FRANCHISE DISCLOSURE DOCUMENT

STRENGTH TRAIN LLC
an Idaho limited liability company
2976 E. State Street, Suite 120, #2062
Eagle, Idaho 83616
(208) 314-1924
info@startingstrengthgyms.com
www.startingstrengthgyms.com

Strength Train LLC offers for sale a franchise to establish and operate a gym that focuses on a strength training system identified by the "Starting Strength" trade name and marks.

The total investment necessary to begin operation of a Starting Strength® Gym ranges from $227,394 to $691,527. This amount includes $45,787 to $52,672 that must be paid to the franchisor or its affiliate. The total investment necessary to begin operation of a Starting Strength Gym franchise under an area development agreement, which requires development of a minimum of two (2) Gyms, ranges from $251,364 to $751,452. This includes $69,757 to $112,597 that must be paid to the franchisor or its affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read the 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 payments to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Nick Delgadillo at Strength Train LLC, 2976 E. State Street, Suite 120, #2062, Eagle, Idaho 83616, and at (208) 314-1924**.**

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 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: June 17, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits H and I.
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 C 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 STARTING STRENGTH 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 STARTING STRENGTH franchisee?	Item 20 or Exhibits H and I list 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 and area development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Idaho. 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 Idaho than in your own state.

2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement, even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

3. **Sales Performance Requirement.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of territorial rights you are granted, termination of your franchise, and loss of your investment.

4. **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.

5. **Unopened Franchises.** The franchisor has signed a number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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.

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ITEM 1 THE FRANCHISOR, ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language, this disclosure document uses "we," "us," "our," "Franchisor," "Starting Strength," or "Starting Strength Gyms" to mean Strength Train LLC, the franchisor. "You" means the person, corporation, partnership or other entity that buys the franchise.

Franchisor, Parent, and Affiliates

Strength Train LLC is an Idaho limited liability company. We were formed in California on February 2, 2018, as Strength Train LLC, a California limited liability company. In December of 2020, we began the process of changing our corporate domicile from California to Idaho. In doing so, we domesticated into Idaho and became Strength Train LLC, an Idaho limited liability company. As a result of domestication out of California and into Idaho, we dissolved our California limited liability company, effective December 25, 2020, and all its assets and liabilities became the assets and liabilities of the Idaho limited liability company. The domestication process was complete and effective as of September 24, 2021. We do business under the trade name "Starting Strength Gyms". Our principal business address is 2976 E. State Street, Suite 120, #2062, Eagle, Idaho 83616, and our telephone number is (208) 314-1924**.** We do not conduct business under any other name.

We have no parent or affiliates.

Agent for Service of Process

Our agents for service of process are disclosed in **Exhibit B.**

Predecessors and Prior Experience

We have no predecessors. We began offering Starting Strength Gym franchises in July 2018. We have never offered franchises in any other line of business. We do not and have never operated a Starting Strength Gym.

The Business We Offer

We offer for sale a franchise to operate a distinctive gym that focuses on strength training and is identified by the trade name "Starting Strength" (the "Gym"). The Gyms offer introductory sessions, workshops and group training, private coaching, online coaching, nutrition coaching, and key-card access memberships. The Gyms are uniform in appearance and design, and are located in retail shopping centers. We may, however, consider alternative sites, on a case-by-case basis. A Gym accommodating 4 to 10 weight-lifting platforms will typically have approximately 645 to 2,000 usable, square feet.

Pursuant to a license agreement that became effective April 8, 2018, we are granted the non-exclusive rights to use and license the "Starting Strength" trade name, trademarks and service marks, including those which may be developed in the future (the "Marks") and the Starting Strength System (the "System) in connection with our franchise program, by the owner of the Marks and System, The Aasgaard Company, a Texas partnership ("Licensor"). Licensor and the System were founded in January 2005, by Mark Rippetoe. The System includes various strength training techniques and methods focused on barbell exercises that involve the body's muscle mass, and the related trade secrets, copyrights, confidential and proprietary information and other intellectual property rights, including articles, videos, podcasts, training

logs, reports, forums, on-line and in-person coaching, certifications, seminars and events, motivational materials, a mobile phone app and an online store.

You will establish and operate your Gym under our comprehensive franchise program (the "Franchise Program"), which includes the System and Marks, trade secrets, proprietary methods and information and procedures for the establishment and operation of Starting Strength Gyms, including, without limitation, confidential manuals (collectively, the "Manual"), training methods, strength-training equipment, furniture and fixtures, hardware, signage, gym supplies, marketing, advertising and sales promotions, cost controls, accounting and reporting procedures, personnel management, quality customer service, distinctive interior design and display procedures, and color scheme and décor (the "Trade Dress"). The Franchise Program may be changed, improved and further developed by us.

We offer the right to establish and operate a single Starting Strength Gym pursuant to the terms of the Franchise Agreement. The Franchise Agreement authorizes you to use the Marks and System in connection with your operation of the Gym. The Franchise Agreement is signed by us, by you, and by those of your principals whom we designate as the principal franchisee-operator(s) (the "Designated Operator(s)") of the franchised business. The Designated Operator(s) (there may be up to two such individuals but only one address to which we communicate to regarding the franchise) named has the authority to act for you in all matters relating to the Starting Strength Franchise, including voting responsibilities. By signing the Franchise Agreement, you and the Designated Operator(s) agree to be individually bound by certain obligations in the Franchise Agreement, including covenants concerning confidentiality and non-competition, and to personally guarantee your performance under the Franchise Agreement. Depending on the type of business activities, which must be fully disclosed prior to signing this document, in which you or your Designated Operator(s) may be involved, we may require you or your Designated Operator(s) to sign additional confidentiality and non-competition agreements.

In addition to offering franchises for individual Gyms, we offer the right to develop and operate a minimum of two (2) Gyms under the form of an area development agreement attached as Exhibit J (the "Area Development Agreement"). The development schedule included in the Area Development Agreement (the "Development Schedule") will specify the dates by which you must open each Gym. For each Gym you develop under an Area Development Agreement, you will sign a then-current Franchise Agreement, which may differ from the current Franchise Agreement included in this disclosure document. The number of Gyms, development area and schedule must be agreed upon by us prior to execution of the Area Development Agreement. Before the execution of each Franchise Agreement, we will deliver to you a disclosure document describing the terms of our then-current Franchise Agreement and provide you with other relevant information.

Market and Competition

The market for fitness services and gyms is well-developed and crowded. You will face competition from members of other gyms, personal trainers, fitness/exercise centers and studios, health clubs, and even other Starting Strength franchisees, coaches, gyms, and online coaching services using the Marks.

Our services are targeted to individuals who desire to strengthen their body, regardless of age or athletic background. Our business is not seasonal, although you may experience peak months and membership fluctuation (e.g., January is typically a busier month for fitness, health and wellness facilities.)

Franchisee Referral Program

We currently offer a national franchisee referral program (the "Franchisee Referral Program") that provides existing Starting Strength franchisees the opportunity to earn an incentive of $2,000 for each new qualified candidate they refer/introduce to us, who meets our criteria for approval as a Starting Strength franchisee, and who executes a Franchise Agreement and pays the applicable Initial Franchise Fee for a Starting Strength Gym within twelve (12) months of the date we receive the referral. All existing Starting Strength franchisees, who are in good standing, are eligible to participate. Only one franchisee may receive the $2,000 referral incentive for each qualified candidate. This program is not intended to supplement or amend the Franchise Agreement or any other agreement and does not create any additional rights for Franchisee or any third party. We may change or eliminate this program at any time without notification. Franchisees are not our sales agents and are not authorized by us to qualify the Starting Strength franchise candidates or to make statements on our behalf relating to the financial performance or prospects for success in operating the Starting Strength Gym. Under the Franchisee Referral Program, existing franchisees are merely referring/introducing prospects to us. We are solely responsible for the new franchisee qualification process and, if applicable, the sales process.

Applicable Regulations

It's your responsibility to ensure that you are in compliance with all local, state, provincial and federal business, retail sales, zoning, permitting, and other regulations and licensing requirements, and any applicable laws and regulations, and to identify and obtain all authorizations necessary to operate your Gym. We do require you to have one or more qualified coaches available during the Gym's group training sessions, introductory sessions, and private coaching sessions that is certified in basic cardiopulmonary resuscitation or other specialized medical training. Additionally, we require you to have an automated external defibrillator and other first aid equipment on the premises. At a minimum, your Gym will be subject to various federal, state and local laws, and regulations affecting the business, including laws relating to zoning, access for the disabled, and safety and fire standards. You may need the local fire marshals or other local, state or federal agency's permission before you begin operations. In addition, there may be local licensing and employment regulations, including worker's compensation insurance requirements. You should examine these and other laws before purchasing a franchise.

You should consult with your attorney, and local and state agencies/authorities, before buying a franchise to determine if there are any specific regulations you must comply with as it relates to offering the Gym products and services to consumers in your state, and consider the effects on you and the cost of compliance. These requirements can affect a broad scope of your operations, including location selection, and hiring of personnel, among other things.

The Payment Card Industry Data Security Standard ("PCI DSS") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI DSS applies to all merchants, regardless of size or number of transactions that accept, transmit or store any cardholder data.

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ITEM 2 BUSINESS EXPERIENCE

Founder and Managing Member: Lawrence "Ray" Gillenwater

Ray is our Founder and has been our Managing Member since our inception in February 2018. He currently works from his office in Boise, Idaho. Ray was our Chief Marketing Officer from September 2022 to April 2024, and our President from December 2020 to August 2022. He worked in Orange County, California, from February 2018 to December 2020, when we were located in California. He is also the CEO of SpeakUp LLC, a software development company, in San Francisco, California, and has held that position since August 2013; and the President of Doctors Implants, a dental implant business, located in Dallas, Texas, and has held that position since October 2023.

Chief Executive Officer and President: Nicholas "Nick" Delgadillo

Nick has been our Chief Executive Office since December 2024, and our President since February 2024. Prior to that, he was Head of Corporate Development for us, from September 2018 to January 2024, and was responsible for establishing gym operations standards, franchisee training, and franchisee support. Nick also works as a Management Consultant for The Aasgaard Company, the licensor of the Starting Strength Marks and System, and has held that position since February 2015. All positions listed here for Nick are located in Wichita Falls, Texas.

Chief Strength Officer: Charles "Mark" Rippetoe

Mark has been our Chief Strength Officer since our inception in February 2018. As our Chief Strength Officer, he is responsible for developing our trainee programs and coach development system. Mark owns and operates The Aasgaard Company, the licensor of the Starting Strength Marks and System, which he founded in January 2005. He has been self-employed as a gym owner and coach since April 1984. All positions listed here for Mark are located in Wichita Falls, Texas.

Chief Technology Officer: Benjamin "Ben" Gillenwater

Ben has been our Chief Technology Officer since we changed our corporate domicile to Idaho in December 2020. In his position with us, he is responsible for setting technology standards, implementing hardware and software tools, creating custom software, franchisee training, franchisee support, and physical and digital security. From January 2020 to December 2020, he held the position of Head of Technology for us, in Orange County, California. Ben is also the owner of a software development business, which he has operated since May 2013. Unless otherwise noted, all positions listed here for Ben are located in Boise, Idaho. Ben is the brother of our Founder and Managing Member, Ray.

Director of Membership Sales and Retention: John Haun

John has been our Director of Membership Sales and Retention since January 2024. He also owns and operates a Starting Strength franchise located in Germantown, Tennessee, which opened in January 2022. He is the CEO of VIA Productions, LLC, a video production agency, and has held that position since November 2010. All positions listed here for John are located in Memphis, Tennessee.

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

Franchise Agreement

Initial Franchise Fee. You must pay to us a lump sum "Initial Franchise Fee" to establish a single Gym under a Franchise Agreement. The Initial Franchise Fee is $39,950 for a Starting Strength Gym franchise with 4 to 10 weight-lifting platforms (a "Gym"). The Initial Franchise Fee is due upon the signing of the Franchise Agreement in the form of a cashier's check, wire transfer or electronic check ("eCheck"). The Initial Franchise Fee shall be fully earned by Franchisor upon payment and is not refundable, in whole or in part, under any circumstance. In our last fiscal year, we waived the Initial Franchise Fee for one franchisee, who is a member of our management team.

Area Development Agreement

Development Fee. If you wish to develop 2 or more Gyms, you will sign an Area Development Agreement. Upon execution of the Area Development Agreement, you will pay us a lump sum development fee ("Development Fee") in an amount according to the following applicable formula:

Development Fee for 2 Gyms = (Initial Franchise Fee x 2) - 20% Discount = $63,920.
Development Fee for 3 Gyms = (Initial Franchise Fee x 3) - 30% Discount = $83,895.
Development Fee for 4 Gyms = (Initial Franchise Fee x 4) - 40% Discount = $95,880.
Development Fee for 5 Gyms = (Initial Franchise Fee x 5) - 50% Discount = $99,875.

The Development Fee is not refundable, in whole or in part, under any circumstances.

The Initial Franchise Fee for each Gym developed under an Area Development Agreement will be reduced by 20% of the then-current Initial Franchise Fee if you agree to develop and open 2 Gyms, 30% if you open 3 Gyms, 40% if you open 4 Gyms, and 50% if you open 5 Gyms. The Development Fee will be credited to the Initial Franchise Fee when you sign the Franchise Agreement for each Gym, such that no further amount is due and owed by you to us in connection with any or all of the Gyms developed under the Area Development Agreement.

Technology Fees

Prior to and after the opening of your Gym, we will make available to you certain software programs that you are required to use in the operation of the Gym. We will bundle the costs of the software and charge you one monthly fee that includes an administrative fee (collectively, the "Technology Fees"). In addition to the Technology Fees, you must pay us a one-time "System Setup and Configuration Fee" in the amount of $1,350, which will be included in your first monthly invoice for the Technology Fees. The monthly amount for the Technology Fees prior to opening ranges from $89 to $347. Beginning at the signing of the Franchise Agreement and up until the day before you sign the lease for your Gym, which we estimate to be approximately 7 months, you will pay us a monthly fee of $89, which covers Google Workspace Email ($24/month for up to four users), OpenPhone App ($25/month), Zapier ($5/month), Geo Targetly ($15/month), and Website Hosting ($20/month), plus an additional $39/month if you choose to add LiveChat, which is optional. Once you sign your lease, which we estimate to be 5 months prior to opening the Gym, we will provide you with the following additional software programs: Pike13 ($179/month for site access license, plus a one-time $100 setup fee) and Customer Acquisition App ($40/month), and the monthly fee will increase to $308 (without LiveChat) to $347 (with LiveChat). You may add LiveChat at any time, at your option. After you open your Gym, we will provide you with

additional software and the ongoing monthly Technology Fees will increase to a range of $408 to $447, as disclosed below in Item 6. We will bill you at the beginning of each month for the Technology Fees and you will pay us by electronic funds transfers ("EFT") within 30 days of receipt of the bill. We will pay the third-party vendor directly for all fees associated with the use of the software. We may change vendors upon reasonable written notice to you. The Technology Fees are non-refundable, in whole or in part, under any circumstances.

