the parties' joint stewardship responsibilities before the Lord, and negatively impacts the parties' joint ability to cost-effectively resolve disagreements biblically. Franchisee agrees to submit disputes, conflicts or disagreements relating to Franchisee's role as franchisee to Franchisor's three-step dispute resolution process, as follows:

(a) Step One: Address Franchisee's concern directly to the individual(s) with whom Franchisee has the disagreement, approaching him/her in a spirit of humility and reconciliation (see Matthew 18:15). If the disagreement involves a peer or Franchisor's office staff member, the next step would involve engaging Franchisor's President or Chairman. If the disagreement involves Franchisor's President or Chairman, the next step would include engaging in an expanded discussion with the one which is not involved, much as one would in bringing the matter before an elder in the church. Franchisor has established a Chair Advisory council comprised of regional peer representatives selected for rotating terms to serve as advisors and advocates of franchisees to Franchisor. Any franchisee may also appeal via their Regional Representative to bring matters of concern or dispute to the Chair Advisory Council which includes a delegate of the Franchisor's Board of Directors in addition to Franchisor's Officers.

(b) Step Two: If the dispute remains unresolved, either Franchisor or Franchisee may bring the dispute to a panel of three of C12's Board Members, whom You will mutually select, that are not members of the Franchisor's senior staff.

(c) Step Three: If Franchisee is still unwilling to abide by the decision of the panel of the three C12 non-executive Board Members, then Franchisee shall have the right to request binding Christian arbitration. The parties agree for the arbitration process to be conducted in accordance with the Christian Conciliation Rules of Procedure contained in the ICC booklet Guidelines for Christian Conciliation. In accordance with the Rules of Procedure for Christian Conciliation of the Institute for Christian Conciliation (complete text of the Rules is available at www.iccpeace.com/rules or by contacting ICC PEACE at info@iccpeace.com or calling 844-707-3223). Consistent with these rules, each party to the agreement shall agree to the selection of the arbitrator. The parties agree that if there is an impasse in the selection of the arbitrator, the Institute for Christian Conciliation (hereafter ICC), shall be asked to provide the name of a qualified person who will serve in that capacity. Consistent with the Rules of Procedure, the arbitrator shall issue a written opinion within a reasonable time. The parties acknowledge that the resolving of conflicts requires time and financial resources. In an effort to fully encourage and implement a biblically faithful process, Franchisor agrees to pay all fees and expenses, which may be required by the mediator, case administrator, and/or arbitrator.

21.3. Mediation. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through ~~negotiation~~Christian Dispute Resolution methods, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration, litigation, or some other dispute resolution procedure. This provision does not apply to claims involving your alleged misuse of our intellectual property. All mediations will be held in Franchisor's then-current principal office.

21.~~3~~4. Arbitration. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, which has not been settled through Christian Dispute Resolution or mediation, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. All arbitration hearings will be held in the city in which Franchisor maintains its principal business address at the time of arbitration, unless otherwise mutually agreed between the parties. Arbitration shall be conducted on an individual, not a class wide, basis. Notwithstanding this provision, either party may bring an action for temporary or injunctive relief in any court of competent jurisdiction.

21.~~4~~5. Jurisdiction and Venue. Except as expressly provided in this Agreement, the parties agree that any

action brought by either party against the other shall be instituted and maintained in the federal or state courts serving the judicial district in which Franchisor maintains its principal place of business. The parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

21.~~5~~6. Remedy. No right or remedy conferred upon or reserved by Franchisor or you by this Agreement is intended and it shall not be deemed to be exclusive of any other right or remedy provided or permitted herein, by law or at equity, but each right or remedy shall be cumulative of every other right or remedy.

21.~~6~~7. Waiver of Jury Trial. **EACH PARTY HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BETWEEN OR INVOLVING THE PARTIES.**

21.~~7~~8. Contractual Limitations Period. No legal action or proceeding may be brought against Franchisor or its officers, directors, agents, or employees, for any claim or cause of action (whether sounding in contract, tort, or otherwise) unless such action or proceeding is instituted within two years and one day from the date the claim or cause of action accrued. This provision is intended to shorten any applicable statute of limitations to the extent permitted by law.

21.~~8~~9. Waiver of Punitive Damages. **THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.**

21.~~9~~10. Attorneys' Fees. If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement to be effective on the Effective Date.

FRANCHISOR:	**FRANCHISEE:**
Strong Kingdom, LLC	
By: _____	By: _____
Daniel Stein, Manager	Name: _____
	Title: _____

ATTACHMENT A
TO SPECIAL STRONG
FRANCHISE AGREEMENT

GLOSSARY OF ADDITIONAL TERMS

Capitalized terms will have the following meanings, unless otherwise defined in the body of the Franchise Agreement.

"**Affiliate**" means a Business Entity that controls, is controlled by, or that is under common control with another Business Entity, or a Business Entity that shares common ownership with another Business Entity.

"**Business Day**" means any day other than Saturday, Sunday, or a U.S. Federal holiday.

"**Business Entity**" means any person with the power to enter into contracts, other than a natural person. The term includes, without limitation, a corporation, limited liability company, limited partnership, and trust.

"**Competitive Business**" means any business providing health and fitness services to individuals with mental, physical and/or cognitive challenges other than another SPECIAL STRONG Franchised Business operating pursuant to a valid franchise agreement with Franchisor.

"**Copyrighted Works**" means works of authorship, owned or licensed by Franchisor or its Affiliate, fixed in a tangible medium of expression including, without limitation, the content of the Manual, the design elements of the Marks, Franchisor's proprietary software, Franchisor's bulletins, correspondence and communications with its franchisees, training, advertising and promotional materials, and the content and design of Franchisor's Web site.

"**Confidential Information**" means all trade secrets, the Standards and other elements of the System; all client information; all information contained in the Manuals; and any other information that Franchisor designates as Confidential Information.

"**Franchised Business**" means a business providing virtual and on-site health and fitness services, including certified personal training, group fitness, and nutrition services, to individuals of all ages with mental, physical, and/or cognitive challenges under the Marks pursuant to a valid franchise agreement with the Franchisor.

"**Gross Revenue**" means all revenue derived from the operation of the Franchised Business, whether made for cash, on credit, or otherwise, without reserve or deduction for inability or failure to collect, that you, in the normal course of your operations would credit or attribute to the operation of the Franchised Business. It also includes the fair market value of any services or property received as a barter exchange for services. Gross Revenue does not include the amount of any city, county, state or federal sales, luxury or excise tax on all sales that are both (a) added to the selling price or absorbed therein and (b) paid to the taxing authority. Customer refunds may be deducted from Gross Revenue if the charge was previously included in Gross Revenue, for reporting purposes.

"Managing Owner" an Owner having primary responsibility over, and who operates, the Franchised Business from day-to-day, and is either the individual Owner of the franchisee or owns more than a 50% interest in the franchisee Business Entity.

"**Manuals**" means Franchisor's confidential operations manual(s) and other publications, materials, drawings, memoranda, CDs, DVDs, MP3s and digital media that Franchisor from time to time may loan to you. The Manuals may be supplemented or amended from time to time by letter, electronic mail, bulletin, CD, DVD, MP3 or other communications.

"**Marks**" means the trade name and service mark "SPECIAL STRONG" and/or other proprietary trade names, service marks, trademarks, logos, emblems and indicia of origin that Franchisor designates to

identify such businesses.

"**Owners**" means ***(a)*** if you are an individual, you, ***(b)*** if you are a corporation, any holder of your securities (voting and nonvoting) and your officers and directors; ***(c)*** if you are a limited liability company, your members and managers, ***(d)*** if you are a general partnership, your general partners, or ***(e)*** if you are a limited partnership, your general and limited partners. If any "Owner" is, itself, a Business Entity, then the term "Owner" includes each individual or entity holding a beneficial ownership in the Business Entity; the intent being that the term "Owner" is intended to include all individuals holding a beneficial interest in the franchisee, either directly or indirectly.

"**Protected Area**" means the geographic or other area identified in the Summary Pages.

"**Standards**" mean Franchisor's operating standards, specifications, techniques and procedures.

"**System**" means Franchisor's proprietary business format and system for providing virtual and on-site health and fitness services, including certified personal training, group fitness, and nutrition services, to individuals of all ages with mental, physical, and/or cognitive challenges, and using marketing methods and procedures, customer service standards and procedures, business management practices, and other Standards that Franchisor designates from time to time. The System does not include any mandatory employment or human resource policies or practices.

"**Term**" means a number of years as reflected in the Summary Pages.

ATTACHMENT B
TO THE SPECIAL STRONG
FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP INTERESTS AND FRANCHISEE'S OWNERS

A. The following is a list of all of Franchisee's Owners, and a description of the nature of their interest:

NAME	OWNERSHIP INTEREST IN FRANCHISEE	NATURE OF INTEREST

B. The following is a list of all of Franchisee's Owners, each of whom shall (unless executing the Guaranty and Personal Undertaking) execute the Confidentiality and Noncompetition Agreement substantially in the form set forth in Attachment D to the Franchise Agreement:

_____

_____

_____

_____

ATTACHMENT C
TO THE SPECIAL STRONG
FRANCHISE AGREEMENT

GUARANTY AND PERSONAL UNDERTAKING

1. I have read the Franchise Agreement between Strong Kingdom, LLC ("**Franchisor**") and _____ _____ (the "**Franchisee**").