Marketing Agency Management Fees

Upon signing the Franchise Agreement, we will assist you with managing any third-party marketing agency that you hire. The services we provide in managing a marketing agency include establishing vendor selection criteria, interviewing and onboarding vendors, brand direction, strategic planning, project management, analytics implementation and reporting, budget planning, asset approval, and copywriting ("Marketing Management Services"). You are required to use our Marketing Management Services. You will pay us a fee in the amount of $50 per hour for this service ("Marketing Agency Management Fee"). We will bill you at the beginning of each month for the services provided in the immediately preceding month and you will pay us by EFT within 30 days of receipt of the bill. We estimate providing 0 to 40 hours of Marketing Management Services to you prior to the opening of your Gym, which will cost you approximately $0 to $2,000 in Marketing Agency Management Fees. The Marketing Agency Management Fees are non-refundable, in whole or in part, under any circumstances.

Recruiter Fees

Upon signing the Franchise Agreement, we will make available to you a recruiter (the "Recruiter") who you are required to use to assist you with recruiting apprentices, coaches, and "Starting Strength Coaches" (i.e., coaches with a valid Starting Strength Coach Certification). You will pay us a fee in the amount of $1,000 (the "Initial Recruiter Fee") for the Recruiter to post job openings, promote on social media, and source candidates through its network. The Initial Recruiter Fee is due at the signing of the Franchise Agreement by EFT. The Recruiter will refer candidates to you who have expressed an interest in working at a Starting Strength Gym in your area, but you are solely responsible for vetting the candidates and making the hiring decisions. In addition to the Initial Recruiter Fee, you will pay us a placement fee ("Placement Fee") in the amount of $500, $1,000, or $1,500 for each non-veteran apprentice, coach (non-certified), or Starting Strength Coach, respectively, that the Recruiter helps you place. If the apprentice, coach (non-certified), or Starting Strength Coach is a veteran who will be using his/her GI Bill benefits while working at the Gym, you will pay us an additional $250 for each such veteran candidate. We estimate you will spend $0 - $4,000 in Placement Fees prior to opening the Gym. The low-end of the range assumes you place your entire team. The high-end assumes the Recruiter refers four candidates to you and you place all of them, including one (1) Starting Strength Coach, one (1) coach (non-certified), and two (2) veteran apprentices. The Placement Fee is payable by EFT and is due at the time you place a candidate referred by the Recruiter. The Recruiter Fees are non-refundable, in whole or in part, under any circumstances. If you are an existing franchisee opening an additional Starting Strength Gym, the use of our recruiting services will be optional for staffing your additional gym(s).

ITEM 6 OTHER FEES

Franchise Agreement

Type of Fee	Amount	Due Date	Remarks
Royalty Fee[1]	8% of Gross Sales[2]	Payable instantaneously and automatically at the time sales are processed for the Gym through the required business management software.	You will begin paying us a Royalty Fee from the day you start receiving payments for services and products in connection with the Gym, which may be before the Gym first opens for business.
Marketing Fund Contribution[3]	Currently, 2% of Gross Sales[2]	Payable instantaneously and automatically at the time sales are processed for the Gym through the required business management software.	Your Marketing Fund Contributions will begin the day you start receiving payments for services and products in connection with the Gym, which may be before the Gym first opens for business. The contributions may range from 0 – 3% of Gross Sales.
Local Marketing/ Advertising Expenses	3% of Gross Sales[2]	Monthly.	You must spend at least this amount on local marketing, advertising and promotion of the Gym each month.
Advertising Cooperative Fees [4]	Not yet established.	(See Note 4)	(See Note 4)
Ongoing/Refresher Training [5]	$500 to $1,000 per day.	Prior to training.	Additionally, you must pay for your employee's compensation (if applicable), and any travel and living expenses you (and your employees) incur to attend the training.
Late Fees	The lesser of 1.5% per month or the highest rate of interest allowed by law.	Upon demand.	Applies to all amounts not paid when due, until paid in full. We may also require you to pay an administrative fee of $50 for each late payment or late report.
Renewal Fee	$20,000	At time of renewal.	You must renovate and reimage the Gym at your expense at the time of Renewal to conform to our then-current standards and image. These expenses are in addition to the Renewal Fee.

Type of Fee	Amount	Due Date	Remarks
Transfer Fee	$10,000	Before the transfer.	Payable when you sell the Gym or assign/transfer any ownership interest in the franchisee. We do not charge this fee if the transfer is to a corporation or other entity wholly owned by you.
Insurance Reimbursement[6]	Amount of unpaid premium. Our estimate for 3 months of the minimum required insurance is $2,000 - $4,000.	Must have the policies no later than the time that you acquire an interest in the real property from which you will operate the Gym.	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Audit Fees[7]	All costs of or relating to the audit.	As incurred.	Payable only if audit is done because of your failure to furnish required reports and information on a timely basis.
Cost of Enforcement or Defense	All costs including attorneys' fees	Upon settlement or conclusion of claim or action.	You will reimburse us for all costs in enforcing our obligations concerning the Franchise Agreement if we prevail.
Indemnification	All costs including attorneys' fees	Upon settlement or conclusion of claim or action.	You will defend suits at your own cost and hold us harmless against suits involving damages resulting from your operation of the Gym.
Upgrades and Maintenance[8]	$500 - $25,000	At time of modification.	You will make these expenditures as we require to comply with modifications to the Starting Strength System. You may be required to thoroughly modernize or remodel the Gym, but no more than once every 5 years. Payable to suppliers.
Alternative Supplier Approval[9]	Our reasonable costs incurred in evaluating a supplier.	At time of request.	These costs may include reimbursement to us for travel, accommodations, meal expenses, and personnel wages.
Support Fee[10]	$3,500 per week	At time of support.	Payable only if you fail to have a trained and certified Designated Operator, general manager ("Gym Manager"), and/or coach(es).
Gift Card Program[11]	Face value of the gift card.	As incurred.	You must participate in our Gift Card Program. You are only required to honor gift cards purchased at your Gym.

Type of Fee	Amount	Due Date	Remarks
Technology Fees[12]	$408 - $447 per month	Monthly	Payable to us. This fee covers the software programs that we require you to use in connection with the operation of the Gym.
Marketing Agency Management Fees	$50 per hour	As incurred.	You will pay us this fee by EFT to manage any third-party marketing agency you hire after the opening of your Gym.
Recruiter Placement Fees	$500 - $1,750 per placement	As incurred.	You will pay us this fee by EFT for each apprentice ($500), non-certified coach ($1,000), and Starting Strength Coach ($1,500), plus $250 for a veteran using their GI Bill, we help you place after the opening of your Gym.
Veteran Apprentice Management Fee	$50 per veteran	Monthly	If we help you place a veteran who will be using his/her benefits under the GI Bill to work at the Gym, we will charge you this monthly fee by EFT to manage the processing of the veteran's benefits under the GI Bill. You will pay us this fee as long as the veteran is using his/her benefits under the GI Bill while working at the Gym.
Online Coaching Lead Fee	$50 per lead	As incurred.	We receive inquiries and requests on our website from individuals interested in receiving coaching online ("Online Coaching") and may, from time to time, refer a prospective member to you for Online Coaching. You will pay us this fee by EFT for each member lead you accept from us for Online Coaching.
Credit Card Processing Fee	2.6% to 3.2% of total amount charge.	Payable instantaneously and automatically at the time sales are processed for the Gym through the required business management software.	This fee is a "pass through" fee and is used to offset our expenses incurred in the processing of credit card transactions.
Compromise of Manual Liquidated Damages	$8,000	On Demand	If you, in any way, compromise the secure access to the Manual and its confidential contents, you will be required to pay us this fee for breach and related damage to the System.

Type of Fee	Amount	Due Date	Remarks
			This fee is intended to compensate us for a miniscule portion of the fees and costs we spent developing our intellectual property and confidential Manual for the Franchise Program, which you compromised or lost.
Marketing and Coaching Directory Fee	$50 per month	Monthly	We impose this fee, but you will pay this fee directly to the third-party approved supplier. This fee covers the management of the individual listings for your Gym and your coaches on the Starting Strength Coaching Directory.
Starting Strength Gyms Owners Retreat (Optional Fee)	$500 - $1,500 per attendee, plus travel expenses. (Varies per location selected.)	After the Retreat.	You will pay us this fee if you elect to attend this annual retreat for franchise owners, which is 4 days in duration and held at a location designated by us. You are not required to attend this retreat.
Starting Strength Gyms Coaches Conference (Optional Fee)	$95 - $150 per attendee, plus travel and living expenses.	Prior to the Conference.	You, your Gym Manager, Head Coach and/or your Starting Strength Coaches may elect to attend this conference, which is 3 days in duration and held annually in Wichita Falls, Texas. Attendance at this conference is optional.

All fees are uniformly imposed by and are payable to us, unless otherwise noted. No other fees or payments are to be paid to us, nor do we impose or collect any other fees or payments for any third party. Any fees paid to us are non-refundable unless otherwise noted. Fees payable to third parties may be refundable based on your individual arrangements.

Notes to Chart for Franchise Agreement:

[1] Royalty Fee. This fee will be paid and processed through the approved business management or membership management software and/or the point-of-sale reporting system designated by us.

[2] Gross Sales. The term "Gross Sales" means the total revenues you derive, directly or indirectly from all business conducted upon, from or in connection with the Gym, less sales taxes or similar taxes imposed by governmental authorities. (See Section 5.3 of the Franchise Agreement for a more complete definition.) You must participate in our then-current electronic funds transfer and reporting program(s). (See Exhibit 2 and Exhibit 3 of the Franchise Agreement.) Unless we specify otherwise, you must pay any and all fees owed to us, by pre-authorized electronic debit to our bank or other financial institution account.

[3] Marketing Fund Contribution. We have established a national advertising and marketing fund (the "Marketing Fund") and you will be required to make a contribution to such fund ("Marketing Fund Contribution") beginning from the day you start receiving payments for services and products in connection with the Gym, which may be before the Gym first opens for business. The Marketing Fund may be used for (among other things) product development; signage; creation, production and distribution of marketing, advertising, public relations and other materials in any medium, including the internet; social media; administration expenses; brand/image campaigns; media; national, regional and other marketing programs; activities to promote current and/or future Gyms and the Starting Strength brand; agency and consulting services; research; and any expenses approved by us and associated with your Gym. We will have sole discretion over all matters relating to the Marketing Fund. You must pay for your own local advertising.

[4] Advertising Cooperative Fee. If we establish a local or regional advertising cooperative to promote Gyms in your market area, you will contribute to the cooperative in such amounts as are determined by the majority of its members, but, in no event, will you be required to pay more than four percent (4%) of Gross Sales for combined local marketing and cooperative advertising. We are not required to participate in any cooperative advertising programs. As of the date of this disclosure document, no local or regional advertising cooperative has been established. (See Item 11).

[5] Ongoing/Refresher Training. From time to time, we may offer system-wide ongoing or refresher training to the Starting Strength Franchisees for a fee ranging from $500 to $1,000 per day, such training may include online and offline courses, meetings, seminars and conventions. You agree to personally attend or have your designated Gym Manager and/or coaching staff (if approved by us) attend any and all required ongoing or refresher training.

[6] Insurance Reimbursement. The minimum limits for coverage under many policies will vary depending on several factors, including the location of your Gym. See Item 8 of this disclosure document for our minimum insurance requirements.

[7] Audit Fees. Costs relating to the audit shall include, without limitation, travel, lodging, wage expense and reasonable accounting and legal expenses. These costs will be in addition to any other remedies that we have under the Franchise Agreement or law.

[8] Upgrades and Maintenance. You must promptly repair or replace defective, worn-out or obsolete equipment, signage, fixtures or any other item of the interior or exterior of the Gym that is in need of repair, refurbishing or redecorating in accordance with our established standards, which may be updated from time to time, or as may be required by your lease. We may change or modify the Starting Strength System that is presently identified by the Marks, including, the adoption and use of new or modified Marks or copyrighted materials. You may be responsible for any reasonable conversion costs.

[9] Alternative Supplier Approval. You may request the approval of an item, product, service or supplier. We may require you to pre-pay any reasonable charges connected with our review and evaluation of any proposal.

[10] Support Fee. We may charge you this fee weekly until you have a replacement or successor Designated Operator, Gym Manager, and/or coach(es) attend and successfully complete the required training. (See Item 11 for details.)

[11] Gift Card Program. We have established a Gift Card Program. You must report to us the total amounts for all gift card "sales" and "redemptions" transactions with your customers/members, as incurred. You will keep the total proceeds from gift card "sales" in your account until the gift card is redeemed. Upon termination of your Franchise Agreement and non-renewal, you must pay us the full value of any outstanding gift cards sold at your Gym that were not redeemed before the termination of your Franchise Agreement.

[12] Technology Fees. We will make available to you for a fee the following software programs that you are required to use in the operation of the Gym: (1) Pike13: $179/month for site access license; (2) Starting Strength Digital Logbook: $50/month; (3) Google Workspace Email: $24/month for up to four users; (4) Website Hosting: $20/month; (5) Customer Acquisition App: $40/month; (6) TV Display App: $20/month; (7) OpenPhone App: $25/month; (8) Zapier: $5/month; (9) Geo Targetly: $15/month, (10) TrueCoach: $30/month; and (11) LiveChat: $39/month (optional). You will pay the above ongoing monthly fees to us by electronic funds transfers EFT and payments begin the day we turn on your technology. We will pay the third-party vendor directly for all fees associated with the use of the software. We will bundle the costs of all the software listed above and charge you one monthly fee that includes an administrative fee. We have the right to access any and all information stored in the program that pertains to the Gym, at our discretion. We may change vendors upon reasonable written notice to you. Prices are subject to change, which may increase your costs. Any fee increase will be communicated to you 30 days before the effective date of the fee increase.

Area Development Agreement

Type of Fee[1]	Amount	Due Date	Remarks
Assignment Fee [2]	Our incurred legal fees.	On submitting application for consent to assignment	Payable when you want to sell/transfer the rights under your Area Development.
Indemnification	All costs, including attorneys' fees	As incurred	You must reimburse us for all damages arising from your activities.

Notes to Chart for Area Development Agreement:

[1] All fees are nonrefundable; the fees are cumulative of the fees you pay under each Franchise Agreement in connection with the operation of each Gym.

[2] These fees are imposed by and are payable to us.

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ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT FOR A GYM

TYPE OF EXPENDITURE [1]	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee[2]	$39,950	Lump Sum, by cashier's check or eCheck	At signing of Franchise Agreement	Us
Real Estate/Lease[3] (3 months + Deposit)	$6,042 - $49,000	As arranged	At signing of Lease and after opening	Landlord
Real Estate Consulting Fees[4]	$2,000 - $10,000	As arranged	Prior to opening	Approved Suppliers and Vendors
Construction Management Fees[5]	$2,000 - $20,000	Electronic Funds Transfer	Prior to and after opening	Approved Suppliers and Vendors
Tenant Improvements and Build-Out[6]	$70,000 - $250,000	As arranged	Prior to opening	Approved Suppliers and Vendors
Equipment, Furniture, Finishes, Fixtures & Supplies[7]	$61,000 - $156,500	As arranged	Prior to opening	Approved Suppliers and Vendors
Signage[8]	$15,000 - $30,000	As arranged	Prior to opening	Approved Suppliers
Grand Opening Marketing[9]	$2,500 - $8,500	As arranged	Prior to opening	Approved Suppliers and Vendors
Insurance[10]	$2,000 - $6,000	As Arranged	Prior to opening	Approved Supplier
Utilities[11]	$1,750 - $4,200	As arranged	Prior to opening	Utility Suppliers
Business License and Permits[12]	$1,500 - $18,000	As arranged	Prior to opening	Local, State and/or Federal Government
Technology Fees paid to Franchisor [13]	$4,837 - $5,422	Electronic Funds Transfer	Monthly, prior to and after opening	Us
Other Technology Fees[14]	$750 - $4,635	As Arranged	Monthly, prior to and after opening	Approved Suppliers and Vendors
Computer System and Related Hardware [15]	$1,000 - $3,500	As arranged	Prior to opening	Approved Suppliers and Vendors
Professional Fees[16]	$5,500 - $12,500	As arranged	As incurred, varied times	Approved Suppliers, Lawyers, Accountants, etc.
Architectural Fees[17]	$4,850 - $15,300	As arranged	Prior to opening	Approved Supplier Architect
Management Development Program[18]	$5,320 - $11,520	As arranged	Prior to and after opening	Host Franchisee, Transportation Carriers, Hotels, etc.
Marketing Agency Management Fees[19]	$0 - $2,000	Electronic Funds Transfer	As incurred, varied times	Us
Recruiting Fees[20]	$1,000 - $5,300	Electronic Funds Transfer	Prior to, and possibly after, opening	Us
Additional Funds – 3 months[21]	$395 - $39,200	As arranged	As incurred, varied times	Employees and Vendors
TOTAL ESTIMATED INITIAL INVESTMENT	**$227,394 - $691,527**			

YOUR ESTIMATED INITIAL INVESTMENT UNDER AN AREA DEVELOPMENT AGREEMENT

TYPE OF EXPENDITURE [1]	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Development Fee[2]	$63,920 - $99,875	Lump Sum, by cashier's check or eCheck	At signing of Area Development Agreement	Us
Real Estate/Lease[3] (3 months + Deposit)	$6,042 - $49,000	As arranged	At signing of Lease and after opening	Landlord
Real Estate Consulting Fees[4]	$2,000 - $10,000	As arranged	Prior to opening	Approved Suppliers and Vendors
Construction Management Fees[5]	$2,000 - $20,000	Electronic Funds Transfer	Prior to and after opening	Approved Suppliers and Vendors
Tenant Improvements and Build-Out[6]	$70,000 - $250,000	As arranged	Prior to opening	Approved Suppliers and Vendors
Equipment, Furniture, Finishes, Fixtures & Supplies[7]	$61,000 - $156,500	As arranged	Prior to opening	Approved Suppliers and Vendors
Signage[8]	$15,000 - $30,000	As arranged	Prior to opening	Approved Suppliers
Grand Opening Marketing[9]	$2,500 - $8,500	As arranged	Prior to opening	Approved Suppliers and Vendors
Insurance[10]	$2,000 - $6,000	As Arranged	Prior to opening	Approved Supplier
Utilities[11]	$1,750 - $4,200	As arranged	Prior to opening	Utility Suppliers
Business License and Permits[12]	$1,500 - $18,000	As arranged	Prior to opening	Local, State and/or Federal Government
Technology Fees paid to Franchisor [13]	$4,837 - $5,422	Electronic Funds Transfer	Monthly, prior to and after opening	Us
Other Technology Fees[14]	$750 - $4,635	As Arranged	Monthly, prior to and after opening	Approved Suppliers and Vendors
Computer System and Related Hardware [15]	$1,000 - $3,500	As arranged	Prior to opening	Approved Suppliers and Vendors
Professional Fees[16]	$5,500 - $12,500	As arranged	As incurred, varied times	Approved Suppliers, Lawyers, Accountants, etc.
Architectural Fees[17]	$4,850 - $15,300	As arranged	Prior to opening	Approved Supplier Architect
Management Development Program[18]	$5,320 - $11,520	As arranged	Prior to and after opening	Host Franchisee, Transportation Carriers, Hotels, etc.
Marketing Agency Management Fees[19]	$0 - $2,000	Electronic Funds Transfer	As incurred, varied times	Us
Recruiting Fees[20]	$1,000 - $5,300	Electronic Funds Transfer	Prior to, and possibly after, opening	Us
Additional Funds – 3 months[21]	$395 - $39,200	As arranged	As incurred, varied times	Employees and Vendors
TOTAL ESTIMATED INITIAL INVESTMENT	**$251,364 - $751,452**			

NOTES TO CHARTS FOR YOUR INITIAL INVESTMENT:

[1] General. All amounts payable to us are nonrefundable, unless otherwise noted. Amounts payable to suppliers/vendors may be refundable according to arrangements you make with the vendor. These figures are estimates of the range of your initial costs up to the first 3 months of operation only. We do not offer direct or indirect financing, but leasing and financing may be available for many of the above expenses through third-party lenders.

[2] Initial Franchise Fee and Development Fee**.** The Initial Franchise Fee is $39,950 for a Gym with 4 to 10 weight-lifting platforms. The Initial Franchise Fee will be reduced by 20% if you open 2 Gyms, 30% if you open 3 Gyms, 40% if you open 4 Gyms, and 50% if you open 5 Gyms, under an Area Development Agreement. The low-end of the Development Fee disclosed here is for two Gyms and the high-end is for five Gyms developed under an Area Development Agreement and is due at the signing of the Area Development Agreement. The Development Fee will be credited to the Initial Franchisee Fee due for each of the Gyms developed under the Area Development Agreement at the signing of the Franchise Agreement. Please see Item 5 of this disclosure document for more detailed information on the Initial Franchise Fee and the Development Fee. We do not provide financing for the Initial Franchise Fee or Development Fee. The Initial Franchise Fee and Development Fee (if applicable) are non-refundable.

[3] Real Estate/Lease. If you do not own adequate Gym space, you must lease suitable premises. These figures assume that the leased premises for a 4 to 10 platform Gym will be 725 to 2,100 rentable/gross square feet. The figures assume base monthly rental rates ranging from $20 to $50 per square foot, per year, and monthly triple net ("NNN") ranging from $5 to $20 per square foot, per year. This estimate covers 3 months of base rent, plus NNN, and a security deposit equivalent to one month's rent. It includes the first month's rent and a security deposit at the signing of your lease, and 2 months of rent after you open for business. Landlords may also vary the rental rate and charge rent based on a percentage of gross sales. Monthly NNN typically includes your pro rata share of common area maintenance charges ("CAM Charges"), real estate taxes, and property insurance, and may require you to pay your pro rata share of utilities such as water, sewer, and/or trash removal. The actual amount you pay under the lease will vary depending on the size of the Gym, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords, and the prevailing rental rates in the geographic area.

Since rental and other real estate-related costs can vary significantly by area, you should (1) research all applicable laws and regulations, and real estate market conditions and costs, where you plan to locate and operate your facility, and (2) obtain appropriate advice from your own accountant, attorney and real estate professional, before signing any binding documents or making any investments or other commitments.

[4] Real Estate Consulting Fees. We require you to hire and use real estate specialists that we have designated as Approved Suppliers for real estate consulting. You will pay these costs to Approved Suppliers and vendors for the professional consulting services they provide to you, including letter of intent ("LOI") and lease consulting, territory mapping, and location analytics. The current rate is $100 to $500 per hour for their professional consulting services, $700 for territory mapping for one territory, $2100 for territory mapping for multiple territories in one metro area, and $300 for location analytics per location. The low end of the range assumes 10 hours of real estate consulting at $100 per hour, 1 territory map for one territory, and 1 location analytics data set for one location. The high end of the range assumes 10 hours of

real estate consulting at $500 per hour, 1 territory map for an entire metro area, and 10 location analytics data sets.

[5] Construction Management Fees. We require you to hire and use construction specialists that we have designated as Approved Suppliers for construction management. You will pay these costs to Approved Suppliers and vendors for the professional consulting services they provide to you in the pre-construction and construction of your Gym, including real estate and pre-construction due diligence (site visit support, site inspection, vendor coordination, LOI and lease support) and construction management (active construction, ordering management, contract management, and construction close-out support). The current rate is $100 to $150 per hour for their professional consulting services, plus the cost of any third-party services paid by the construction manager on your behalf. The low-end of the range assumes 20 hours of time for a project that requires minimal real estate and pre-construction due diligence and minimal construction management because the data provided by the Landlord was thorough and you hired the designated Approved Supplier for construction management as your general contractor. The high-end of the range assumes 150 hours of time because your project requires more in-depth real estate and pre-construction due diligence and full-scale construction management because you hired a local general contractor, and the local general contractor requires a lot of support.

[6] Tenant Improvements and Build-Out. The low-end of the range reflects minimal improvements, meaning the space is provided as a warm vanilla shell and only requires minor demolition and electrical work to get the space ready for finishes, fixtures, furniture, and equipment. The high-end reflects major improvements, meaning the space provided as either a cold gray shell or a warm vanilla shell and requires major demolition, new or modified mechanical, electrical, plumbing, fire systems, ceiling, floor, insulation, restroom(s), changing room, utility room, and the materials and labor that go along with those updates. Your costs may be higher depending on (i) the size and configuration of the premises; (ii) availability and cost of materials and labor, which may vary based on geography and location; (iii) unforeseen improvements such as asbestos abatement, mold abatement, moisture mitigation, acoustical modifications, concrete modifications, structural modifications, etc.; and (iv) unforeseen improvements required by the authority having jurisdiction or your lease, such as an additional bathroom, acoustical modifications, or subfloor reinforcement. These amounts may also vary depending on whether certain costs will be incurred by the landlord and allocated over the term of the lease. The lease will likely include some amount of tenant improvement allowance; however, some locations, because they are unique or in desirable, high traffic areas, may not offer any discounts or tenant improvement allowances. This is an important factor for you to consider in choosing a location. You should research potential tenant improvement and build-out costs with your construction manager for cost estimates specific to your site before submitting a Letter of Intent. You must adapt our prototypical plans and specifications for the tenant improvements and build-out of the Gym.

[7] Equipment, Furniture, Finishes, Fixtures, and Supplies. You must purchase your Gym's equipment, furniture, finishes, fixtures, and supplies from Approved Suppliers and vendors. Equipment for the Gym includes, but is not limited to, squat racks, Olympic stands, platforms, flat benches, deadlift jacks, chalk stands, barbell holders, bands, plate trees, weightlifting belts, barbells, plates, collars, weightlifting chalk, belt and band hanger, and a plyo box. The furniture includes, but is not limited to, lobby panels, lobby benches, and rack panels. Finishes include, but are not limited to, flooring, ceiling, and doors. Fixtures include, but are not limited to, lighting, TV's, drinking fountain, thermostat, and door access system. Supplies include, but are not limited to, vacuum, coffee maker, restroom supplies, and cleaning supplies. The low-end of the range represents the cost of a 4-platform Gym with 645 usable, square-feet, and the high-end of the range represents the cost of a 10-platform Gym with 2,000 usable, square-feet. The larger the size of your Gym and the more platforms your Gym has, the more equipment, furniture, finishes,

fixtures and supplies you will need to purchase, which will increase the cost. Prices are subject to change, which may increase your costs.

[8] Signage. You must purchase exterior and interior signage from the signage specialists that we have designated as the Approved Supplier for signage. The cost of your signage depends on the quantity, sizes, and types. The range of expenses includes sign permitting and installation. Each office building, mall, mixed use, industrial, or retail center has different restrictions it places on exterior signage that may affect your costs. You should discuss permitting and installation with the signage vendor for cost estimates specific to your site. Prices are subject to change, which may increase your costs.

[9] Grand Opening Marketing. You must spend no less than $2,500 on advertising, media, public relations and other items to support the Gym's grand opening.

[10] Insurance. You must purchase insurance from the insurance specialists that we have designated as Approved Suppliers for insurance. This estimate is for 8 months of your minimum required insurance (5 months between Lease signing and opening and the first 3 months of operation), and a deposit equal to 1 month. You will need to check with our designated Approved Supplier for insurance for actual premium quotes and costs, and for the actual amount of deposit. You will also need to check your lease requirements. Insurance costs can vary widely, based on the area in which your business is located, the number of employees, your experience with the insurance carrier, the loss experience of the carrier, the amount of deductibles and of coverage, lease requirements, and other factors beyond our control. You should obtain appropriate advice from your insurance professional before signing any binding documents or making any investments or other commitments, whether to us or anyone else.

[11] Utilities. This estimate is for 7 months of your utilities, including the 3 months prior to opening and the first 3 months of operations, and a deposit equal to 1 month. The low-end of the range reflects $250/month and the high-end of the range reflects $600/month and both include gas, electricity, water, trash, and Internet. These costs will vary depending on (i) the size of the premises; (ii) amount of use; and (iii) the utilities included in your rent, if any. Typically, a utility deposit will be required only if you are a new customer of the utility company.

[12] Business License and Permits. This range of costs covers the expenses to obtain the required local business license and permits. We make no representations or assurances as to what (if any) licenses, permits, authorizations or otherwise may be required in connection with your Gym. The low-end range of estimated costs includes permits for a second-generation space. The high-end range of estimated costs includes county or city specific permits, inspections, and fees for a first-generation space plus sales tax permit and retail sales permit. You should investigate applicable requirements in your area and the related costs, including receiving advice from regulatory agencies and your own lawyer, before making any commitments, whether to us or anyone else.

[13] Technology Fees paid to Franchisor. This is the estimated initial cost of the required online business management software and other required software programs designated by us that you will use in the operation of the Gym. The range disclosed covers 12 months of Technology Fees prior to opening your Gym (7 months at $89/month to $128/month and 5 months at $308/month to $347/month) and 3 months of Technology Fees after you open your Gym (ranging from $408 to $447). It also includes a System Setup and Configuration Fee in the amount of $1,350 for the Technology Fees, and a separate one-time $100 setup fee for the Pike13 software. The low-end of the range does not include the optional software LiveChat and the high-end of the range includes LiveChat. You will pay these fees to us, and we will pay the third-party vendor directly for all fees associated with the use of the software. Prices are subject to change.

[14] Other Technology Fees. The cost of the required marketing and coaching directory fee is $50 per month, and the cost of the recommended (optional) customer relationship management, payroll, social media management, and bookkeeping software ranges from $0 to $259 per month. This range covers 12 months of technology fees prior to opening and 3 months of technology fees once you are open for business. The low-end includes only the required coaching directory fee and the high-end includes the required coaching directory fee and all the recommended software. You will pay the third-party vendors directly for all fees associated with the use of their software. Prices are subject to change.