2. I own a beneficial interest in the Franchisee, and would be considered an "**Owner**" within the definition contained in Franchise Agreement.

3. I understand that, were it not for this Guaranty and Personal Undertaking ("**Guaranty**"), Franchisor would not have agreed to enter into the Franchise Agreement with the Franchisee.

4. I will comply with of the provisions contained in Article 11 of the Franchise Agreement concerning the Franchisee's use of Franchisor's Marks and Copyrighted Works (as that term is defined in the Franchise Agreement). I understand that, except for the license granted to the Franchisee, I have no individual right to use the Marks or Copyrighted Works and I have no ownership interest in the Marks or Copyrighted Works.

5. I will comply with all of the provisions contained in Article 12 of the Franchise Agreement concerning the use of the Confidential Information. I will maintain the confidentiality of all Confidential Information disclosed to me. I agree to use the Confidential Information only for the purposes authorized under the Franchise Agreement. I further agree not to disclose any of the Confidential Information, except ***(a)*** to the Franchisee's employees on a need to know basis, ***(b)*** to the Franchisee's and my legal and tax professionals to the extent necessary for me to meet my legal obligations, and ***(c)*** as otherwise may be required by law.

6. I will comply with all of the provisions contained in Article 15 of the Franchise Agreement concerning the assignment of my interests in the Franchisee.

7. While I am an "Owner" of the Franchisee and, for a two-year period after I cease to be an Owner (or two years after termination or expiration of the Franchise Agreement, whichever occurs first), I will not:

(a) Divert or attempt to divert any present or prospective customer of any SPECIAL STRONG Franchised Business to any competitor or do anything to harm the goodwill associated with the Marks and the System;

(b) Employ or seek to employ any person who is or has been within the previous 30 days employed by Franchisor or an Affiliate of Franchisor as a salaried managerial employee, or induce such person to leave his or her employment; or

(c) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any business providing health and fitness services programs for people of all ages with mental, physical, and/or cognitive challenges other than another SPECIAL STRONG Franchised Business operated pursuant to a valid franchise agreement with Franchisor. This restriction shall apply, while I am an Owner, to any location within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or its Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks. It will apply for two years after I cease to be an Owner (or two years after termination or expiration of the Franchise Agreement, whichever occurs first) to any location that is, or is intended to be, located ***(i)*** in the Protected Area identified in the Franchise Agreement, ***(ii)*** in the "Protected Area" granted to any other SPECIAL STRONG franchisee during last 12 months that I was an Owner, ***(iii)*** within 20 miles of the perimeter of your Protected Area, or ***(iv)*** within a 20-mile radius surrounding Franchisor's headquarters or of an office maintained by us, or our affiliates, or of another SPECIAL STRONG franchise existing on the date of termination or expiration of this Agreement. If the two-year restrictive period would be

unenforceable under applicable law as an unreasonable restraint of trade, then such restriction is modified to prohibit me from soliciting or providing services, during said two-year period, to any client previously serviced by the Franchised Business. This two-year restrictive period will be tolled during any period of my noncompliance.

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

9. I understand and acknowledge that Franchisor has the right, in its sole discretion, to reduce the scope of any covenant set forth in this Guaranty, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified.

10. I agree that the provisions contained in Article 21 of the Franchise Agreement will apply to any dispute arising out of or relating to this Guaranty. If Franchisor brings any legal action to enforce its rights under this Guaranty, I will reimburse Franchisor its reasonable attorneys' fees and costs.

11. I hereby guarantee the prompt and full payment of all amounts owed by the Franchisee under the Franchise Agreement.

12. I will pay all amounts due under this Guaranty within 14 days after receiving notice from Franchisor that the Franchisee has failed to make the required payment. I understand and agree that Franchisor need not exhaust its remedies against the Franchisee before seeking recovery from me under this Guaranty.

13. No modification, change, impairment, or suspension of any of Franchisor's rights or remedies shall in any way affect any of my obligations under this Guaranty. If the Franchisee has pledged other security or if one or more other persons have personally guaranteed performance of the Franchisee's obligations, I agree that Franchisor's release of such security will not affect my liability under this Guaranty.

14. **I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE FRANCHISE AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THE FRANCHISE AGREEMENT, AND/OR THE OFFER OR GRANT OF THE FRANCHISE**.

15. I understand that Franchisor's rights under this Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Franchisor under applicable law.

16. I agree that any notices required to be delivered to me will be deemed delivered at the time delivered by hand; one Business Day after electronically confirmed transmission by facsimile or other electronic system; one Business Day after delivery by Express Mail or other recognized, reputable overnight courier; or three Business Days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the address identified on the signature line below. I may change this address only by delivering to Franchisor written notice of the change.

17. Unless otherwise defined in the body of this Guaranty, capitalized terms have the meaning ascribed to them in the Franchise Agreement.

Executed on the date set forth below:

GUARANTOR

Dated: _____

_____

Name: _____

Address: _____

_____

Fax: _____

ATTACHMENT D
TO THE SPECIAL STRONG
FRANCHISE AGREEMENT

CONFIDENTIALITY AND NONCOMPETITION AGREEMENT

(for trained employees, shareholders, officers, directors, members and general partners of Franchisee)

In consideration of my being a _____ of _____, identified below (the "**Franchisee**"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. The Franchisee has acquired the right and franchise from Strong Kingdom, LLC ("**Franchisor**") to establish and operate a Franchised Business (the "**Franchised Business**") and the right to use in the operation of the Franchised Business Franchisor trade names, trademarks, service marks, including the service mark SPECIAL STRONG (the "**Marks**") and the system developed by Franchisor and/or its affiliates for operation and management of Franchised Businesses (the "**System**"), as they may be changed, improved and further developed from time to time in Franchisor sole discretion.

2. Franchisor possesses certain proprietary and confidential information relating to the operation of the System, which includes the Operations Manual, trade secrets and copyrighted materials, methods and other techniques and know-how (the "**Confidential Information**").

3. Any and all manuals, trade secrets, copyrighted materials, methods, information, knowledge, know-how, and techniques which Franchisor specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. Because of my relationship to the Franchisee, Franchisor and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, and I may have access to the Franchisor's confidential operations manual (the "**Manual**") and other materials containing Confidential Information.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and I acknowledge and agree that the use or duplication of the Confidential Information for any purposes outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of Franchisor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by Franchisor as confidential. Unless Franchisor otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my relations to the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by Franchisor, I will not own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any business providing health and fitness services programs, other than another SPECIAL STRONG Franchised Business operated pursuant to a valid franchise agreement with Franchisor. This restriction shall apply, while I am in my position with the Franchisee, to any location within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or its Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks. It will apply for two years after my position with the Franchisee ends (or two years after

termination or expiration of the Franchise Agreement, whichever occurs first) to any SPECIAL STRONG Franchise location that is, or is intended to be, located in the Protected Area identified in the Franchise Agreement or in the "Protected Area" granted to any other SPECIAL STRONG franchisee during last 12 months that I served in my position with the Franchisee. During the two-year restrictive period I am prohibited from soliciting or providing services, during said two-year period, to any client previously serviced by the Franchised Business. This two-year restrictive period will be tolled during any period of my noncompliance. This restriction does not apply to my ownership of less than five percent beneficial interest in the outstanding securities of any publicly-held corporation.

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

9. I understand and acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified. If the two-year restrictive period would be unenforceable under applicable law as an unreasonable restraint of trade, then such restriction is modified to prohibit me from soliciting or providing services, during said two-year period, to any client previously serviced by the Franchised Business.

10. Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause Franchisor and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or Franchisor may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and Franchisor all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and Franchisor, any claim I have against the Franchisee or Franchisor is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. All other provisions of this Agreement shall be construed under the laws of the State of Texas. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

12. With respect to all claims, controversies and disputes, I irrevocably consent to personal jurisdiction and submit myself to the jurisdiction of the state courts located in the county in which Franchisor maintains its principal business address. I acknowledge that this Agreement has been entered into in the state of Texas, and that I am to receive valuable information emanating from Franchisor headquarters in Texas. In recognition of the information and its origin, I hereby irrevocably consent to the personal jurisdiction of the state and federal courts of Texas as set forth above. Notwithstanding the foregoing, I acknowledge and agree that Franchisor may bring and maintain an action against me in any court of competent jurisdiction for injunctive or other extraordinary relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions.

[Signature Page to Follow]

THE PARTIES HERETO, INTENDING TO BE LEGALLY BOUND, HAVE EXECUTED THIS AGREEMENT EFFECTIVE AS OF _____.