[15] Computer System and Related Hardware. You must acquire a Computer System, as designated by us for use in the operation of the Gym. The high-end of the Computer System range includes the cost of a laptop computer, 2 iPads, a smartphone, 2 tablet mounts, a router, 4 security cameras, and related equipment. Your computer system must be equipped with a high-speed connection to the Internet. The low-end of the range disclosed assumes you have a compatible laptop and smartphone and does not include the cost of those items.

[16] Professional Fees. You must hire and use the real estate attorney that we have designated as an Approved Supplier to help you negotiate the lease for your Gym. We recommend that you hire an attorney to help you set up your business, and to review the franchise agreement. We also recommend that you work with a qualified accountant, CPA or bookkeeper to set up your business, and for payroll or other services. The low-end of the range disclosed assumes you only hire a real estate attorney for lease negotiations and those lease negotiations do not exceed 10 hours.

[17] Architectural Fees. You must hire and use the architect that we have designated as the Approved Supplier for architecture. The architect will prepare a test fit, a floor plan, a complete set of site-specific construction documents (the "architectural drawings") for the Gym, which must be consistent with the design plan and in compliance with all of our standards and specifications, and will manage permitting. The low-end of the range includes construction documents that do not require engineered mechanical, electrical and plumbing plans, and the high-end of the range includes engineered mechanical, electrical and plumbing plans. You should discuss architectural drawings with your architect for cost estimates specific to your site.

[18] Management Development Program. This is an estimate of your costs to attend the mandatory Management Development Program conducted by an existing franchisee designated by us. (Please see Item 11 for more details on the Management Development Program.) The individual in charge of managing the gym (i.e., you or your Gym Manager) and your Starting Strength Coach must attend and complete this training. Phase 1 of the training is held at a Gym owned by an existing franchisee and is 3 days in duration and Phase 2 is held at your Gym for 2 days. You will pay the host franchisee $500 per day for Phase 1 of the training and $500 per day for Phase 2. You are responsible for all travel and living expenses incurred by you and your employees (i.e., Gym Manager and Starting Strength Coach) in attending the Management Development Training. You must also pay the reasonable travel and living expenses incurred by the Gym Manager and Starting Strength Coach conducting the training at your Gym. The low-end of the range includes: (i) the training fees you will pay to the Host Franchisee for both phases of the training (5 days x $500 = $2,500); (ii) the estimated travel and living expenses for one individual (assuming you are both the Gym Manager and Starting Strength Coach) to attend Phase 1 of the training (approx. $1,540); and (iii) the travel and living expenses incurred by the Gym Manager from the host franchisee's Gym to conduct Phase 2 of the training at your Gym (approx. $1,280). The high-end of the range includes the low-end costs, plus travel and living expenses for two additional individuals (i.e., you, your Gym Manager and Starting Strength Coach) to attend Phase 1 of the training and wages for the Gym

Manager and Starting Strength Coach to attend Phases 1 and 2 of the training. The amount you spend while training will depend on several factors, including the number of persons attending, the distance you must travel, and the type of accommodations you choose.

[19] Marketing Agency Management Fees. We require you to use our marketing team to assist you with managing any third-party marketing agency you hire. You will pay us $50 per hour for our Marketing Management Services, which include establishing vendor selection criteria, interviewing and onboarding vendors, brand direction, strategic planning, project management, analytics implementation and reporting, budget planning, asset approval, and copywriting. The low-end assumes you do not hire a third-party marketing agency prior to and within 3 months of opening for business. The high-end assumes 40 hours of our Marketing Management Services.

[20] Recruiter Fees. We require you to use our Recruiter to assist you with recruiting apprentices, coaches, and Starting Strength Coaches. You must pay us an Initial Recruiter Fee in the amount of $1,000 for the Recruiter to post job openings, promote on social media, and source candidates through their network. The Recruiter will refer candidates to you who have expressed an interest in working at a Starting Strength Gym in your area, but you are solely responsible for vetting the candidates and making the hiring decisions. In addition to the Initial Recruiter Fee, you will pay us a Placement Fee in the amount of $500, $1,000, or $1,500 for each non-veteran apprentice, coach, or Starting Strength Coach, respectively, that the Recruiter helps you place. If any of those candidates is a veteran using their GI Bill benefits, you will pay us an additional cost of $250 per veteran, plus a $50 monthly Veteran Apprentice Management Fee. The low-end assumes you place your entire team. The high-end assumes the Recruiter helps you place 1 Starting Strength Coach, 1 coach, and 2 veteran apprentices, plus three months of Veteran Apprentice Management Fees once you are open for business. If you are an existing franchisee opening an additional Starting Strength Gym, the use of our recruiting services will be optional for staffing your additional gym(s).

[21] Additional Funds. This is an estimate of certain funds needed to cover your business (not personal) expenses during the first three months of operation of the Gym. The range assumes initial employee wages, local marketing and advertising expenses, and incidental, business-related costs. The low-end of the range assumes you are operating as the Gym Manager and Starting Strength Coach and working half the sessions. The high-end of the range assumes you hire a Gym Manager, Starting Strength Coach, and Coach. It excludes debt repayment, income taxes, officer compensation, workers' compensation insurance, property insurance, general and administrative expenses, interest, other income and expense, Royalty Fees, Marketing Fund Contributions, depreciation, rent, taxes and license expenses, other labor expenses, bonuses, travel expenses, and cash overage/shortage. Your cost will depend upon your management skill, experience and business acumen; local economic conditions; the prevailing wage rate; competition; and sales of memberships during the period. This estimate is based on our experience with the franchised Starting Strength Gyms that have opened since we began franchising in 2018.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases of Goods

You must purchase or lease all gym equipment, furniture, fixtures, finishes, signage, merchandise, and gym supplies for the establishment of your Gym from suppliers designated and approved by us ("Approved Suppliers") to ensure that the equipment, furniture, fixtures, materials, signage, merchandise, and gym supplies meet our required specifications, which include standards for performance, maintenance, design and appearance.

Required and Approved Suppliers

You must follow the standards and specifications we periodically establish for architecture, construction, real estate, insurance, equipment, finishes, fixtures, furniture, merchandise, gym supplies, computer hardware and software, and indoor and outdoor signs required for your Gym. You must purchase from Approved Suppliers and suppliers who meet our quality specifications. We will provide you with information regarding one or more suppliers for each specified product/service.

We may designate a single supplier or multiple suppliers for any given item or service and may concentrate purchases with one or more suppliers in our business judgment. These suppliers may include, and may be limited to, us or an affiliate of ours. We are currently the sole Approved Supplier of certain software programs, marketing management services, and recruiting services that you are required to purchase. We are not currently an Approved Supplier of any other products or services that you are required to purchase.

On notice by us, you will immediately cease and desist from using/offering any equipment, products, and/or services otherwise not authorized by us. (Franchise Agreement, Section 8.4)

You must have at least one coach employed at the Gym with a valid Starting Strength Coach Certification ("Starting Strength Coach") and at least one other coach employed at the Gym who meets our standards, as defined in the Manual. All certified Starting Strength Coaches must take and successfully complete the required training provided by Licensor, the Aasgaard Company, who is the sole Approved Supplier of the Starting Strength Coach training and certification. All apprentices and coaches who are not certified Starting Strength Coaches must take and successfully complete the required Coach Prep Course training provided by Licensor, who is the sole Approved Supplier of this training.

You are required to hire and use the real estate brokers and attorneys that we have designated as the Approved Suppliers for real estate in selecting and leasing the premises for your Gym.

You are required to hire and use our designated Approved Suppliers for construction management at the Gym, such services include pre-construction management (location assessment and planning, and bid management) and construction management (active construction, contract management, and construction close-out support).

You are required to hire and use our designated Approved Suppliers for architecture and engineering in the design and permitting of your Gym.

You are required to hire and use our designated Approved Suppliers for general contracting and finishing work in the construction of your gym unless those suppliers are unable to do the job, in which case you must receive our prior approval before hiring anyone. The national general contractor we have designated as our Approved Supplier cannot do business in every municipality, so you may have to select a local general contractor, whom we must approve before you hire.

You are required to hire and use our designated Approved Suppliers for signage in the design, permitting and manufacturing of signage for your Gym. You are required to hire and use our designated Approved Supplier in the installation of interior signage for your Gym.

Approval of Alternate Suppliers

You can request the approval of an item, product, service or supplier by notifying us in writing and submitting such information and/or materials we may request. We may require you to pre-pay any reasonable charges connected with our review and evaluation of any proposal. These charges may include reimbursement for reasonable travel, accommodations and meal expenses, plus a fee of $1,000 per day for any personnel who are engaged in evaluating a supplier at your request. We will notify you in writing of our approval or disapproval within 90 days after you make a written request. (Franchise Agreement, Section 8.4C.)

We may condition and/or revoke our approval of particular items or suppliers as we choose. Our criteria for supplier approval are available to you upon request. Designation of a supplier may be conditioned on factors established by us in our business judgment, including, without limitation, performance relating to quality of results, accuracy of results, frequency of delivery, standards of service, and payment or other consideration to us or parties designated by us. We may approve, or revoke or deny approval, of particular items or suppliers in our business judgment.

Our specifications and standards for purchasing are in the Manual, as modified periodically.

Approvals of an alternative supplier, or any supplier, may be revoked by us at any time, in our sole discretion, for reasons that include, but are not limited to, quality and service deficiencies by the supplier, a desire to consolidate purchases with a different supplier, financial problems or insolvency of the supplier, and other reasons. We will notify you in writing if we revoke approval of any alternative supplier and you must immediately cease and desist from using such supplier upon receipt of our written notice.

Insurance

You are obligated to obtain and maintain, at your sole expense, all of the insurance coverages that we require. You must purchase your insurance from the Approved Supplier that we have designated for insurance in the state in which you operate the Gym. The insurance company will have at least an "A" Rating Classification as indicated in A.M. Best's Key Rating Guide, in accordance with standards and specifications set forth in the Manual. The standards may vary depending on the size of your Gym and/or other factors, such as what is customary for businesses of your type in your area, but we typically require: (i) "All Risks" or "Special" form coverage insurance on the gym equipment, finishes, furniture, fixtures, supplies and other property used in the operation of the Gym; (ii) Workers' Compensation and Employer's Liability Insurance as required by law; (iii) Commercial General Liability Insurance with limits of $2,000,000 in the aggregate, Occurrence form, including a per location or project aggregate, with the following coverages: owners and contractors protective liability, broad form property damage, contractual liability, severability of interest clause; personal and advertising injury; and products/completed operations; and fire damage liability; insuring you and us against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from or occurring in the course of, or on or about or otherwise relating to the franchised business; (iv) Business Interruption Insurance with a minimum coverage amount of $100,000; (v) Employment Practices Liability Insurance with a minimum coverage amount of $1,000,000 per claim and $2,000,000 aggregate; and (vi) Sexual Abuse and Molestation Liability Insurance with a minimum coverage amount of $100,000 per occurrence and $300,000 aggregate.

We reserve the right from time to time to upgrade the insurance requirements as to policy limits, deductibles, scope of coverage, rating of carriers, etc. We will provide you with written notice of any

change in our insurance requirements. You will have 60 days from receipt of such notice to revise your coverage, as specified in the notice.

Your insurance must name us and Licensor as additional insureds and contain a clause requiring notice to us thirty (30) days in advance of any cancellation or material change to any such policy. The "Additional Insured Endorsement" must be approved in writing by us. You must maintain such additional insured status for us on your general liability policies continuously during the term of the Franchise Agreement.

Computer System

You must acquire the computer system that we specify, including computer hardware and software, business management systems and/or a point-of-sale ("POS") reporting system (collectively, the "Computer System"). The component parts of the Computer System must be purchased from approved suppliers. If we require you to use any proprietary software or to purchase any software from a designated vendor, you must sign any software license agreements that we or the licensor of the software require and any related software maintenance agreements. Currently, we require you to purchase certain software programs through us and we pay the third-party vendor directly for all fees associated with the software. The Computer System is described in more detail in Item 11 of this disclosure document.

Credit Cards

You are required to honor all credit, charge, courtesy and cash cards that we approve in writing. To the extent you store, process, transmit or otherwise access or possess cardholder data in connection with the sale of products and services at the Gym, you are required to maintain the security of cardholder data and adhere to the then-current credit card security standards which can be found at www.pcisecuritystandards.org for the protection of cardholder data throughout the term of your Franchise Agreement. You are responsible for the security of cardholder data in your possession or control and in the possession or control of any of your employees that you engage to process credit cards. You must, if we request that you do so, provide appropriate documentation to us to demonstrate compliance with applicable PCI DSS requirements by you and all your employees. In the event of a breach or intrusion of or otherwise unauthorized access to cardholder data, you must immediately notify us in the manner required in the PCI DSS requirements and provide an approved third-party full access to conduct a thorough security review following a security intrusion.

Our Ownership Interest in a Supplier

Licensor, The Aasgaard Company, which is owned by our Chief Strength Officer, Mark Rippetoe, owns a minority interest in us and is the Approved Supplier of the required Starting Strength Coach training and certification and Starting Strength Coach Prep Course training.

We are the Approved Supplier of certain software programs, including the Starting Strength Digital Logbook, Customer Acquisition App, and TV Display App, which you are required to use in the operation of the Gym. Our Managing Member, Chief Executive Officer, Chief Strength Officer, and Chief Technology Officer, all have an ownership interest in us.

Revenues from Suppliers

In the future, we may receive revenues from approved suppliers, although the basis for determining the amount of such revenues has yet to be determined. We have the right to receive promotional allowances and rebates, commissions, and other consideration from suppliers.

Revenue from Franchisee Purchases

We will derive revenue from our franchisees paying us for required software programs (i.e., Technology Fees), recruiter fees, veteran management fees, and marketing management services.

In our fiscal year ending December 31, 2023, our revenues from required purchases and leases of products and services by franchisees, including purchases of software programs (i.e., Technology Fees), architecture and design fees, recruiter fees, and fees for online coaching leads from us, were $141,073, or 18% of our total revenues of $780,296.

Your purchase of software programs, recruiter fees, and marketing management services from us represents approximately 6% of your initial investment and 2% of your ongoing expenses.

We estimate that your required purchases, purchases from Approved Suppliers, and purchases that must meet our specifications, in total will be about 76% of your total purchases to establish the Gym and about 1% of your purchases to continue the operation of the Gym.

Cooperatives

We do not currently operate or sponsor any purchasing cooperatives, nor do we plan to organize any in the future. When possible, we attempt to negotiate bulk purchasing discounts with suppliers on behalf of our franchisees.

Material Benefits

Other than demonstrating compliance with System Standards, and adherence to the Manual, your use of an Approved Supplier will have no bearing on your right to purchase additional franchises, or to exercise any option to renew an existing franchise.

Negotiated Prices

We may negotiate volume purchase agreements with some vendors or Approved Suppliers for the purchase of goods and equipment needed to operate the Gym.

Area Development Agreement

The Area Development Agreement does not require you to buy or lease from us or any designated or approved suppliers, any goods, services, supplies, fixtures, computer hardware and software, or real estate, according to our specifications. However, you must follow our requirements under the Franchise Agreement for each Gym you develop.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site Selection and acquisition/lease	Sections 1.2, 6.1, 6.2 and 7.2 of Franchise Agreement Section III(d) of Area Development Agreement	Items 11 and 12
b. Pre-opening purchases/leases	Sections 6.1, 6.2, 7.2 and 8.4 of Franchise Agreement None in Area Development Agreement	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Sections 6.1 and 6.2 of Franchise Agreement Section VI of Area Development Agreement	Items 6, 7 and 11
d. Initial and ongoing training	Section 6.3 of Franchise Agreement None in Area Development Agreement	Items 6, 7 and 11
e. Opening	Sections 2.2 and 6.9 of Franchise Agreement None in Area Development Agreement	Item 11
f. Fees	Sections 3.2, 5, 9.1 and 14.2 of Franchise Agreement Section III of Area Development Agreement	Items 5 and 6
g. Compliance with standards and policies / Operating Manual	Sections 1.2, 2.2, 4.2, 6.4, 6.6, 6.7, 7.1, 7.3, 7.4, 8.7 and 9.3 of Franchise Agreement Section VI of Area Development Agreement	Item 11
h. Trademarks and proprietary information	Sections 1.1, 4, and 12.1 of Franchise Agreement Section VII of Area Development Agreement	Items 13 and 14
i. Restrictions on products/services offered	Sections 1.3, 2.1, 2.2, 7.1, 8.1 and 8.4 of Franchise Agreement None in Area Development Agreement	Items 8 and 16
j. Warranty and customer service requirements	Sections 8.8 and 15.2 B.(13)of Franchise Agreement None in Area Development Agreement	Not Applicable
k. Territorial development and sales quotas	Section 8.8 of Franchise Agreement None in Area Development Agreement	Item 12

Obligation	Section in Agreement	Disclosure Document Item
l. Ongoing product/service purchases	Sections 8.4 and 10.3 of Franchise Agreement None in Area Development Agreement	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 3.2 and 7.4 of Franchise Agreement None in Area Development Agreement	Items 6 and 17
n. Insurance	Section 10.4 of Franchise Agreement None in Area Development Agreement	Items 6, 7 and 8
o. Advertising	Sections 5.5 and 9 of Franchise Agreement None in Area Development Agreement	Items 6 and 11
p. Indemnification	Sections 8.5 and 11.2 of Franchise Agreement Section XII of Area Development Agreement	Item 6
q. Owner's participation/ management/staffing	Sections 6.3 and 8.6 of Franchise Agreement None in Area Development Agreement	Item 15
r. Records and reports	Sections 10.1 and 10.3 of Franchise Agreement Section VI(c) of Development Agreement	Item 11
s. Inspections and audits	Sections 8.2 and 10.2 of Franchise Agreement None in Area Development Agreement	Items 11
t. Transfer	Section 14 of Franchise Agreement Section IX of Area Development Agreement	Items 6 and 17
u. Renewal	Section 3.2 of Franchise Agreement None in Area Development Agreement	Item 17
v. Post-termination obligations	Sections 13.1 and 15.4 of Franchise Agreement Section X of Area Development Agreement	Item 17
w. Non-competition covenants	Sections 12.2 and 13 of Franchise Agreement Section X of Area Development Agreement	Item 17
x. Dispute resolution	Section 16 of Franchise Agreement Section XIX of Area Development Agreement	Item 17
y. Other: Guarantee of Performance	Section 2.2B. and Exhibit 4 of Franchise Agreement Section XX and Exhibit C of Area Development Agreement	Item 15

ITEM 10 FINANCING

We do not offer direct or indirect financing for any amount due under the Franchise Agreement or Area Development Agreement. We do not guarantee your note, lease or any other obligation.

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

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

A. **Pre-Opening Assistance**

Before you open the Gym:

1. At different stages (e.g., after signing the Franchise Agreement, after signing the lease, and when you start construction), between the time you sign the Franchise Agreement and the time you open your Gym, we will provide you (or your Designated Operator if the franchisee is an entity) with initial training conducted online, at no charge beyond the Initial Franchise Fee. We will also provide you, your Gym Manager and Starting Strength Coach, with Phase 1 of our "Management Development Program," which will be conducted by an existing franchisee designated by us (a "Host Franchisee"), within 4 weeks before you open the Gym. You will pay the Host Franchisee $500 per day, which covers up to 3 individuals, for this training. Details on our training programs are described later in this Item. If you do not satisfactorily complete the required initial training, we may terminate the Franchise Agreement. You will be responsible for any compensation, travel and living expenses, and other expenses you, your Gym Manager and Starting Strength Coach may incur during training. (Franchise Agreement, Section 6.3)

2. Within 30 calendar days of signing the Franchise Agreement, we will provide to you our current written Site Selection Guidelines. You will purchase or lease the location for the Gym from an independent third party. Our guidelines for site selection may require that you conduct, at your expense, an evaluation of the demographics of the market area for the location (including the population and income level of residents in the market area), aerial photography, size and other physical attributes of the location, shopping mall, tenant mix, proximity to residential neighborhoods and proximity to schools, shopping centers, entertainment facilities that attract consumers and generate traffic. We have identified an independent third-party nationwide commercial real estate brokerage firm that you are required to use to assist you with site selection and negotiation of the Letter of Intent. You will hire (at your expense) such real estate brokerage firm to assist you in selecting a site for the Gym. Additionally, we have identified an independent third-party nationwide commercial real estate law firm that you are required to hire and use to assist you with the negotiation of your lease. You are solely responsible for site selection. (Franchise Agreement, Sections 1.2 and 6.1)

You must submit a proposed site location and Location Report to us within 6 months of the signing of the Franchise Agreement and prior to submitting a letter of intent to the prospective landlord. The Location Report contains all information we may reasonably request concerning the proposed location, including population density, demographics, proximity to other Gyms, available parking, available signage, traffic flow and entrance to and exit from the site. If you locate a site, we will accept or reject the site within 30 days after receipt of the Location Report from you. We use a combination of population density, storefront visibility, local demographics, parking, size, proposed rent, and accessibility from target surrounding areas to evaluate the demographics of a market area for site selection acceptability. If we cannot agree on a site, we may extend the time for you to obtain a site, or we may cancel the Franchise

Agreement. (Franchise Agreement, Section 1.2) If your Franchise Agreement is canceled, you will not receive a refund of the Initial Franchise Fee. The Initial Franchise Fee is fully earned by us upon payment and is not refundable, in whole or in part, under any circumstance (Franchise Agreement, Section 5.1)

If you sign an Area Development Agreement, you will submit a separate Location Report for our acceptance or rejection of a site for each Gym to be established within your Designated Territory. We will accept or reject the site within 30 days after receipt of the Location Report from you. Our then-current standards for site approval will apply when you submit a Location Report to us. We use a combination of population density, storefront visibility, local demographics, parking, size, proposed rent, and accessibility from target surrounding areas to evaluate the demographics of a market area for site selection acceptability.

3. Within 30 calendar days of the execution of your Franchise Agreement, we will lend you a copy of our confidential Manual. The Manual may be provided electronically, in which case, we will grant you online access to an electronic version of the Manual during the term of the Franchise Agreement. If you in any way compromise the secure access to the online version of the Manual, including, allowing unauthorized users access to the Manual and its confidential contents, you will be required to pay us liquidated damages in the amount of $8,000, to compensate us for the breach and related damage to the System. You must strictly comply with the Manual in operating the Gym. We may modify the Manual from time to time. (Franchise Agreement, Section 6.4) The Manual consists of approximately 126 pages. The Table of Contents of the Manual is attached to this disclosure document as **Exhibit E.**

4. After you have signed a letter of intent for the Authorized Location, we will provide you (through the Manual or otherwise) with specifications for the general layout and design of the Gym. (Franchise Agreement, Sections 6.2 and 7.1)

5. After you have a final floor plan for the Authorized Location, we will provide you (through the Manual or otherwise) with a list of the equipment, fixtures, finishes, furnishings, supplies, and signs to be used in the Gym, as well as a list of Approved Suppliers (Franchise Agreement, 6.6). We do not provide, deliver or install any of these items for or to you.

6. We will license you the use of our trademarks (Franchise Agreement, Section 4.2).

7. We will consult and advise you on the advertising, marketing and promotion for the opening of the Gym.

8. We will conditionally commit to grant you (if you have signed an Area Development Agreement) a franchise for each Gym that you develop under your Area Development Agreement, provided that you comply with the terms and conditions of that agreement and each of the Franchise Agreements between you and us. (Area Development Agreement, Sections I, III and IV)

We are not required to provide any other service or assistance to you before the opening of the Gym.

B. **Typical Length of Time Before Operation:**

We will authorize the opening of your Gym when (i) all of your pre-opening obligations have been fulfilled, (ii) pre-opening training has been completed, (iii) all amounts due us have been paid, (iv) copies of all insurance policies (and payment of premiums) and all other required documents have been received by

us, (v) all permits have been approved, and (vi) you have received any and all required certificates from the applicable authorities in the jurisdiction in which your Gym is located. The length of time between the signing of the Franchise Agreement, and payment of your initial franchise fees, and the opening of your Gym must be within twelve (12) months. In certain instances, and in our sole discretion, we may extend the opening time an additional three (3) months.

If you are operating under an Area Development Agreement, you must open multiple Gyms according to your development schedule, which may extend over several years, depending on the number of Gyms you have committed to develop.

C. **Our Obligations During the Operation of the Franchised Business**

During the operation of the franchised business:

1. We will specify or approve certain equipment and suppliers to be used in the franchised business (Franchise Agreement, Sections 6.6 and 7.1).

2. We will provide additional training to you and any of your employees at your request. You are responsible for any and all costs associated with such additional training (Franchise Agreement, Section 6.3).

3. We may, subject to the laws in your state, require fixed minimum or maximum prices for any products or services offered at the Gym. We will take into account cost differences among regions and localities. You must use the pricing required by us, unless we consent to changes in local pricing offered by you. (Franchise Agreement, Section 6.7)

4. If you do not obtain and maintain appropriate insurance coverage, we may procure the coverage on your behalf. We will pass the cost onto you. (Franchise Agreement, Section 10.4 F.)

5. We may institute various programs for auditing customer satisfaction and/or other quality control measures (Franchise Agreement, Section 8.2).

6. We (or our designee) will maintain and administer an advertising, publicity and marketing fund (the "Marketing Fund") to promote Starting Strength Gyms and the brand (Franchise Agreement, Section 9.1).

7. We may provide regular consultation and advice to you in response to inquiries from you regarding administrative and operating issues that you bring to our attention. We may make recommendations that we deem appropriate to assist your efforts. However, you alone will establish all requirements, consistent with our policies, regarding (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom you will offer and sell your products and services; and (iii) the suppliers from whom you obtain any products or services used in or at the Gym for which we have not established Approved Suppliers. (Franchise Agreement, Section 6.5)

D. **The Marketing Fund and Advertising**

We have established a Marketing Fund. You are required to make a contribution ("Marketing Fund Contribution") equal to two percent (2%) of your Gross Sales (as defined in Section 5.4 of the Franchise

Agreement) to the Marketing Fund. The Marketing Fund Contribution will begin the day you start receiving payments for services and products in connection with the Gym, which may be before the Gym first opens for business. You will pay the Marketing Fund Contribution to us at the same time and in the same manner as the Royalty Fee. The Marketing Fund Contribution is subject to increase at our discretion, not to exceed three percent (3%) of your Gross Sales. We will give you at least thirty (30) days written notice before any increase in the Marketing Fund Contribution. We will make contributions to the Marketing Fund for Gyms owned by us on the same basis as Starting Strength franchisees. We will manage the Marketing Fund and have sole discretion over all matters relating to it.

We will direct all franchise-wide public relations, advertising and promotions with sole discretion over the message, creative concepts, materials and media used in the programs and the placement and allocation thereof. We will pay for these activities from the Marketing Fund. Marketing Fund Contributions may be used for traditional advertising activities, such as website development, social media, public relations, advertising campaigns (television, radio, print or other media), or other promotions which will raise awareness of the Starting Strength brand.

We have no obligation to ensure that Marketing Fund Contributions are spent on advertising in your market area or territory, and we have no obligation to ensure that your Gym benefits directly or on a pro rata basis from the placement of any advertising. No funds in the Marketing Fund are used for advertising that is principally a solicitation for the sale of franchises, but we may include a brief statement regarding the availability of Starting Strength Gym franchises in advertising and other items produced using the Marketing Fund. (Franchise Agreement, Section 9.1.B.)

Reasonable disbursements from the Marketing Fund will be made solely for the payment of expenses incurred in connection with the general promotion of the Marks and the System, including the cost of formulating, developing and implementing advertising and promotional campaigns; and the reasonable costs of administering the Marketing Fund, including accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in administration of the Marketing Fund. The Marketing Fund is not a trust or escrow account, and we have no fiduciary obligations regarding the Marketing Fund. We may audit the Marketing Fund; although, we have no obligation to do so. Upon written request, we will provide you with an annual unaudited statement of the receipts and disbursements of the Marketing Fund.

We are not required to spend all Marketing Fund contributions in the fiscal year they are received. If excess amounts remain in the Marketing Fund at the end of the fiscal year, all expenditures in the following fiscal year(s) will be made first out of any current interest or other earnings of the Marketing Fund, next out of any accumulated earnings and finally from principal.

You agree to participate in all Marketing Fund programs. The Marketing Fund may furnish you with marketing, advertising and promotional materials; however, we may require that you pay the cost of producing, shipping and handling for such materials.

During our fiscal year ended December 31, 2023, the Marketing Fund spent 124% of its contributions on production, 81% on media and public relations, 6% on internet-related matters, and 34% on administrative expenses. The Marketing Fund spent 145% more than was collected in Marketing Fund contributions in our fiscal year 2023. We paid for the additional expenditures and will be reimbursed (without charging any interest or other fees) from the Marketing Fund in our next fiscal year (i.e., 2024) from the first contributions made to the Marketing Fund in 2024.

We have no obligation to spend any amount on advertising in your market area or territory. You are responsible for local marketing activities to attract customers to your Gym. You may develop advertising materials for your own use, at your own cost. All your advertising and marketing must conform and comply with our brand standards and requirements, as set forth in the Manual and otherwise communicated to you by us. We require you to submit to us all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet, World Wide Web or otherwise, that you develop and plan to use. We will approve or disapprove of such advertising, in our sole discretion, within 5 business days of our receipt of the materials. You must first obtain our advanced written approval before any form of co-branding, or advertising with other brands, products or services. You must not use any materials or programs disapproved by us. (Franchise Agreement, Section 9.2)

You must strictly follow the social media guidelines, code of conduct, and etiquette as set forth in the Manual regarding social media activities. Any use of Social Media by you pertaining to the Gym must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate content. You will promptly modify or remove any online communication pertaining to the Gym that does not comply with the Franchise Agreement or the Manual. (Franchise Agreement, Section 9.3)

We have not yet established a local or regional advertising cooperative. We may, in the future, decide to form one or more associations and/or sub-associations of Starting Strength Gyms to conduct various marketing-related activities on a cooperative basis (a "Co-Op"). If one or more Co-Ops (local, regional and/or national) are formed covering your area, then you must join and actively participate. You may be required to contribute such amounts as are determined from time to time by such Co-Ops. (Franchise Agreement, Section 9.4)

We reserve the right, if necessary and in our sole judgment, to establish a Franchisee Advertising Council. The Franchisee Advertising Council will be composed of an elected body of Starting Strength franchisees for the purpose of providing us with input on advertising and marketing issues. The Franchisee Advertising Council will operate under its own by-laws and will be purely advisory in nature and will have no operational or decision-making authority. We have the power to form, change, or dissolve any such advertising council. (Franchise Agreement, Section 9.5)

E. **Training.**

Our initial training program consists of two segments: (1) the Online Initial Training Program provided only to you; and (2) the Management Development Program provided to you, your Gym Manager and Starting Strength Coach. You are required to attend and complete any additional required training and comply on an ongoing basis with all training requirements to our satisfaction. If at any time throughout the term of the Franchise Agreement, you fail to have any replacement or successor Designated Operator or Gym Manager attend and complete the mandatory training and be certified as meeting our requirements, we may charge you a Support Fee of $3,500 per week until a replacement Designated Operator or Gym Manager successfully completes our required training. (Franchise Agreement, Section 6.3 A. and B.)