ACKNOWLEDGED BY FRANCHISEE:

Signature: _____

Name: _____

Title: _____

Address: _____

By: _____

Name: _____

Title: _____

ATTACHMENT E
TO THE SPECIAL STRONG
FRANCHISE AGREEMENT
ELECTRONIC DEBIT AUTHORIZATION
Authorization Agreement for Direct Payments (ACH Debits)

I (we) hereby authorize Strong Kingdom, LLC ("**Franchisor**"), to initiate debit entries to my (our) ☐ Checking Account/ ☐ Savings Account (select one) indicated below at the depository financial institution named below, hereafter called DEPOSITORY, and to debit the same to such account. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

Depository Name:_____ Branch:_____

City:_____ State:_____ Zip:_____

Routing Number:_____ Account Number:_____

This authorization is to remain in full force and effect until Franchisor has received written notification from me (or either of us) or its termination in such time and in such manner as to afford Franchisor and DEPOSITOR a reasonable opportunity to act on it.

Name(s):_____ ID Number:_____

(Please Print)

Date:_____ Signature:_____

NOTE: DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION

ATTACHMENT F
TO THE SPECIAL STRONG
FRANCHISE AGREEMENT

TELEPHONE NUMBER ASSIGNMENT AGREEMENT

THIS TELEPHONE NUMBER ASSIGNMENT AGREEMENT is made as of this _____ day of _____, 20___, by and between _____ ("**Assignor**") and Strong Kingdom, LLC ("**Assignee**").

WHEREAS, the Assignee has developed and owns the proprietary system ("**System**") for the operation of a business providing virtual and on-site health and fitness services, including certified personal training, group fitness, and nutrition services, to individuals of all ages with mental, physical, and/or cognitive challenges under the trade name and service mark SPECIAL STRONG ("**Franchised Business**");

WHEREAS, the Assignor has been granted a license to operate a Franchised Business pursuant to a Franchise Agreement dated _____, in accordance with the System;

WHEREAS, in order to operate its Franchised Business, the Assignor shall be acquiring one or more telephone numbers, telephone listings, and telephone directory advertisements; and

WHEREAS, as a condition to the execution of the Franchise Agreement, the Assignee has required that the Assignor assign all of its right, title, and interest in its telephone numbers, telephone listings, and telephone directory advertisements to the Assignee in the event of termination or expiration of the Franchise Agreement;

NOW, THEREFORE, in consideration of the foregoing, the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Assignment. In the event of termination or expiration of the Franchise Agreement, and in order to secure continuity and stability of the operation of the System, the Assignor hereby sells, assigns, transfers, and conveys to the Assignee all of its rights, title, and interest in and to certain telephone numbers, telephone listings, and telephone directory advertisements pursuant to which Assignor shall operate its Franchised Business in accordance with the terms of the Franchise Agreement; provided, however, such Assignment shall not be effective unless and until the Franchise Agreement is terminated or expires in accordance with the provisions thereof.

2. Representation and Warranties of the Assignor. The Assignor hereby represents, warrants, and covenants to the Assignee that:

(a) As of the effective date of the Assignment, all of the Assignor's obligations and indebtedness for telephone, telephone listing services, and telephone directory advertisement services shall be paid and current;

(b) As of the date hereof, the Assignor has full power and legal right to enter into, execute, deliver, and perform this Agreement;

(c) This Agreement is a legal and binding obligation of the Assignor, enforceable in accordance with the terms hereof;

(d) The execution, delivery, and performance of this Assignment does not conflict with, violate, breach, or constitute a default under any contract, agreement, or instrument to which the Assignor is a party or by which the Assignor is bound, and no consent of nor approval by any third party is required in connection herewith; and

(e) The Assignor has the specific power to assign and transfer its right, title, and interest in its telephone numbers, telephone listings, and telephone directory advertisements, and the Assignor has obtained all necessary consents to this Assignment.

3. Miscellaneous. The validity, construction, and performance of this Assignment shall be governed by the laws of the State of Texas. All agreements, covenants, representations, and warranties made herein shall survive the execution hereof. All rights of the Assignee shall inure to its benefit and to the benefit of its successors and assigns.

IN WITNESS WHEREOF, each of the parties has executed this Assignment as of the day and year first written above.

ASSIGNEE:	**ASSIGNOR:**
Strong Kingdom, LLC	
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

ATTACHMENT G
TO THE SPECIAL STRONG
FRANCHISE AGREEMENT

PROTECTED AREA

[to be determined by mutual agreement]

ATTACHMENT H
TO THE SPECIAL STRONG
FRANCHISE AGREEMENT

STATE SPECIFIC ADDENDA TO THE FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Special Strong Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Special Strong franchises offered and sold in the State of California:

This California Addendum is only applicable if you are a resident of California or if your business is located in California.

1. Section 2.1 of the Franchise Agreement is hereby deleted in its entirety, and replaced by the following:

A. Initial Term. The term of this Agreement is for ten (10) years, commencing on the Effective Date of this Agreement, unless terminated earlier as provided in this Agreement. However, by the end of the fifth year following the opening of your Franchised Business, you must make, or provide for in a manner satisfactory to us, such renovation and equipping of your Special Strong business as we deem appropriate to reflect the then current standards and image of the System, including, without limitation, renovation or replacement of signs, equipment, furnishings, fixtures and décor.

2. The California Franchise Relations Act (Business and Professions Code Section 20000 through 20043), provides franchisees with additional rights concerning termination, transfer, and non-renewal of the Franchise Agreement and certain provisions of the Franchise Agreement relating to termination, transfer, and non-renewal may be superseded by the Act. There may also be court decisions which may supersede the Franchise Agreement and your relationship with Franchisor, including the areas of termination, transfer, and renewal of Franchisee's franchise. If the Franchise Agreement is inconsistent with the law, the law will control.

3. The following is added to the end of Section 4.1 of the Franchise Agreement:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.

4. Section 12.2 of the Franchise Agreement shall be amended in part such that the following sentence is deleted: "induce any employee of another franchisee to leave his or her employment, or employ any person who had been employed by another franchisee within the previous 60-day period without paying the former employer a $1,000 training fee."

5. The Franchise Agreement requires Franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 - 20043)). To the extent required by such laws, Franchisee shall not be required to execute a general release.

6. The Franchise Agreement requires application of the laws and forum of the State of Texas. This provision may not be enforceable under California law.

7. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

8. The provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under Title 11, United States Code, Section 101.

9. No ~~disclaimer~~statement, questionnaire ~~clause,~~ or ~~statement~~acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall ~~be construed or interpreted as~~have the effect of: (i) waiving any ~~claim of~~claims under any applicable state franchise law, including fraud in the inducement, ~~whether common law~~ or ~~statutory, or as~~(ii) disclaiming reliance on ~~or the right to rely upon any statement made or information provided by any franchisor, broker, or other person acting on~~ behalf of the ~~franchisor that was a material inducement to a franchisee's investment.~~Franchisor. This provision supersedes any other ~~or inconsistent~~ term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date first set forth above.

FRANCHISEE:	FRANCHISOR:
_____	STRONG KINGDOM, LLC
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated _____ (the "Agreement"), between Strong Kingdom, LLC, a Texas limited liability company ("Franchisor") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement. The "Illinois Act" means the Illinois Franchise Disclosure Act of 1987.

2. Governing Law and Jurisdiction. Notwithstanding any provision of the Agreement to the contrary, this Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Agreement provides will be resolved by arbitration.

3. Limitation of Claims. No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee become aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.

4. Waivers Void. Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a 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.

5. Deferral. Based upon the franchisor's financial condition, the Illinois Attorney General has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

6. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Effective Date. This Addendum is effective as of the Effective Date.

[*Signatures on the following page*]

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	STRONG KINGDOM, LLC

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

INDIANA ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated _____ (the "Agreement"), between Strong Kingdom, LLC, a Texas limited liability company ("Franchisor") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement. The "Indiana Acts" means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Modified. Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the protected territory granted the franchisee by the franchise agreement; or, if no protected territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the protected area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

3. <u>Effective Date</u>. This Addendum is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	STRONG KINGDOM, LLC
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated _____ (the "Agreement"), between Strong Kingdom, LLC, a Texas limited liability company ("Franchisor") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement. The "Maryland Franchise Law" means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. No Release of Liability. Pursuant to COMAR 02-02-08-16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Law.

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

4. Statute of Limitations. Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.

5. Jurisdiction. Notwithstanding any provision of the Agreement to the contrary, Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

6. No Waiver of State Law. 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.

7. **Arbitration.** This Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive trade practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[*Signature on the next page*]

Agreed to by:

FRANCHISEE: FRANCHISOR:

_____	STRONG KINGDOM, LLC
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated _____ (the "Agreement"), between Strong Kingdom, LLC, a Texas limited liability company ("Franchisor") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement. The "Minnesota Act" means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. Amendments. The Agreement is amended to comply with the following:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state "No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues."

- NSF checks are governed by Minnesota Statute § 604.113, which puts a cap of $30 on service charges.

- The Minnesota Department of Commerce Securities Section requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

- No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with this franchise, including but not limited to Sections 20.1 and 22, and Attachment 1 to the Special Strong Franchise Agreement.

3. Effective Date. This Addendum is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	STRONG KINGDOM, LLC
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated _____ (the "Agreement"), between Strong Kingdom, LLC, a Texas limited liability company ("Franchisor") and _____, a _____ _____ ("Franchisee").