Nick Delgadillo, our Head of Corporate Development, is in charge of the training program. He has more than 9 years of experience in the strength business and the subjects taught and has been with us for more than 5 years. We normally conduct our training monthly, as needed. Our primary instruction is through phone calls, videos, hands-on-training by existing franchisees, the Manual and other instructional materials we prepare specifically for our training program. Training requirements are communicated and updated through periodic memos, publications and manuals.

If warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure or other event outside of our control, we reserve the right to conduct any and all training, classes, courses, meetings, and conferences, online, telephonically, or otherwise, or to cancel or delay any and all such training, classes, courses, meetings, and conferences. (Franchise Agreement, Section 6.3 G.)

Online Initial Training Program for Franchisee

Between the time you sign the Franchise Agreement and the time you open your Gym, we will provide you with the Online Initial Training Program, which will be conducted online and may be done at your home. We do not charge you a fee for the Online Initial Training Program beyond the Initial Franchise Fee. You are required to successfully complete this training prior to opening the Gym. If the franchisee is a business entity, then the Designated Operator(s) named in the Franchise Agreement must successfully complete the Online Initial Training Program. Since this training may be done at your home, on your computer, you will most likely not incur any travel and living expenses to complete this training. If you do incur any travel, lodging, food, and other expenses in connection with this training, you are responsible for paying such costs. (Franchise Agreement, Section 6.3 A.)

The length of our Online Initial Training Program is approximately 2 to 3 non-consecutive days, or for any other time-period that we select at our sole discretion. The training covers the basic aspects of establishing a Starting Strength Gym, including, but not limited to, coach recruiting, coach development, real estate, sales, and marketing. You must attend and complete the Online Initial Training Program to our satisfaction. To satisfactorily complete our Initial Training Program, we require that you attend all the scheduled training. Our Training and Onboarding Specialist will confirm your attendance and completion of the Online Initial Training Program.

The following is an outline of our current Online Initial Training Program:

ONLINE INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Marketing and Advertising	4	0	Online (on your computer)
Real Estate	2	0	Online (on your computer)
Recruiting	2	0	Online (on your computer)
Sales	2	0	Online (on your computer)
Member Experience and Retention	2	0	Online (on your computer)
Coach Development	2	0	Online (on your computer)
Software and Systems	3	0	Online (on your computer)
TOTAL	**17**	**0**	

Management Development Program Provided by an Existing Franchisee

A mandatory Management Development Program will be provided to you, your Gym Manager, and your Starting Strength Coach, by a Host Franchisee designated by us. The Management Development Program will be conducted in two phases, as follows:

Phase 1: Within 4 weeks before your Gym opens for business, you and your Gym Manager must attend and complete training held at a franchised Starting Strength Gym designated by us and receive hands-on training (i.e., direct practical experience in the operation of a Starting Strength Gym) from a Host Franchisee. This training will include shadowing the staff at the Host Franchisee's Gym, and other operations and development training. If you are the Gym Manager at your Gym, then only you need to attend and complete this training. Phase 1 of the Management Development Program will be for 3 consecutive days, approximately 8 hours per day, or for any other time period as we select, in our sole discretion, and is conducted by a Host Franchisee. The cost of Phase 1 of the Management Development Program will be $500 per day for up to 3 individuals. You will pay the Host Franchisee directly for this training. You are responsible for the compensation, travel, and living expenses for you and your Gym Manager to attend this training.

Phase 2: Within 2 months after your Gym opens for business, a Gym Manager from a Starting Strength Gym owned by a Host Franchisee will visit your Gym for 2 consecutive days, for approximately 8 hours a day, to observe and review the quality standards at your Gym and provide you, your Gym Manager and, if you have one, your Head Coach (who is a certified Starting Strength Coach, with a least one year of coach development and member retention experience, and designated by you as the "Head Coach" at your Gym) with additional support for the development and operation of your Gym. Phase 2 must be completed within 2 months of your Gym opening for business. If you are the Gym Manager, then you and your Head Coach are required to attend and complete this training. If you are both the Gym Manager and Head Coach at your Gym, then only you need to attend and complete this training. The cost of Phase 2 of the Management Development Program will be $500 per day, plus the travel and living expenses incurred by the Gym Manager conducting the training at your Gym. You will pay the Host Franchisee directly for this training and their expenses. You are responsible for the compensation and expenses for your Gym Manager and your Head Coach to attend this training.

The following is an outline of our current Management Development Training Program:

MANAGEMENT DEVELOPMENT TRAINING PROGRAM

PHASE 1			
Subject	**Hours of Classroom Training**	**Hours of On-The-Job Training**	**Location**
Sales, Marketing, Member Experience	0	8	Host Franchisee's location, to be determined at time of training.
Operations	0	8	Host Franchisee's location, to be determined at time of training.
Development	0	8	Host Franchisee's location, to be determined at time of training.

PHASE 2			
Observation by a Host Franchisee's Gym Manager	0	8	At your Gym.
Operations and Development	0	8	At your Gym.
TOTAL	**0**	**40**	

Any Gym Manager you hire/employ after the Gym is open for business must be trained either by the outgoing Gym Manager or must complete at least Phase 1, and optionally Phase 2, of the Management Development Training within the first four (4) weeks of employment. Any Head Coach you hire/employ or promote after the Gym is open for business must be trained by your Gym Manager. We may waive, at our sole discretion, any of the required training for the Gym Manager and/or the Head Coach under the Management Development Training Program if such individuals have worked as a Gym Manager and/or Head Coach at another Starting Strength Gym before being hired/employed by you. (Franchise Agreement, Section 6.3 B.)

If you are an existing Starting Strength franchisee in Good Standing, you are not required to repeat the Management Development Training Program before opening a second Gym or additional Gyms. (Franchise Agreement, Section 6.3 B.)

Starting Strength Coach Training Provided by Licensor

Before the Gym opens for business and all times after the Gym is open for business, you must hire/employ a coach who has earned and maintained the Starting Strength Coach Certification through Licensor's training program. You are not required to be a Starting Strength Coach, but there must be at least one coach employed at the Gym with a valid Starting Strength Coach Certification at all times. The Starting Strength Coach must manage at least twelve (12) sessions per week, as set forth in the Manual. Candidates for the Starting Strength Coach Certification are evaluated in practical sessions by Licensor at Starting Strength Seminars. Those who demonstrate the ability to coach the exercises must also pass an exam, which further tests their knowledge, experience, and application. The process for becoming a Starting Strength Coach is estimated to take six (6) to twelve (12) months if the candidate has professional experience coaching the Starting Strength method, and significantly longer if the candidate is a novice. The number of hours and the cost of such training will vary, ranging from $25 per hour to $55 per hour, and will be determined according to the level of training needed by the candidate. The candidate will pay Licensor any and all applicable fees for the required training to earn the Starting Strength Coach Certification. The training will be arranged and provided by Licensor. The candidate is responsible for all travel, lodging and living expenses while receiving the training. (Franchise Agreement, Section 6.3 C.)

Starting Strength Coach Prep Course Provided by Licensor

Before the Gym opens for business and at all times after your Gym is open for business, you must hire/employ a coach who meets our standards, as set forth in the Manual, and is approved by Licensor to coach at your Gym. All apprentices and coaches you hire/employ at the Gym who do not possess a Starting Strength Coach Certification must be enrolled in the Starting Strength Coach Prep Course provided through Licensor's training program, as described in the Manual, and must be making progress in line with Licensor's standards. The Starting Strength Coach Prep Course will be arranged and provided by Licensor. The candidate will pay Licensor any and all applicable fees for the Starting Strength Coach Prep Course,

which currently costs $199 per month, and is to be completed in 5 months. The Starting Strength Coach Prep Course requirements and standards are established solely by Licensor and are subject to change from time to time at Licensor's sole discretion. (Franchise Agreement, Section 6.3 D.)

Additional Apprentice and Coach Training

In addition to the training program provided by Licensor, all apprentices and coaches at the Gym, who do not have a Starting Strength Coach Certification, must train, observe, and shadow in person under a certified Starting Strength Coach. All apprentices and coaches at the Gym who are not certified must meet certain minimum criteria, as set forth by us in the Manual and otherwise communicated to you by us, including, but not limited to, apprenticing for a minimum of 30 days under the guidance of a Starting Strength Coach, and reading and studying certain books and materials by Licensor. The in-gym training will be arranged by you and provided by a Starting Strength Coach. The candidate is responsible for all travel, lodging and living expenses while receiving the training. (Franchise Agreement, Section 6.3 E.)

Ongoing/Refresher Training

From time to time, we may offer system-wide ongoing or refresher training to the Starting Strength Franchisees for a reasonable fee, such training may include online and offline courses, meetings, seminars conventions, and conferences. You must personally attend or have your designated Gym Manager (if approved by us) attend any and all required ongoing or refresher training. We currently do not charge for online training, but that is subject to change. For in-person training, the prices vary, ranging from $500 - $1,000 per day, depending on the location and time frame of the training.

We currently charge you a fee ranging from $500 - $1,500, to attend our annual Starting Strength Gyms Owners Retreat, which is 4 days in duration, and is held at a location designated by us. We also currently charge you a fee ranging from $95 - $150 per person, for you, your Gym Manager, and your coaches to attend our annual Starting Strength Gyms Coaches Conference, which is 3 days in duration, and held in Wichita Falls, Texas. Your attendance at the annual Starting Strength Gyms Owners Retreat and Starting Strength Gyms Coaches Conference is optional but strongly encouraged. In addition to paying any required training fees, including conference and retreat fees, you will be responsible for all compensation, travel and living expenses for you, your Gym Manager, and/or your coaches during training. (Franchise Agreement, Section 6.3 F.)

F. **Computer and POS Systems**

You must acquire a "Computer System" as designated by us for use in the operation of the Gym. The Computer System will include, but is not limited to, a laptop computer, an iPad, a smartphone, and a business management system and other software programs designated by us. You must record all of your receipts, expenses, invoices, customer lists, and other business information promptly in the Computer System and use the software programs and/or POS system that we specify or otherwise approve. The details of these standards and requirements will be described in the Manual or otherwise in writing and may be modified in response to changes in marketing conditions, business operating needs, or technology.

You must allow our approved supplier to upgrade the proprietary database configuration of the required software for the computer(s) in your Gym, as we determine necessary, if applicable. Our approved supplier may provide you periodic updates to maintain the software and may charge a fee for preparing the updates and maintaining the software. There are no limitations on the frequency and cost of the updates.

We will have independent access to information you generate and store on your Computer System. The business management software and/or POS system is designed to enable us to have immediate access to the information monitored by the Franchise Program, and there is no contractual limitation on our access or use of the information we obtain.

You must purchase or lease, and thereafter maintain, the required computer hardware and software, a high-speed connection to the Internet that is at least 2 Mbps downlink and 1 Mbps uplink, sound system, surveillance system, door access system and other computer-related accessories or peripheral equipment as we may specify, for the purpose of, among other functions, recording the Gym's sales, scheduling classes, and other functions that we require. You must provide such assistance as may be required to connect your Computer System with a computer system used by us. We will have the right, on an occasional or regular basis, to retrieve such data and information from your Computer System as we, in our sole and exclusive discretion, consistent with consumer privacy laws, deem necessary. You must operate your Computer System in compliance with certain security standards specified by use, which may be modified at our discretion from time to time. In view of the interconnection of computer systems and the necessity that such systems be compatible with each other, you expressly agree that you will strictly comply with our standards and specifications for all item(s) associated with your Computer System, and will otherwise operate your Computer System in accordance with our standards and specifications.

To ensure full operational efficiency and optimum communication capability between and among computer systems installed by you, us, and other Starting Strength franchisees, you agree, at your expense, to keep your Computer System in good maintenance and repair, and following our determination that it will be economical or otherwise beneficial to the Starting Strength System to promptly install such additions, changes, modifications, substitutions and/or replacement to your computer hardware, software, POS System, communications equipment and services, telephone and power lines, and other computer-related facilities, as we direct.

We reserve the right to require you to update or upgrade any computer hardware or software during the term of the franchise, and if we choose to do so, there are no limitations on the cost and frequency of this obligation. The cost of the online business management software and other required software programs will cost you approximately $408 to $447 per month, beginning when you open for business, which you will pay to us. The cost of the required marketing and coaching directory fee is $50 per month, and the approximate cost of the recommended (optional) customer relationship management, marketing, payroll, and bookkeeping software will cost you approximately $0 to $259 per month. You will pay the third-party vendors directly for all fees associated with the use of their software. The approximate cost of the Computer System including a laptop computer, an iPad, a smartphone, hardware and software, and related equipment (e.g., router, tablet stands, cables, etc.) ranges between $1,000 and $3,500. The approximate cost of any annual maintenance upgrades or updates or maintenance support contracts varies widely from $300 to $1,500.

We have no obligation to provide ongoing maintenance, repairs, upgrades or updates, and any such obligations would be those of the software licensors.

You are required to have surveillance cameras installed inside and, if permitted by your lease, outside of the front and back entrances to the Gym for security purposes. We have an absolute right to review and monitor the camera(s) for the same purposes as you, and to ensure compliance with the System. You are responsible for ensuring customer consent and for any failure to obtain such consent. You must indemnify us for any breaches of privacy from your use of any surveillance camera.

G. **Gift Card Program**

We may establish a program for all Starting Strength Franchisees to sell, issue, or redeem gift cards (the "Gift Card Program"). You must participate in the Gift Card Program by offering Starting Strength Gym gift cards to your customers and honoring those gift cards sold at your Gym when presented to you as payment for products and services at the Gym. You are not required to honor gift cards purchased at other Starting Strength Gyms. When you sell or issue a gift card, you will keep the amount paid in your account until the gift card is redeemed. The Starting Strength Gym gift cards have no expiration date; therefore, you remain liable for each gift card sold at your Gym until it is redeemed for an undetermined amount of time. If your Franchise Agreement is terminated and not renewed, you must pay us the full value of any outstanding gift cards sold at your Gym that were not redeemed before the termination of your Franchise Agreement.

ITEM 12 TERRITORY

Franchise Agreement

You will operate the Gym at a specific location approved by us (an "Authorized Location"). You must receive our permission before relocating the Gym. If we consent to you relocating the Gym, the new Authorized Location must be within the same Designated Market Area (specifically defined in Section 1.3 of the Franchise Agreement) in which the Gym was located. You must execute our standard form of general release upon any relocation. You will bear the sole expense of relocating the Gym, and we have the right to charge you a reasonable fee for our services in connection with any such relocation.

So long as you are in good standing, you will receive a non-exclusive protected radius around your Gym's authorized location. We will not operate or establish, or authorize another Starting Strength franchisee to operate or establish, a Starting Strength Gym within your protected radius. Depending on a number of factors, your protected radius will be up to three (3) miles around the Authorized Location in suburban environments. If the Gym is located in a densely populated urban environment, such as a downtown metropolitan area, your protected radius will be less than half (1/2) a mile from the primary customer entrance of the Gym. We will analyze a market or territory using a number of factors including population density, income, traffic patterns, number of residences versus businesses, and will determine with you, prior to signing the Franchise Agreement, what radius the Gym will receive.

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

Except as expressly provided in the Franchise Agreement, you have no right to exclude, control or impose conditions on the location, operation or otherwise, of present or future Gyms, using any of the other brands or Marks that we now, or in the future, may offer, and we may operate or license Gyms or distribution channels of any type, licensed, franchised or company-owned, regardless of their location or proximity to the Premises and whether or not they provide services similar to those that you offer. You do not have any rights, including options, rights of first refusal, or other similar rights, with respect to acquiring additional franchises and/or related businesses, products and/or services, in which we may be involved, now or in the future.

We expressly reserve all other rights, and can (along with anyone we designate):

(1) own and/or operate any kind of business located anywhere, including other franchises, whether or not using the Marks and System we have licensed to you, except for a Starting Strength Gym in your protected radius.

(2) develop or become associated with other concepts (including dual branding and/or other franchise systems), whether or not using the System and/or the Marks, and award franchises under such other concepts for businesses located and/or operating anywhere.

(3) acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere. Such transactions may include (but are not limited to) arrangements involving competing outlets and brand conversions (to or from the Starting Strength Marks and System). You may be responsible for any reasonable conversion costs.

Internet Sales / Alternative Channels of Commerce

We may market and sell products and services to customers located anywhere using alternative channels of distribution, even if such products and services are similar to what we sell to you and what you offer at your Gym. We may use the internet or alternative channels of commerce to sell Starting Strength brand products and services. You are not entitled to any compensation, allowance, payment or other consideration on account of any products and services we may offer or sell using alternative channels of distribution in your protected radius. You may only sell the authorized products and services from your approved Gym location and may only use the internet or alternative channels of commerce to offer or sell the products and services, as permitted by us, in order to register customers/members for the Gym. We require you to submit to us all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet, World Wide Web or otherwise. We will approve or disapprove of such advertising, in our sole discretion, within five (5) business days of our receipt of the materials. Any use of social media by you pertaining to the Gym must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate content. We reserve the right to "occupy" any social media websites/pages and be the sole provider of information regarding the Gym on such websites/pages (e.g., a system-wide Facebook page). At our request, you will promptly modify or remove any online communication pertaining to the Gym that does not comply with the Franchise Agreement or the Manual. You are not prohibited from obtaining customers over the Internet provided your Internet presence and content comply with the requirements of the Franchise Agreement.

Performance Standards

A. System Standards. We may choose, in our sole discretion, to evaluate your Gym for compliance with the System Standards using various methods (including, but not limited to, inspections, field service visits, surveillance camera monitoring, customer comments/surveys, and secret shopper reports). You must meet minimum standards for cleanliness, equipment condition, repair and function, and customer service. Your employees, including independent contractors, must meet minimum standards for courteousness and customer service. You, or someone you hire, must follow up with every new inquiry pertaining to your Gym within one hour of your receipt of the inquiry, during regular business hours, regardless of the day, including holidays. (Franchise Agreement, Section 8.8A)

B. Minimum Sales Quota. Unless waived by us due to unique market conditions, or your Gym's size, you must meet a certain Minimum Sales Quota. If you fail to achieve and maintain $150,000 per year of Gross Sales, by the 1st year anniversary of the opening of the Gym, or $200,000 per year of

Gross Sales by the end of the 2nd year anniversary, or $300,000 per year of Gross Sales by the end of the 3rd year anniversary and each succeeding year thereafter, we may institute a corrective training program and/or require you to perform additional local marketing. If you fail to meet the Minimum Sales Quota for twenty-four (24) consecutive months at any time during the term of the Franchise Agreement, we may institute a mandatory corrective training program or terminate the Franchise Agreement at our sole discretion. (Franchise Agreement, Section 8.8 B.)

You may not relocate the Gym to any other location without our prior written consent. If we approve any relocation of the Gym, you must de-identify the former location. If you fail to de-identify your former Gym, you must reimburse and indemnify and hold us harmless from all costs and expenses, including attorney's fees, arising out of your failure to de-identify.

If you are not in compliance with all material terms of the Franchise Agreement and the Manual, and current in all accounts to us and our affiliates ("Good Standing"), we may reduce, eliminate or otherwise modify your territorial rights, along with whatever other remedies are then available to us, including termination.

Area Development Agreement

The "Designated Territory" under an Area Development Agreement may be defined by zip code boundaries, county boundaries, highways, physical landforms, city or municipality boundaries and other factors we deem appropriate. You will receive no exclusive rights to the Designated Territory. So long as you are in good standing and in compliance with the Area Development Agreement, we will not establish or license another to establish a Starting Strength Gym in the Designated Territory.

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

We reserve the right to:

(1) establish and operate, and allow others to establish and operate, Gyms using the Marks and the System, at any location outside the Designated Territory, on such terms and conditions we deem appropriate;

(2) establish and operate, and allow others to establish and operate, Competitive Businesses that may offer products and services which are identical or similar to products and services offered by Starting Strength Gyms, under trade names, trademarks, service marks and commercial symbols different from the Marks;

(3) establish, and allow others to establish, other businesses and distribution channels (including, but not limited to, temporary or mobile facilities, sales through retail stores that do not operate under the Marks, sales made at wholesale, or sales via the Internet), wherever located or operating and regardless of the nature or location of the customers with whom such other businesses and distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Gyms, and that sell products and/or services that are identical or similar to, and/or competitive with, those that Gyms customarily sell;

(4) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Gyms, and franchising, licensing or creating similar

arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Designated Territory);

(5) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Starting Strength Gyms, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Designated Territory; and

(6) engage in all other activities not expressly prohibited by the Area Development Agreement.

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

You will submit a separate Location Report to us for our acceptance or rejection of a site for each Gym to be established within your Designated Territory pursuant to your Area Development Agreement. We will approve or disapprove of the site within 30 days after receipt of the Location Report from you. If we approve your proposed site, it will become the Gym's authorized location. Upon the signing of a Franchise Agreement for each Gym developed, we will define your protected radius, as described above in the first paragraph under the heading, "Franchise Agreement."

We may reduce the number of Gyms to be developed in your Designated Territory if you fail to (i) meet the development schedule under your Area Development Agreement, (ii) fail to comply with any other term or condition of your Area Development Agreement, or (iii) fail to comply with any individual Franchise Agreement between you and us.

ITEM 13 TRADEMARKS

We grant you the right to operate a Gym under the name "Starting Strength." You may also use other current or future trademarks to operate your Gym that we designate. By trademark, we mean trade names, trademarks, service marks, and logos used to identify your Gym. The following trademarks are registered, or have applications pending, by Licensor on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

Mark	Registration No.	Registration Date
STARTING STRENGTH (word mark)	4072828	December 20, 2011 Renewed April 8, 2022
STARTING STRENGTH (word mark)	4263376	December 25, 2012 Renewed April 5, 2023
STARTING STRENGTH (word mark)	4357670	June 25, 2013 Renewed September 22, 2023
STARTING STRENGTH (word mark)	5190583	April 25, 2017 Renewed September 21, 2023

Mark	Registration No.	Registration Date
STARTING STRENGTH (word mark)	5801678	July 9, 2019
STARTING STRENGTH (word mark)	6695311	April 5, 2022

Affidavits of use and incontestability will be filed at the time specified by law.

There are no agreements currently in effect that significantly limit our rights to use or license the use of the Marks to you. We have no information regarding any claims of, or agreements with, any third parties relating to the rights to use these trademarks and/or service marks. We have no knowledge of any prior rights or infringing uses that could materially affect your use of the Marks in any state.

There are no presently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, nor any pending material litigation involving any of the Marks which are relevant to their use in any state. There are no pending interference actions or opposition or cancellation proceedings that significantly limit our rights to use or license the use of the Marks in any manner material to the Starting Strength System.

The Franchise Agreement does not require us or Licensor to protect any of the rights which you have with respect to the Marks. We are not obligated to indemnify you against or to reimburse you for any damages for which you may be held liable in any proceeding arising out of the use of the names or Marks or any costs incurred in the defense of any such claim. The Franchise Agreement also permits us to terminate the Franchise Agreement in the event you do not comply with the quality and operating standards set forth in the Franchise Agreement.

Licensor has granted us a non-exclusive right to use the Marks indefinitely in connection with the granting and operation of the Starting Strength Gym Franchises and to grant a non-exclusive license of these rights to you under the Franchise Agreement. As long as you are a franchisee in good standing in our Franchise Program, you will have the non-exclusive right to use the Marks throughout the term of your Franchise Agreement regardless of any license agreement we may or may not have with Licensor. You are required under the terms of the Franchise Agreement to acknowledge that you had no part in the creation or development of such proprietary rights and information and that the same constitute trade secrets owned or licensed by us.

You must use all Marks in compliance with the Franchise Agreement and the Manual. You cannot use the "Starting Strength" name or any of the Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. You must not establish a website on the Internet using any domain name containing the Marks or any variation thereof without our written consent. We retain the sole right to advertise on the Internet and create a website using the Marks as domain names.

If it becomes advisable, in our sole discretion, for us to modify or discontinue use of any of the Marks, or use one or more additional or substitute Mark, you must comply with our directions to modify or otherwise discontinue the use of such Mark within a reasonable time after notice by us. We will not be

obligated to compensate you for any costs it incurs in connection with any such modification or discontinuance.

You cannot seek to register, re-register, assert claim to ownership of, license or allow others to use or otherwise appropriate to itself any of the Marks or any mark or name confusingly similar to them, except insofar as such action inures to our benefit and has our prior written approval. Upon the termination or cancellation of the Franchise Agreement, you must discontinue use of the Marks, remove copies, replicas, reproductions or simulations thereof from the premises and take all necessary steps to assign, transfer, or surrender to us all Marks which you may have used in connection with the Franchise Agreement.

You must immediately notify us of any apparent infringement of or challenge to your use of the Marks. Although not obligated to do so, we will take any action deemed appropriate and will control any litigation or proceeding. You must cooperate with any litigation relating to the Marks which we might undertake.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We have no registered copyrights, nor are there any pending patent applications that are material to the franchise. However, we claim copyrights on certain forms, advertisements, promotional materials, software source code and other Confidential Information as defined below. These materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement, the Manual, and other communications that we provide to you. We reserve the right to register any of our copyrighted materials at any time we deem appropriate.

Licensor, The Aasgaard Company, has registered the following copyrights with the United States Copyright Office, which we are licensed to use in conjunction with our Starting Strength Franchise Program pursuant to an intellectual property and trademark license agreement dated April 8, 2018 (the "License Agreement"):

Copyright	Registration Number	Registration Date	Duration
The Barbell Prescription: Strength Training for Life After 40 [Book, 366 p.]	TX0008558478	January 5, 2017	Life of author plus 70 years.
Practical Programming for Strength Training, 3rd Edition [Book, 256 p.]	TX0007887134	March 18, 2014	Life of author plus 70 years.
Starting Strength: Basic Barbell Training, 3rd Edition [Book, 347 p.]	TX0007618946	December 19, 2011	Life of author plus 70 years.
Starting Strength: Basic Barbell Training [DVD]	PA0001772389	March 21, 2011	Life of author plus 70 years.
Starting Strength: A Simple and Practical Guide for Coaching Beginners [Book, 239 p.]	TX0007342593	March 21, 2011	Life of author plus 70 years.
Practical Programming for Strength Training [Book, 280 p.]	TX0007342608	March 21, 2011	Life of author plus 70 years.

Copyright	Registration Number	Registration Date	Duration
Practical Programming for Strength Training [Book, 204 p.]	TX0007347596	March 21, 2011	Life of author plus 70 years.

The above copyrights owned by Licensor are for books and DVDs that you will use in the operation of the Gym. Licensor intends to renew the copyrights at their expiration.

The License Agreement grants us a non-exclusive right to use the Marks, including the copyrights listed above, indefinitely in connection with the granting and operation of the Starting Strength Gym Franchises and to grant a non-exclusive license of these rights to you under the Franchise Agreement. As long as you are a franchisee in good standing in our Franchise Program, you will have the non-exclusive right to use the Marks, including the copyrights, throughout the term of your Franchise Agreement regardless of any license agreement we may or may not have with Licensor.

You will also use proprietary information in the Manual, which is owned by us. The Manual is described in Item 11. Item 11 also describes the limitations on the use of the Manual by you and your employees.

There currently are no effective determinations of the Copyright Office (or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us that could materially affect your use of the copyrighted materials in any state. No agreement requires us to protect or defend any copyrights or you in connection with any copyrights.

In general, our proprietary information includes "Confidential Information" as defined in Section 12 of the Franchise Agreement, some of which is contained in our Manual, and includes, among other things, all information (current and future) relating to the operation of the Gym or the Franchise Program, including, among other things, all: (i) manuals, training, techniques, processes, policies, procedures, systems, data and know how regarding the development, marketing, operation and franchising of the Gyms; (ii) designs, specifications and information about products and services and (iii) all information regarding customers and suppliers, including any statistical and/or financial information and all lists. We disclose to you Confidential Information needed for the operation of a Starting Strength Gym, and you may learn additional information during the term of your franchise. We have all rights to the Confidential Information and your only interest in the Confidential Information is the right to use it under your Franchise Agreement.

Both during and after the term of your Franchise Agreement, you must use the Confidential Information only for the operation of your Gym under a Starting Strength Gym Franchise Agreement; maintain the confidentiality of the Confidential Information; not make or distribute, or permit to be made or distributed, any unauthorized copies of any portion of the Confidential Information; and (iii) follow all prescribed procedures for prevention of unauthorized use or disclosure of the Confidential Information. (Franchise Agreement, Section 12)

We have the right to use and authorize others to use all ideas, techniques, methods and processes relating to the Gym that you or your employees conceive or develop.

You also agree to fully and promptly disclose all ideas, techniques and other similar information relating to the franchise business that are conceived or developed by you and/or your employees. We will have a perpetual right to use, and to authorize others to use, those ideas, etc. without compensation or other obligation.