1. **Definitions.** Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement.

2. **Waivers Not Required.** Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Franchisor or any other person from any duty or liability imposed by New York General Business Law, Article 33.

3. **Waivers of New York Law Deleted**. Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Franchisor with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.

4. **Governing Law.** Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.

5. **Effective Date.** This Addendum is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	STRONG KINGDOM, LLC
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated _____ (the "Agreement"), between Strong Kingdom, LLC, a Texas limited liability company ("Franchisor") and _____, a _____ _____ ("Franchisee").

1. **Definitions.** Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement.

2. **Amendments.** The Agreement (and any Guaranty Agreement) is amended to comply with the following:

   (1) Restrictive Covenants: Every contract by which Franchisee, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind is subject to NDCC Section 9-08-06.

   (2) Situs of Arbitration Proceedings: Franchisee and any Guarantor are not required to agree to the arbitration of disputes at a location that is remote from the site of Franchisee's business.

   (3) Restrictions on Forum: Franchisee and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.

   (4) Liquidated Damages and Termination Penalties: Franchisee is not required to consent to liquidated damages or termination penalties.

   (5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.

   (6) Waiver of Trial by Jury: Franchisee and any Guarantor do not waive a trial by jury.

   (7) Waiver of Exemplary and Punitive Damages: The parties do not waive exemplary and punitive damages.

   (8) General Release: Franchisee and any Guarantor are not required to sign a general release upon renewal of the Franchise Agreement.

   (9) Limitation of Claims: Franchisee is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

   (10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

3. **Effective Date.** This Addendum is effective as of the Effective Date.

[*Signatures on following page*]

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	STRONG KINGDOM, LLC
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated _____ (the "Agreement"), between Strong Kingdom, LLC, a Texas limited liability company ("Franchisor") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. Effective Date. This Addendum is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	STRONG KINGDOM, LLC
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

SOUTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

The collection of the initial franchise fee will be deferred until the franchisor has fulfilled its pre-opening obligations and the franchisee is open for business.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	STRONG KINGDOM, LLC
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

VIRGINIA ADDENDUM TO THE FRANCHISE AGREEMENT

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

WASHINGTON ADDENDUM TO THE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, FRANCHISEE COMPLIANCE CERTIFICATION QUESTIONNAIRE, AND RELATED AGREEMENTS

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

RCW 19.100.180 may supersede the franchise agreement 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.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder 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, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

[*Signatures on following page*]

The undersigned does hereby acknowledge receipt of this addendum.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

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FINANCIAL STATEMENTS

STRONG KINGDOM, LLC

FINANCIAL REPORT

AS OF DECEMBER 31, 2022

STRONG KINGDOM, LLC
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Independent Auditor's Report

To the Members
Strong Kingdom, LLC
McKinney, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying balance sheets of Strong Kingdom, LLC as of December 31, 2022, and 2021, and the related statements of operations, member's equity and cash flows for the years ended December 31, 2022, 2021, and period from February 11, 2020 (Inception) through December 31, 2020, and the notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Strong Kingdom, LLC as of December 31, 2022, and 2021 and the results of their operations and their cash flows for the years ended December 31, 2022, 2021, and the period from February 11, 2020 (Inception) through December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Strong Kingdom, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Strong Kingdom, LLC's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

REESE CPA LLC

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Strong Kingdom, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Strong Kingdom, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Reese CPA LLC

Ft. Collins, Colorado
January 31, 2023

STRONG KINGDOM, LLC
BALANCE SHEETS
AS OF DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and equivalents	$ 29,455	$ 62,455
Accounts receivable	2,294	1,049
Related party receivable	3,744	2,157
Deferred contract acquisition cost, current	1,250	-
TOTAL CURRENT ASSETS	36,743	65,661
NON-CURRENT ASSETS		
Intangible assets	8,250	11,250
Deferred contract acquisition cost	11,146	-
TOTAL ASSETS	$ 56,139	$ 76,911
LIABILITIES AND MEMBERS' DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$ 6,905	$ 4,524
Non-refundable deferred franchise fees, current	37,000	43,000
TOTAL CURRENT LIABILITIES	43,905	47,524
NON-CURRENT LIABILITIES		
Non-refundable deferred franchise fees, less current portion	132,541	112,167
TOTAL LIABILITIES	176,446	159,691
TOTAL MEMBERS' (DEFICIT)	(120,307)	(82,780)
TOTAL LIABILITIES AND MEMBERS' DEFICIT)	$ 56,139	$ 76,911

The accompanying notes are an integral part of these financial statements.

STRONG KINGDOM, LLC
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2022, 2021 AND THE PERIOD
FROM FEBRUARY 11, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020

	2022	2021	2020
REVENUES			
Franchise fees	$ 45,626	$ 39,083	$ 750
Royalties	20,662	4,744	-
Other revenue	52,940	13,750	-
TOTAL REVENUES	119,228	57,577	750
OPERATING EXPENSES			
General and administrative	18,645	41,284	2,164
Franchise related costs	45,959	18,841	1,250
Advertising and promotion	28,024	17,546	655
Professional fees	44,002	48,288	30,547
Payroll and related costs	12,585	16,478	-
Amortization	3,000	3,000	750
TOTAL OPERATING EXPENSES	152,215	145,437	35,366
OPERATING LOSS	(32,987)	(87,860)	(34,616)
OTHER INCOME (EXPENSE)			
Other income	4,261	-	-
Interest expense	(1,737)	(281)	-
TOTAL OTHER INCOME (EXPENSE)	2,524	(281)	-
NET LOSS	$ (30,463)	$ (88,141)	$ (34,616)

The accompanying notes are an integral part of these financial statements.

STRONG KINGDOM, LLC
STATEMENTS OF CHANGES IN MEMBER'S EQUITY (DEFICIT)
YEARS ENDED DECEMBER 31, 2022, 2021 AND THE PERIOD
FROM FEBRUARY 11, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020

	Member Contribution	Accumulated (Deficit)	Total Member's Equity (Deficit)
BALANCE, FEBRUARY 11, 2020 (INCEPTION)	$ -	$ -	$ -
Member contributions	40,422	-	40,422
Net (loss)	-	(34,616)	(34,616)
BALANCE, DECEMBER 31, 2020	**40,422**	**(34,616)**	**5,806**
Member distributions	-	(445)	(445)
Net (loss)	-	(88,141)	(88,141)
BALANCE, DECEMBER 31, 2021	**40,422**	**(123,202)**	**(82,780)**
Member distributions	-	(7,064)	(7,064)
Net (loss)	-	(30,463)	(30,463)
BALANCE, DECEMBER 31, 2022	**$ 40,422**	**$ (160,729)**	**$ (120,307)**

The accompanying notes are an integral part of these financial statements.

STRONG KINGDOM, LLC
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022, 2021 AND THE PERIOD
FROM FEBRUARY 11, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020

	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss)	$ (30,463)	$ (88,141)	$ (34,616)
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization	3,000	3,000	750
Recognition of deferred revenue	(45,626)	(39,083)	(750)
Recognition of deferred contract acquisition costs	104	-	-
Non-cash contributions		-	23,022
Changes in operating assets and liabilities:			
Accounts receivable	(1,245)	22,451	(23,500)
Deferred contract acquisition costs	(12,500)	-	-
Accounts payable	2,381	2,524	2,000
Accrued liabilities	-	(10,000)	10,000
Non-refundable deferred franchise fees	60,000	170,000	25,000
Net cash provided (used) for operating activities	(24,349)	60,751	1,906
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets	-	-	(15,000)
Net cash used for investing activities	-	-	(15,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Member contribution	-	-	17,400
Related party receivable	(1,587)	487	(2,644)
Member distribution	(7,064)	(445)	-
Net cash provided (used) by financing activities	(8,651)	42	14,756
NET INCREASE IN CASH	(33,000)	60,793	1,662
CASH, BEGINNING	62,455	1,662	-
CASH, ENDING	$ 29,455	$ 62,455	$ 1,662
SUPPLEMENTAL DISCLOSURES			
Cash paid for interest	$ 1,737	$ 281	$ -
Cash paid for taxes	$ -	$ -	$ -

The accompanying notes are an integral part of these financial statements.

STRONG KINGDOM, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Strong Kingdom, LLC ("Company") was formed on February 11, 2020, (Inception) in the State of Texas as a limited liability company. The Company grants franchises to qualified persons the right to provide virtual and on-site health and fitness services, including certified personal training, group fitness, and nutrition services, to special needs individuals of all ages, each a "Special Strong" location.

Affiliates

Special Strong, LLC, is a Texas limited liability company that was formed on August 6, 2016, and operates one Special Strong location in the North Texas area.

Strong Education LLC, is a Texas limited liability company that was formed on April 2, 2019 and offers training and certification services to franchisees.

Strong IP Holdings LLC is a Texas limited liability company that was formed on April 8, 2020, and owns and licenses to the Company the trademarks and other intellectual property used in the operation of the Special Strong locations.

The affiliates have not offered franchises in this or any other line of business.

The following table summarizes the number of locations owned and operating for the year ended December 31, 2021, and the period from February 11 (Inception) through December 31:

	~~2022~~	~~2021~~	~~2020~~
Locations in operation, beginning	4	1	1
Locations opened	3	3	-
Locations terminated or closed	-	-	-
Locations in operation, ending	7	4	1
Franchised locations	6	3	-
Affiliate owned locations	1	1	1

COVID-19

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our customers, employees, and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A summary of significant accounting policies follows:

Basis of Presentation

The accompanying financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

Preparation of the Company's financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had no cash equivalents as of December 31, 2022, and 2021.

Accounts Receivable

The timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing. Management evaluates individual customers' receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company did not have any allowance for doubtful accounts as of December 31, 2022, and 2021, and did not charge-off any accounts receivable during the years ended December 31, 2022, 2021, and period from February 11, 2020 (Inception) through December 31, 2020.

Intangible Assets

The Company has adopted ASC 350, Intangibles – Goodwill and Other that requires that goodwill and intangible assets with indefinite lives no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which it is expected to contribute directly or indirectly to future cash flows. Intangible assets with infinite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable. These costs are being amortized over 5 years using the straight-line method from the date the first franchise was sold.

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company has elected to be taxed as a "Disregarded Entity" under the provisions of the Internal Revenue Code. Under those provisions, taxable income and losses of the Company are reported on the income tax returns of its member and no provisions for federal or state taxes have been recorded on the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 "Accounting for Uncertainty in Income Taxes", that requires the Company disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities. Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements or that would affect the Company's member. The Company's evaluation was performed for the years ended December 31, 2022, 2021, and the period from February 11, 2020 (Inception) through December 31, 2020, for U.S. Federal Income Tax and the State of Texas Franchise Tax.

Revenue Recognition

The Company has adopted the guidance of ASC 606 "Revenue from Contracts with Customers". The Company's revenue mainly consists of franchise fees and royalties.

Each franchise agreement is comprised of several performance obligations. The Company identifies those ~~performance obligations, determines the contract price for each obligation, allocates the transaction price~~ to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee. The remainder of performance obligations represent a single performance obligation and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned initial fee revenues from franchisee acquisition and acceptance are recorded as non-refundable deferred franchise fees and are recognized as revenue over the term of the contract, which is currently ten years.

Royalties range between 7% and 8% of gross revenues depending level of gross revenue with a minimum royalty of $250 per month, as defined in the franchise agreement, are billed monthly and are recognized as revenue when earned.

Brand Fund Contribution

Contributions to the brand fund are 1% of monthly gross revenue with a minimum of $250 per month. Contributions will be recognized up to the amount paid by the fund, for both operating and capital expenditures, not to exceed amounts collected or accrued during the year. Any amounts collected or accrued but unspent at the end of the year will be reported as deferred revenue on the balance sheet.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2022, 2021, and the period from February 11, 2020 (Inception) through December 31, 2020, was $28,024, $17,546, and $655, respectively.

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable, the carrying amounts approximate fair value due to their short maturities.

Recently issued accounting pronouncements

The Company has adopted all recently issued Accounting Standards Updates ("ASU"). The adoption of the recently issued ASUs, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

NOTE 2 – CONTRACTS WITH CUSTOMERS

The Company has recognized certain assets and liabilities related to the Company's contracts with franchisees. The account balances and activity are as follows:

	December 31, 2022	December 31, 2021
Contract Acquisition Costs:		
Balance beginning of year	$ -	$ -
Deferral of contract acquisition costs	12,500	-
Recognition of contract acquisition costs	(104)	-
Balance at end of year	$ 12,396	$ -
Deferred Non-refundable Franchise Fees:		
Balance beginning of year	$ 155,167	$ 24,250
Deferral of non-refundable franchise fees	60,000	170,000
Recognition of non-refundable franchise fees	(45,626)	(39,083)
Balance at end of year	$ 169,541	$ 155,167

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company's contracts with franchisees for the years ended December 31, 2022, 2021, and the period from February 11, 2020 (Inception) through December 31, 2020, is as follows:

	2022	2021	2020
Performance obligations satisfied at a point in time	$ 38,940	$ 10,500	$ -
Performance obligations satisfied through the passage of time	80,288	47,077	750
Total revenues	$ 119,228	$ 57,577	$ 750

NOTE 2 – CONTRACTS WITH CUSTOMERS (CONTINUED)

Estimated Recognition of Non-refundable Deferred Franchise Fees and Franchise Acquisition Costs

Estimated revenues and franchise acquisition costs to be recognized in future periods related to non-refundable deferred franchise fees as reported as of December 31, 2022, is as follows:

	Deferred Contract Acquisition Costs	Non-refundable Franchise Fees
Year ending December 31:		
2023	$ 1,250	$ 37,000
2024	1,250	17,000
2025	1,250	17,000
2026	1,250	17,000
2027	1,250	17,000
Thereafter	6,146	59,541
	$ 12,396	$ 164,541

NOTE 3 – INTANGIBLE ASSETS

Intangible assets consist of the following at December 31:

	2022	2021
Franchise development costs	$ 15,000	$ 15,000
Accumulated amortization	(6,750)	(3,750)
	$ 8,250	$ 11,250

Amortization expense was $3,00, $3,000 and $750 for the years ended December 31, 2022, 2021, and the period from February 11, 2020 (Inception) through December 31, 2020. Estimated amortization expense for the next three succeeding years is expected to be approximately $3,000 per year.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

Litigation

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

NOTE 5 –SUBSEQUENT EVENTS

Date of Management's Evaluation

Management has evaluated subsequent events through January 31, 2023, the date on which the financial statements were available to be issued.

STRONG KINGDOM, LLC

FINANCIAL REPORT

AS OF DECEMBER 31, 2021

STRONG KINGDOM, LLC
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REESE
CPA LLC

Independent Auditor's Report

To the Member
Strong Kingdom, LLC
McKinney, Texas

Report on the Financial Statements

We have audited the accompanying balance sheet of Strong Kingdom, LLC as of December 31, 2021, and 2020, and the related statements of operations, member's equity and cash flows for the year ended December 31, 2021, and period from February 11, 2020 (Inception) through December 31, 2020, and the notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Strong Kingdom, LLC as of December 31, 2021, and 2020 and the results of their operations and their cash flows for the year ended December 31, 2021, and the period from February 11, 2020 (Inception) through December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

Reese CPA LLC

Thornton, Colorado
January 31, 2022

15953 Fillmore Street • Thornton, CO 80602
Office: (303) 999-6485 • Fax (303) 284-5041

STRONG KINGDOM, LLC
BALANCE SHEETS
AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and equivalents	$ 62,455	$ 1,662
Accounts receivable	1,049	23,500
Related party receivable	2,157	2,644
TOTAL CURRENT ASSETS	65,661	27,806
NON-CURRENT ASSETS		
Intangible assets	11,250	14,250
TOTAL ASSETS	$ 76,911	$ 42,056
LIABILITIES AND MEMBER'S EQUITY (DEFICIT)		
CURRENT LIABILITIES		
~~Accounts payable~~	~~$ 4,524~~	~~$ 2,000~~
Accrued liabilities	-	10,000
Non-refundable deferred franchise fees, current	43,000	3,000
TOTAL CURRENT LIABILITIES	47,524	15,000
NON-CURRENT LIABILITIES		
Non-refundable deferred franchise fees, less current portion	112,167	21,250
TOTAL LIABILITIES	159,691	36,250
TOTAL MEMBER'S EQUITY (DEFICIT)	(82,780)	5,806
TOTAL LIABILITIES AND MEMBER'S EQUITY (DEFICIT)	$ 76,911	$ 42,056

The accompanying notes are an integral part of these financial statements.

STRONG KINGDOM, LLC
STATEMENTS OF OPERATIONS
YEAR ENDED DECEMBER 31, 2021 AND THE PERIOD
FROM FEBRUARY 11, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020

	2021	2020
REVENUES		
Franchise fees	$ 39,083	$ 750
Royalties	4,744	-
Other revenue	13,750	-
TOTAL REVENUES	57,577	750
OPERATING EXPENSES		
General and administrative	60,125	3,414
Advertising and promotion	17,546	655
Professional fees	48,288	30,547
Payroll and related costs	16,478	-
Amortization	3,000	750
TOTAL OPERATING EXPENSES	145,437	35,366
OPERATING LOSS	(87,860)	(34,616)
OTHER INCOME (EXPENSE)		
Interest expense	(281)	-
NET LOSS	$ (88,141)	$ (34,616)

The accompanying notes are an integral part of these financial statements.

STRONG KINGDOM, LLC
STATEMENTS OF CHANGES IN MEMBER'S EQUITY (DEFICIT)
YEAR ENDED DECEMBER 31, 2021 AND THE PERIOD
FROM FEBRUARY 11, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020

	Member Contribution	Accumulated (Deficit)	Total Member's Equity (Deficit)
BALANCE, FEBRUARY 11, 2020 (INCEPTION)	$ -	$ -	$ -
Member contributions	40,422	-	40,422
Net (loss)	-	(34,616)	(34,616)
BALANCE, DECEMBER 31, 2020	**40,422**	**(34,616)**	**5,806**
Member distributions	-	(445)	(445)
Net (loss)	-	(88,141)	(88,141)
BALANCE, DECEMBER 31, 2021	**40,422**	**(123,202)**	**(82,780)**

The accompanying notes are an integral part of these financial statements.

STRONG KINGDOM, LLC
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021 AND THE PERIOD
FROM FEBRUARY 11, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)	$ (88,141)	$ (34,616)
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	3,000	750
Recognition of deferred revenue	(39,083)	(750)
Non-cash contributions	-	23,022
Changes in operating assets and liabilities:		
Accounts receivable	22,451	(23,500)
Related party receivable	487	(2,644)
Accounts payable	2,524	2,000
Accrued liabilities	(10,000)	10,000
Deferred revenue	170,000	25,000
Net cash provided (used) for operating activities	61,238	(738)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	-	(15,000)
Net cash used for investing activities	-	(15,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Member contribution	-	17,400
Member distribution	(445)	-
Net cash provided (used) by financing activities	(445)	17,400
NET INCREASE IN CASH	60,793	1,662
CASH, BEGINNING	1,662	-
CASH, ENDING	$ 62,455	$ 1,662
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	$ 281	$ -
Cash paid for taxes	$ -	$ -

The accompanying notes are an integral part of these financial statements.

STRONG KINGDOM, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Strong Kingdom, LLC ("Company") was formed on February 11, 2020, (Inception) in the State of Texas as a limited liability company. The Company grants franchises to qualified persons the right to provide virtual and on-site health and fitness services, including certified personal training, group fitness, and nutrition services, to special needs individuals of all ages, each a "Special Strong" location.

Affiliates

Special Strong, LLC, is a Texas limited liability company that was formed on August 6, 2016 and operates one Special Strong location in the North Texas area.

Strong Education LLC, is a Texas limited liability company that was formed on April 2, 2019 and offers training and certification services to franchisees.

Strong IP Holdings LLC is a Texas limited liability company that was formed on April 8, 2020, and owns and licenses to the Company the trademarks and other intellectual property used in the operation of the Special Strong locations.

The affiliates have not offered franchises in this or any other line of business.

The following table summarizes the number of locations owned and operating for the year ended December 31, 2021, and the period from February 11 (Inception) through December 31:

	~~2021~~	~~2020~~
Locations in operation, beginning	1	1
Locations opened	3	-
Locations terminated or closed	-	-
Locations in operation, ending	4	1
Franchised locations	3	-
Affiliate owned locations	1	1

COVID-19

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our customers, employees, and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

STRONG KINGDOM, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A summary of significant accounting policies follows:

Basis of Presentation

The accompanying financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

Preparation of the Company's financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had no cash equivalents as of December 31, 2021, and 2020.

Accounts Receivable

Timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing. Management evaluates individual customer's receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company did not have any allowance for doubtful accounts as of December 31, 2021, and 2020, and did not charge-off any accounts receivable during the year ended December 31, 2021, and period from February 11, 2020 (Inception) through December 31, 2020.

Intangible Assets

The Company has adopted ASC 350, Intangibles – Goodwill and Other that requires that goodwill and intangible assets with indefinite lives no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which it is expected to contribute directly or indirectly to future cash flows. Intangible assets with infinite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable. These costs are being amortized over 5 years using the straight-line method from the date the first franchise was sold.

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company has elected to be taxed as a "Disregarded Entity" under the provisions of the Internal Revenue Code. Under those provisions, taxable income and losses of the Company are reported on the income tax returns of its member and no provisions for federal or state taxes has been recorded on the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 "Accounting for Uncertainty in Income Taxes", that requires the Company disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities. Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements or that would affect the Company's member. The Company's evaluation was performed for the year ended December 31, 2021, and the period from February 11, 2020 (Inception) through December 31, 2020, for U.S. Federal Income Tax and the State of Texas Franchise Tax.

Revenue Recognition

The Company has adopted the guidance of ASC 606 "Revenue from Contracts with Customers". The Company's revenue mainly consists of franchise fees and royalties.

Each franchise agreement is comprised of several performance obligations. The Company identifies those ~~performance obligations, determines the contract price for each obligation, allocates the transaction price~~ to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee. The remainder of performance obligations represent a single performance obligation and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned initial fee revenues from franchisee acquisition and acceptance are recorded as non-refundable deferred franchise fees and are recognized as revenue over the term of the contract, which is currently ten years.

Royalties are 6% of gross revenues, are billed monthly and are recognized as revenue when earned.

Brand Fund Contribution

Contributions to the brand fund are 2% of monthly gross revenue with a minimum of $500 per month. Contributions will be recognized up to the amount paid by the fund, for both operating and capital expenditures, not to exceed amounts collected or accrued during the year. Any amounts collected or accrued but unspent at the end of the year will be reported as deferred revenue on the balance sheet.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense for the year ended December 31, 2021, and the period from February 11, 2020 (Inception) through December 31, 2021, was $17,546 and $655, respectively.

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

For the Company's financial instruments consist of cash and cash equivalents, the carrying amounts approximate fair value due to their short maturities.

Recently issued accounting pronouncements

The Company has adopted all recently issued Accounting Standards Updates ("ASU"). The adoption of the recently issued ASUs, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

NOTE 2 – CONTRACTS WITH CUSTOMERS

The Company has recognized certain assets and liabilities related to the Company's contracts with franchisees. The account balances and activity are as follows:

	December 31, 2021	December 31, 2020
Deferred Non-refundable Franchise Fees:		
Balance beginning of year	$ 24,250	$ -
Deferral of non-refundable franchise fees	170,000	25,000
Recognition of non-refundable franchise fees	(39,083)	(750)
Balance at end of year	$ 155,167	$ 24,250

Estimated Recognition of Non-refundable Deferred Franchise Fees and Franchise Acquisition Costs

Estimated revenues and franchise acquisition costs to be recognized in future periods related to non-refundable deferred franchise fees as reported as of December 31, 2021, is as follows:

	Non-refundable Franchise Fees
Year ending December 31:	
2022	$ 43,000
2023	13,000
2024	13,000
2025	13,000
2026	13,000
Thereafter	55,167
	$ 150,167

NOTE 2 – CONTRACTS WITH CUSTOMERS (CONTINUED)

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company's contracts with franchisees is as follows:

	Year Ended December 31, 2021	2020
Performance obligations satisfied at a point in time	$ 18,494	$ -
Performance obligations satisfied through the passage of time	39,083	750
Total revenues	$ 57,577	$ 750

NOTE 3 – INTANGIBLE ASSETS

Intangible assets consist of the following at December 31:

	2021	2020
Franchise development costs	$ 15,000	$ 15,000
Accumulated amortization	(3,750)	(750)
	$ 11,250	$ 14,250

Amortization expense was $3,000 and $750 for the year ended December 31, 2021, and the period from February 11, 2020 (Inception) through December 31, 2020. Estimated amortization expense for the next four succeeding years is expected to be approximately $3,000 per year.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

Litigation

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

NOTE 5 –SUBSEQUENT EVENTS

Date of Management's Evaluation

Management has evaluated subsequent events through January 31, 2022, the date on which the financial statements were available to be issued.

STRONG KINGDOM, LLC

FINANCIAL REPORT

AS OF DECEMBER 31, 2023

STRONG KINGDOM, LLC
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REESE CPA LLC

Independent Auditor's Report

To the Members
Strong Kingdom, LLC
McKinney, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying balance sheets of Strong Kingdom, LLC as of December 31, 2023, and 2022, and the related statements of operations, member's equity (deficit) and cash flows for the years ended December 31, 2023, 2022, and 2021, and the notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Strong Kingdom, LLC as of December 31, 2023, and 2022 and the results of their operations and their cash flows for the years ended December 31, 2023, 2022, and 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Strong Kingdom, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Strong Kingdom, LLC's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

REESE CPA LLC

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Strong Kingdom, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Strong Kingdom, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Reese CPA LLC

Ft. Collins, Colorado
January 31, 2024

STRONG KINGDOM, LLC
BALANCE SHEETS

	AS OF DECEMBER 31,	
	2023	**2022**
ASSETS		
CURRENT ASSETS		
Cash and equivalents	$ 22,427	$ 29,455
Accounts receivable	46,514	2,294
Related party receivable	3,744	3,744
Deferred contract acquisition cost, current	1,250	1,250
TOTAL CURRENT ASSETS	73,935	36,743
NON-CURRENT ASSETS		
Intangible assets	5,250	8,250
Deferred contract acquisition cost	9,792	11,146
TOTAL ASSETS	$ 88,977	$ 56,139
LIABILITIES AND MEMBERS' DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$ -	$ 6,905
Non-refundable deferred franchise fees, current	68,000	37,000
TOTAL CURRENT LIABILITIES	68,000	43,905
NON-CURRENT LIABILITIES		
Non-refundable deferred franchise fees, less current portion	202,582	132,541
TOTAL LIABILITIES	270,582	176,446
TOTAL MEMBERS' (DEFICIT)	(181,605)	(120,307)
TOTAL LIABILITIES AND MEMBERS' DEFICIT)	$ 88,977	$ 56,139

The accompanying notes are an integral part of these financial statements.

STRONG KINGDOM, LLC
STATEMENTS OF OPERATIONS

	YEARS ENDED DECEMBER 31,		
	2023	**2022**	**2021**
REVENUES			
Franchise fees	$ 41,959	$ 45,626	$ 39,083
Royalties	40,159	20,662	4,744
Other revenue	67,353	52,940	13,750
TOTAL REVENUES	149,471	119,228	57,577
OPERATING EXPENSES			
Payroll and related costs	50,565	12,585	16,478
Franchise related costs	47,764	45,959	18,841
Professional fees	44,446	44,002	48,288
General and administrative	30,669	18,645	41,284
Advertising and promotion	16,988	28,024	17,546
Amortization	3,000	3,000	3,000
TOTAL OPERATING EXPENSES	193,432	152,215	145,437
OPERATING LOSS	(43,961)	(32,987)	(87,860)
OTHER INCOME (EXPENSE)			
Other income	-	4,261	-
Interest expense	(837)	(1,737)	(281)
TOTAL OTHER INCOME (EXPENSE)	(837)	2,524	(281)
NET LOSS	$ (44,798)	$ (30,463)	$ (88,141)

The accompanying notes are an integral part of these financial statements.

STRONG KINGDOM, LLC
STATEMENTS OF CHANGES IN MEMBER'S EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	Member Contribution	Accumulated (Deficit)	Total Member's Equity (Deficit)
BALANCE, DECEMBER 31, 2020	**$ 40,422**	**$ (34,616)**	**$ 5,806**
Member distributions	-	(445)	(445)
Net (loss)	-	(88,141)	(88,141)
BALANCE, DECEMBER 31, 2021	**40,422**	**(123,202)**	**(82,780)**
Member distributions	-	(7,064)	(7,064)
Net (loss)	-	(30,463)	(30,463)
BALANCE, DECEMBER 31, 2022	**$ 40,422**	**$ (160,729)**	**$ (120,307)**
Member distributions	-	(16,500)	(16,500)
Net (loss)	-	(44,798)	(44,798)
BALANCE, DECEMBER 31, 2023	**$ 40,422**	**$ (222,027)**	**$ (181,605)**

The accompanying notes are an integral part of these financial statements.

STRONG KINGDOM, LLC
STATEMENTS OF CASH FLOWS

	YEARS ENDED DECEMBER 31,		
	2023	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss)	$ (44,798)	$ (30,463)	$ (88,141)
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization	3,000	3,000	3,000
Recognition of deferred revenue	(38,959)	(45,626)	(39,083)
Recognition of deferred contract acquisition costs	1,354	104	-
Non-cash contributions			-
Changes in operating assets and liabilities:			
Accounts receivable	(44,220)	(1,245)	22,451
Deferred contract acquisition costs	-	(12,500)	-
Accounts payable	(6,905)	2,381	2,524
Accrued liabilities	-	-	(10,000)
Non-refundable deferred franchise fees	140,000	60,000	170,000
Net cash provided (used) for operating activities	9,472	(24,349)	60,751
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets	-	-	-
Net cash used for investing activities	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Related party receivable	-	(1,587)	487
Member distribution	(16,500)	(7,064)	(445)
Net cash provided (used) by financing activities	(16,500)	(8,651)	42
NET INCREASE IN CASH	(7,028)	(33,000)	60,793
CASH, BEGINNING	29,455	62,455	1,662
CASH, ENDING	$ 22,427	$ 29,455	$ 62,455
SUPPLEMENTAL DISCLOSURES			
Cash paid for interest	$ 837	$ 1,737	$ 281
Cash paid for taxes	$ -	$ -	$ -

The accompanying notes are an integral part of these financial statements.

STRONG KINGDOM, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Strong Kingdom, LLC ("Company") was formed on February 11, 2020, (Inception) in the State of Texas as a limited liability company. The Company grants franchises to qualified persons the right to provide virtual and on-site health and fitness services, including certified personal training, group fitness, and nutrition services, to special needs individuals of all ages, each a "Special Strong" location.

Affiliates

Special Strong, LLC, is a Texas limited liability company that was formed on August 6, 2016, and operates one Special Strong location in the North Texas area.

Strong Education LLC is a Texas limited liability company that was formed on April 2, 2019, and offers training and certification services to franchisees.

Strong IP Holdings LLC is a Texas limited liability company that was formed on April 8, 2020, and owns and licenses to the Company the trademarks and other intellectual property used in the operation of the Special Strong locations.

The affiliates have not offered franchises in this or any other line of business.

The following table summarizes the number of locations owned and operating for the year ended December 31, 2022, and the period from February 11 (Inception) through December 31:

	2023	2022	2020
Locations in operation, beginning	7	4	1
Locations opened	1	3	3
Locations terminated or closed	-	-	-
Locations in operation, ending	8	7	4
Franchised locations	7	6	3
Affiliate owned locations	1	1	1

A summary of significant accounting policies follows:

Basis of Presentation

The accompanying financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

Preparation of the Company's financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had no cash equivalents as of December 31, 2023, and 2022.

Accounts Receivable

The timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing. Management evaluates individual customers' receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company did not have any allowance for doubtful accounts as of December 31, 2023, and 2022, and did not charge-off any accounts receivable during the years ended December 31, 2023, 2022, and 2021.

Intangible Assets

The Company has adopted ASC 350, Intangibles – Goodwill and Other that requires that goodwill and intangible assets with indefinite lives no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which it is expected to contribute directly or indirectly to future cash flows. Intangible assets with infinite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable. These costs are being amortized over 5 years using the straight-line method from the date the first franchise was sold.

Income Taxes

The Company has elected to be taxed as a "Disregarded Entity" under the provisions of the Internal Revenue Code. Under those provisions, taxable income and losses of the Company are reported on the income tax returns of its member and no provisions for federal or state taxes have been recorded on the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 "Accounting for Uncertainty in Income Taxes", that requires the Company disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities. Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements or that would affect the Company's member. The Company's evaluation was performed for the years ended December 31, 2023, 2022, and 2021.

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Company has adopted the guidance of ASC 606 "Revenue from Contracts with Customers". The Company's revenue mainly consists of franchise fees and royalties.

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee. The remainder of performance obligations represent a single performance obligation and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned initial fee revenues from franchisee acquisition and acceptance are recorded as non-refundable deferred franchise fees and are recognized as revenue over the term of the contract, which is currently ten years.

Royalties range between 7% and 8% of gross revenues depending level of gross revenue with a minimum royalty of $250 per month, as defined in the franchise agreement, are billed monthly, and are recognized as revenue when earned.

Brand Fund Contribution

Contributions to the brand fund are 1% of monthly gross revenue with a minimum of $250 per month. Contributions will be recognized up to the amount paid by the fund, for both operating and capital expenditures, not to exceed amounts collected or accrued during the year. Any amounts collected or accrued but unspent at the end of the year will be reported as deferred revenue on the balance sheet.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2023, 2022, and 2021, were $16,988, $28,024, and $17,546, respectively.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable, the carrying amounts approximate fair value due to their short maturities.

Recently issued accounting pronouncements

The Company has adopted all recently issued Accounting Standards Updates ("ASU"). The adoption of the recently issued ASUs, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

NOTE 2 – CONTRACTS WITH CUSTOMERS

The Company has recognized certain assets and liabilities related to the Company's contracts with franchisees. The account balances and activity are as follows:

	December 31, 2023	2022
Contract Acquisition Costs:		
Balance beginning of year	$ 12,396	$ -
Deferral of contract acquisition costs	-	12,500
Recognition of contract acquisition costs	(1,354)	(104)
Balance at end of year	$ 11,042	$ 12,396
Deferred Non-refundable Franchise Fees:		
Balance beginning of year	$ 169,541	$ 155,167
Deferral of non-refundable franchise fees	140,000	60,000
Recognition of non-refundable franchise fees	(38,959)	(45,626)
Balance at end of year	$ 270,582	$ 169,541

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company's contracts with franchisees for the years ended December 31, 2023, 2022, and 2021, is as follows:

	2023	2022	2021
Performance obligations satisfied at a point in time	$ 110,512	$ 73,602	$ 18,494
Performance obligations satisfied through the passage of time	38,959	45,626	9,083
Total revenues	$ 149,471	$ 119,228	$ 57,577

NOTE 2 – CONTRACTS WITH CUSTOMERS (CONTINUED)

Estimated Recognition of Non-refundable Deferred Franchise Fees and Franchise Acquisition Costs

Estimated revenues and franchise acquisition costs to be recognized in future periods related to non-refundable deferred franchise fees as reported as of December 31, 2023, is as follows:

	Deferred Contract Acquisition Costs	Non-refundable Franchise Fees
Year ending December 31:		
2024	$ 1,250	$ 68,000
2025	1,250	28,000
2026	1,250	28,000
2027	1,250	27,250
2028	1,250	25,250
Thereafter	4,792	94,082
	$ 11,042	$ 270,582

NOTE 3 – INTANGIBLE ASSETS

Intangible assets consist of the following at December 31:

	2023	2022
Franchise development costs	$ 15,000	$ 15,000
Accumulated amortization	(9,750)	(6,750)
	$ 5,250	$ 8,250

Amortization expense was $3,000, $3,000, and $3,000 for the years ended December 31, 2023, 2022, and 2021. Estimated amortization expense for the next two succeeding years is expected to be approximately $3,000 per year.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

Litigation

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

NOTE 5 –SUBSEQUENT EVENTS

Date of Management's Evaluation

Management has evaluated subsequent events through January 31, 2024, the date on which the financial statements were available to be issued.

EXHIBIT F

LIST OF CURRENT AND FORMER FRANCHISEES

LIST OF CURRENT FRANCHISEES
AS OF DECEMBER 31, ~~2022~~2023

Franchisee	Street Address	City	ST	Zip	Phone
Fran Poloni	13810 N. 42nd Ave	Phoenix	AZ	85053	(623) 455-1591
Ronald Janowczyk	2012 Thames Trail	Colleyville	TX	76034	(317) 457-4802
Mike Lutey	2718 Frostwood Circle	Dickinson	TX	77539	(832) 338-4861
~~Richard Millington~~	~~8420 Kings View Ct.~~	~~Montgomery~~	~~TX~~	~~77316~~	~~(713) 569-8744~~
Manju Nivsarkar	5207 Westfield Dr.	Parker	TX	75002	(617) 347-4378
Teri Lynn	6506 Arroyo Springs Lane	Katy	TX	77441	(713) 582-6389
Amanda and Michael Nutt	9210 Marfield Dr.	Tomball	TX	77375	(419) 206-8285

FRANCHISEES WITH SIGNED FRANCHISE AGREEMENT
BUT OUTLET NOT OPEN AS OF DECEMER 31, ~~2022~~2023

Franchisee	City and State	Phone
~~Julia Santos and Marko Pavlovic~~ Hunter Bauer & Cassidy Bauer	~~Memphis, TN~~South Dakota	~~(901) 282-2043~~(763) 691-4899
~~Julia Santos and Marko Pavlovic~~ Colin McClowry, Michael Troy McClowry & Rachel McClowry	~~Memphis, TN~~Akron, OH	~~(901) 282-2043~~(330) 714-2497
~~Teri Lynn Dunn and Tamara Rene Ishee~~Robert Wess McDonald & Reshae Leigh McDonald	~~Katy, TX~~Texas	~~(713) 582-6389~~(214) 585-2026

LIST OF FRANCHISEES WHOSE FRANCHISE AGREEMENT WAS TERMINATED, CANCELED, NOT RENEWED, OR OTHERWISE VOLUNTARILY OR INVOLUNTARILY CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT DURING THE FISCAL

YEAR ENDED DECEMBER 31, ~~2022~~2023

~~None.~~

Franchisee	City and State	Phone
Julia Santos	Memphis, TN	(901) 282-2043
Richard Millington (transferred)	Montgomery, TX	(713) 569-8744

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

EXHIBIT G

STATE SPECIFIC ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

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 Franchise Disclosure Document.

Our website, www.specialstrong.com, has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

All the owners of the franchise will be required to execute personal guarantees. This requirement places the marital assets of the spouses domiciled in community property states – Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin at risk if your franchise fails.

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

   Neither franchisor nor any person or franchise broker in Item 2 of this 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. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

2. The Following is added to the end of Item 5 of the Disclosure Document:

Payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business. For area development offerings, the portion of the fee attributable to an individual outlet in the development schedule should be deferred until that outlet is open.

3. The following paragraph is added to the end of Item 6 of the Disclosure Document:

   With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

4. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

California Business and Professions Code Sections 20000 through 20043 provide 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 provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

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

The Franchise Agreement requires binding arbitration. The arbitration will occur in McKinney, Texas, with the costs being borne equally by Franchisor and Franchisee. 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.

The Franchise Agreement requires application of the laws of Texas. This provision may not be enforceable under California law.

5. The following paragraph is added at the end of Item 19 of the Disclosure Document:

The financial performance representations reflect some of 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 Special Strong business. Franchisees or former franchisees, listed in the Franchise Disclosure Document, may be one source of this information.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Hawaii only, this Disclosure Document is amended as follows:

THESE FRANCHISES WILL BE/HAVE 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 HEREIN 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 THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS 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 THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process:
Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813

Registration of franchises or filings of Franchise Disclosure Documents in other states. As of the date of filing of this Addendum in the State of Hawaii:

1. A franchise registration is effective or an Franchise Disclosure Document is on file in the following states:
   _____

2. A proposed registration or filing is or will be shortly on file in the following states:
   _____

3. No states have refused, by order or otherwise to register these franchises.

4. No states have revoked or suspended the right to offer these franchises.

5. The proposed registration of these franchises has not been withdrawn in any state.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Illinois only, this Disclosure Document is amended as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction of venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

Based upon the franchisor's financial condition, the Illinois Attorney General has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.
No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Maryland only, this Disclosure Document is amended as follows:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The following is added to Item 5:

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

The following is added to Item 17:

> 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.
>
> You may bring an action under such law within three years after the grant of the franchise.
>
> You have the right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.
>
> The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.
>
> This Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Minnesota only, this Disclosure Document is amended as follows:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."

- Item 5 is amended to read as follows: The Minnesota Department of Commerce Securities Section requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

- NSF checks are governed by Minnesota Statute § 604.113, which puts a cap of $30 on service charges.

- No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with this franchise, including but not limited to Sections 20.1 and 22, and Attachment 1 to the Special Strong Franchise Agreement.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

In the State of New York only, this Disclosure Document is amended as follows:

1. 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 A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. 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.

2. The following is added at the end of Item 3:

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

   A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

   B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

   C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

   D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. 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.

4. 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.

5. 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.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of North Dakota only, this Disclosure Document is amended as follows:

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09):

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.

2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.

6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.

7. Waiver of Exemplary and Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.

8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Rhode Island only, this Disclosure Document is amended as follows:

Item 17, summary columns for (v) and (w) are amended to add the following:

> Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

SOUTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

The collection of the initial franchise fee will be deferred until the franchisor has fulfilled its pre-opening obligations and the franchisee is open for business.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows:

The following statements are added to Item 17(h):

> Under 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 do 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.
>
> Under 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 involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

Item 17(t) is amended to read as follows:

> 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.

Item 5 is amended to read as follows:

> The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

(See Attachment H to the Special Strong Franchise Agreement (Exhibit C to this Franchise Disclosure Document) for Washington Addendum to the Disclosure Document, Franchise Agreement, Franchisee Compliance Certification Questionnaire**,** and Related Agreements)

EXHIBIT H

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

The following States require that the Franchise 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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	~~PENDING~~
Hawaii	
Illinois	
Indiana	
Maryland	~~PENDING~~
Michigan	March 16, 2023
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	~~PENDING~~
Virginia	
Washington	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT I

RECEIPTS

RECEIPT

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 Strong Kingdom, 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, franchisor or an affiliate in connection with the proposed franchise sale.

If Strong Kingdom, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state administrator listed in Exhibit A. Strong Kingdom, LLC's agents for service of process are listed in Exhibit B.

Issuance Date: February ~~17, 2023~~22, 2024

~~The name, principal business address, and telephone number of the franchise seller offering the franchise is:~~

~~Name~~	~~Principal Business Address~~	~~Telephone Number~~

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
~~Daniel Stein~~	~~3420 Eldorado Pkwy, Suite 4a, McKinney, Texas 75071~~	~~(972) 836-8463~~
Daniel Stein	1720 Bray Central Drive, Suite 100-K, McKinney, Texas 75069	(833) 543-3496

I received a disclosure document dated February ~~17, 2023,~~22, 2024 that included the following Exhibits:

Exhibit A	List of State Administrators
Exhibit B	Agents for Service of Process
Exhibit C	Franchise Agreement and Attachments
Exhibit D	Table of Contents of Manual
Exhibit E	Financial Statements
Exhibit F	List of Current and Former Franchisees
Exhibit G	State Specific Addenda to the Franchise Disclosure Document
Exhibit H	State Effective Dates
Exhibit I	Receipts

Date Disclosure Document Received:_____

Date Receipt Signed:_____

_____

Prospective Franchisee's Signature

_____

Print Name

[Return to Strong Kingdom, LLC, ~~3420 Eldorado Pkwy~~1720 Bray Central Drive, Suite ~~4a~~100-K,

McKinney, Texas ~~75071~~75069]

RECEIPT

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 Strong Kingdom, 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, franchisor or an affiliate in connection with the proposed franchise sale.

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The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Daniel Stein	1720 Bray Central Drive, Suite 100-K, McKinney, Texas 75069	(833) 543-3496

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~~Name~~	~~Principal Business Address~~	~~Telephone Number~~
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Exhibit H	State Effective Dates
Exhibit I	Receipts

Date Disclosure Document Received:_____

Date Receipt Signed:_____

_____

Prospective Franchisee's Signature

_____

Print Name

[Keep this page for your records]