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

We do not require, but do recommend, that you (or the Designated Operator) personally supervise the Gym. You may designate a Gym Manager who has successfully completed our Management Development Training Program, and meets our then-current standards, to assist in the direct, day-to-day supervision of the operations of the Gym, or to be the on-premises supervisor if you choose not to personally supervise the Gym. If you are a business entity, your designated Gym Manager need not hold an ownership interest in the business to be the on-premises supervisor. You must have at least one coach employed at the Gym with a valid Starting Strength Coach Certification.

You are solely responsible for the hiring and management of the Gym employees, for the terms of their employment and for ensuring their compliance with any training or other requirements established by us. You will keep us advised, in writing, of any Gym Manager involved in the operation of the Gym and their contact information.

You and your employees must comply with the confidentiality provisions described in Item 14. You must execute a personal guaranty concurrently with the signing of the Franchise Agreement. If you are a legal entity, having more than one owner, all owners, shareholders, partners, joint venturers, and any other person who directly or indirectly owns a 10% or greater interest in the franchised business must execute a personal guaranty. We may require your spouse or domestic partner to co-sign the personal guaranty. (Section 2.2B of the Franchise Agreement.)

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale and sell, only and all those products and services, and deal only with those suppliers, that we authorize or require, and have authorized (See Item 8). Principally, this means you must purchase the amount and type of equipment, including weight-lifting and strength-training equipment, and offer only those types of services and products that we authorize. Failure to comply with our purchasing or selling restrictions can (and probably will) result in the termination of your Franchise Agreement.

You may not advertise, offer for sale or sell, any products and/or services that we have not authorized. We reserve the right to change the types of authorized products and services at any time in our discretion. You agree to promptly undertake all changes as we require from time to time, without limit, except that we will not require you to thoroughly modernize or remodel the Gym no more than once every 5 years. You may not make any material alterations to your Gym or its appearance as originally approved by us without our prior written approval.

You must refrain from any merchandising, advertising, or promotional practice that is unethical or may be injurious to our business and/or other franchised businesses or to the goodwill associated with the Marks (Franchise Agreement, Section 4.2).

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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 OR OTHER AGREEMENT	SUMMARY
a. Length of the franchise term	Franchise Agreement: Section 3.1	The term is 10 years from the date the Franchise Agreement is signed.
b. Renewal or extension of term	Franchise Agreement: Section 3.2	You have the option to extend the term for a single additional 10-year term.
c. Requirements for franchisee to renew or extend	Franchise Agreement: Sections 3.2, 3.3, and 3.4	You have complied with all of the Franchise Agreement provisions; you are not in default of the Franchise Agreement; you have brought the Gym into compliance with our current standards; you have given us notice of renewal; you have signed a then-current form of Franchise Agreement; and you have signed a general release in substantially the form of **Exhibit F** to this disclosure document. You must give us notice of your intent to renew no less than 90 days or more than 180 days before the Franchise Agreement expires. The new Franchise Agreement may contain terms and conditions that are materially different from your original Franchise Agreement. We charge a renewal fee of $20,000.
d. Termination by franchisee	Franchise Agreement: Section 15.1	You may terminate the Franchise Agreement for cause if you are in compliance and we materially breach the Franchise Agreement and fail to cure within 30 calendar days of receiving your written notice (subject to applicable state law.)
e. Termination by franchisor without cause	Franchise Agreement: Not Applicable	The Franchise Agreement does not provide for termination without cause.
f. Termination by franchisor with cause	Franchise Agreement: Section 15.2 and 15.3	We may terminate the Franchise Agreement upon delivery of notice to you if you default under the terms of the Franchise Agreement. A default by you under the terms and conditions of the Franchise Agreement or any other such agreement, will, at our option, constitute a default under all such agreements.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
g. "**Cause**" defined – curable defaults	Franchise Agreement: Section 15.2B	The following constitute curable defaults: you fail to comply with the Performance Standards; or refuse to make payments due and do not cure within 10 business days; or fail to comply with any provision of the Franchise Agreement not otherwise mentioned in (h.) below or any mandatory specification and do not cure within 10 calendar days or 30 calendar days.
h. "**Cause**" defined – non-curable defaults	Franchise Agreement: Section 15.2A	The following events constitute non-curable defaults: failure to properly establish and equip the premises; failure to complete training; make a material misrepresentation or omission in the application for the franchise; conviction or plea of no contest to a felony, or other crime or offense that can adversely affect the reputation of you, us or the Gym; make unauthorized disclosure of confidential information; abandonment of the business for 2 consecutive business days unless otherwise approved; surrender of control of the business; unauthorized transfer; you are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; your misuse of the Marks; failure on 3 occasions within any 12 consecutive month period to pay amounts due, or otherwise to comply with the Franchise Agreement; violate any health, safety or sanitation law or conduct your operation in a manner creating a safety hazard; or violating the rights and restrictions of your territory. Operating a competing business.
i. Franchisee's obligation on termination/non-renewal	Franchise Agreement: Sections 12, 13 and 15.4	Your obligations include: stop operations of the Gym; stop using the Marks and items bearing the Marks; stop using "Starting Strength" in any form as part of your corporate name; assign any assumed names to Company; de-identify the premises from any confusingly similar decoration, design or other imitation of a Gym; stop advertising as a Starting Strength Gym franchise; pay all sums owed; pay all damages and costs we incur in enforcing the termination provisions of the Franchise Agreement; return the Manual and other confidential information to us; return all signs to us; assign your

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		telephone and facsimile numbers, electronic mail and internet addresses to us; sell to us, at our option, all assets of the Gym, including inventory, equipment, supplies and items bearing the Marks; and comply with the covenants not to compete.
j. Assignment of contract by franchisor	Franchise Agreement: Section 14.6	We may sell or assign some or all of our business to any subsidiary or affiliate of ours, any purchaser of us, or any purchaser of the Marks and related business.
k. "Transfer" by franchisee definition	Franchise Agreement: Section 14.1	You may sell or assign your business, but only with our approval. We have sole discretion over whether to approve or disapprove an assignment.
l. Franchisor approval of transfer by franchisee	Franchise Agreement: Sections 14.1 and 14.2	We have the right to approve all your transfers. We may place reasonable conditions on our approval of any transfer.
m. Conditions for franchisor approval of transfer	Franchise Agreement: Section 14.2	You must be in compliance with all agreements, the Manual, all contracts with any party, and transferee must assume all obligations under these agreements; transferee meet our then-current requirements and complete or agree to complete our training program for new franchisees; you must pay the transfer fee; all sums due must be paid; all obligations to third parties must be satisfied; the Gym must be in full compliance with the Manual and standards and specifications for new Starting Strength Gyms; and the transferee must satisfactorily complete training.
n. Franchisor's right of first refusal to acquire franchisee's business	None	Not applicable.
o. Franchisor's option to purchase franchisee's business	Section 15.4 l	We have the option**,** exercisable by giving 30 days written notice to purchase any and all inventory, equipment, furniture, fixtures, signs, sundries and supplies owned by you and used in the Gym, at the lesser of (i) your cost less depreciation computed on a reasonable straight line basis (as determined in accordance with generally accepted accounting principles and consistent with industry standards and customs)

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		or (ii) fair market value of such assets, less (in either case) any outstanding liabilities of the Gym. In addition, we have the option to assume your lease for the lease location of the Gym, or if an assignment is prohibited, a sublease for the full remaining term on the same terms and conditions as your lease.
p. Death or disability of franchisee	Franchise Agreement: Section 14.4	Must be transferred within six (6) months.
q. Non-competition covenants during the term of the franchise	Franchise Agreement: Section 13	You must not have any interest in any weight-lifting or strength-training business, any weight-lifting or strength-training marketing or consulting business, any business offering services or products of a similar nature to those of the Gym (subject to applicable state law.)
r. Non-competition covenants after the franchise is terminated or expires	Franchise Agreement: Section 13	You must not operate any weightlifting or strength-training business similar to a Starting Strength Gym within a one (1) mile radius in dense urban environments and within a five (5) mile radius in suburban environments of any Starting Strength brand Gym for 2 years after termination (subject to applicable state law.)
s. Modification of the Franchise Agreement	Franchise Agreement: Section 19	The Franchise Agreement can be modified only by written agreement between us and you. We can modify or change the Franchise Program through changes in the Manual.
t. Integration/merger clause	Franchise Agreement: Section 19	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law) and may only be modified to the extent required by an appropriate court to make the Franchise Agreement enforceable. Nothing in this or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.
u. Dispute resolution by arbitration or mediation	Franchise Agreement: Section 16	Except for claims relating to the confidential information or the Marks, any claim arising out of or relating to the Franchise Agreement or the relationship of the parties, and any controversy regarding the establishment of the fair market value of assets of the Gym is first subject to a face-to-face meeting, then non-binding

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		mediation, and if unresolved, binding arbitration before a single arbitrator in Ada County, Idaho. These provisions are subject to state law.
v. Choice of forum	Franchise Agreement: Section 17.4	Any action that is not subject to arbitration must be brought in state or federal court in Ada County, Idaho (subject to applicable state law.)
w. Choice of law	Franchise Agreement: Section 17.3	Idaho law applies (subject to applicable state law.)

AREA DEVELOPMENT AGREEMENT

This table lists certain important provisions of the Area Development Agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.

PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT OR OTHER AGREEMENT	SUMMARY
a. Length of the term of the Area Development Agreement	Section V	The rights granted under the Area Development Agreement expire on the date of our acceptance and signing of a Franchise Agreement for the last Gym to be developed.
b. Renewal or extension of the term	Not Applicable	
c. Requirements for developer to renew or extend	Not Applicable	
d. Termination by developer	None	The Area Development Agreement does not contain a provision allowing you to terminate the Area Development Agreement for any reason. Your right to terminate is subject to state law.
e. Termination by franchisor without cause	Not Applicable	The Area Development Agreement does not provide for termination without cause.
f. Termination by franchisor with cause	Section VIII	If you are in default of the Area Development Agreement or any individual Franchise Agreement, we will have cause to terminate the Area Development Agreement.
g. "Cause" defined – curable defaults	Not Applicable	The Area Development Agreement does not provide for defaults which can be cured.

PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT OR OTHER AGREEMENT	SUMMARY
h. "Cause" defined – non-curable defaults	Section VIII	The Area Development Agreement will terminate automatically if you are adjudicated bankrupt or are otherwise involved in a bankruptcy proceeding, if a final judgment remains unsatisfied of record for 30 days or longer (unless bond is filed), if execution is levied against your business or property, if a mortgage or lien foreclosure suit is instituted against you and is not dismissed or in the process of being dismissed within 30 days, if you have failed to exercise options and enter into Franchise Agreements with us according to your Development Schedule, failed to comply with any other term or condition of the Area Development Agreement, make or attempt to make an unapproved transfer or assignment of the Area Development Agreement, or if you fail to comply with the terms and conditions of any Franchise Agreement or other agreement between you and us.
i. Developer's obligations on termination/ non-renewal	Section VIII(d)	You will lose your options to establish an individual Gym for which a Franchise Agreement has not been signed by us. A default under the Area Development Agreement will not be considered a default under the Franchise Agreement, unless specified otherwise. If you are in default of the Area Development Agreement but are not in default under any one or all of your Franchise Agreements, you may continue to operate the existing Gym(s) under the terms of their separate Franchise Agreements.
j. Assignment of contract by franchisor	Paragraph IX(a)	No restriction on our right to assign except that assignee must be financially responsible and economically capable of performing our obligations under the Area Development Agreement and assignee must expressly assume and agree to perform these obligations.
k. "Transfer" by developer - defined	Section IX(c)	Includes transfer of assets and all rights under the contract or change of ownership.

PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT OR OTHER AGREEMENT	SUMMARY
l. Franchisor approval of transfer by developer	Section IX(c)	We have the right to approve all transfers by you but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section IX(c)	For a transfer to a third party, the transferee must meet our qualifications, successfully complete the training program and sign the current Area Development Agreement. You will pay all sums owed to us and sign an agreement containing general release, as well as pay our then-current transfer fee. You must give us 90 days written notice before any sale or assignment of the Area Development Agreement and 15 days written notice of any received offer to buy your interest in the Area Development Agreement. You must give simultaneous written notice to us of any offer to sell an interest under the Area Development Agreement made by you.
n. Franchisor's right of first refusal to acquire developer's business	Section IX(e)	We have the right of first refusal to purchase your ownership interest or assets which are for sale and for which you have received a good faith offer to purchase.
o. Franchisor's option to purchase developer's business	Section IX(e)	We have 15 days from notice of the offer to purchase your ownership interest or your assets at the same terms as contained in the offer.
p. Death or disability of developer	Not Applicable	See k., l. and m. above. While your death or disability is not specifically addressed in the Area Development Agreement, a transfer of shares upon the death of an owner of the area developer (or a transfer of the agreement upon your death if you are an individual) would be treated the same as any other transfer.
q. Non-competition covenants during the term of the franchise	Section X	You must not divert or attempt to divert any business or customer to a competitor; perform any act which may harm the goodwill associated with the Marks and the System; or own or otherwise have any interest in any "competitive business." You will also be bound by and comply with the

PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT OR OTHER AGREEMENT	SUMMARY
		covenants in each Franchise Agreement you sign with us. The covenants apply even if you have transferred your interest in the Area Development Agreement. The term "Competitive Business" means any business (other than a Starting Strength Gym) principally offering products substantially similar to the products and services than being offered by the majority of the Starting Strength Gyms. These provisions are subject to applicable state law.
r. Non-competition covenants after the franchise is terminated or expires	Section X(b)	You must not own or operate a Competitive Business for 2 years after the Area Development Agreement is terminated within a one (1) mile radius in dense urban environments and within a five (5) mile radius in suburban environments of any Starting Strength Gym. You will also be bound by and comply with the covenants in each Franchise Agreement signed with us. The covenants apply even if you have transferred your interest in the Area Development Agreement. These provisions are subject to applicable state law.
s. Modification of the Area Development Agreement	Section XVI	The Area Development Agreement can be modified only by written agreement between us and you.
t. Integration/ merger/clause	Section XVI	Only the terms of the Area Development Agreement and other related written agreements are binding (subject to applicable state law). However, nothing in the Area Development Agreement or any related agreement is intended to disclaim our representations made in the disclosure document.
u. Dispute resolution by arbitration or mediation	Section XIX	Disputes/claims are first subject to a face-to-face meeting, then non-binding mediation, and if unresolved, binding arbitration before a single arbitrator in Ada County, Idaho. These provisions are subject to state law.

PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT OR OTHER AGREEMENT	SUMMARY
v. Choice of forum	Section XIX(e)	Any action will be brought in the appropriate state or federal in Ada County, Idaho (subject to applicable state law.)
w. Choice of law	Section XIX(h)	Idaho law applies (subject to applicable state law.)

Applicable state law may require additional disclosures related to the information in this disclosure document. These additional disclosures appear in **Exhibit G,** State Specific Addenda, to this disclosure document.

ITEM 18 PUBLIC FIGURES

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

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ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

The following information is in one chart and is derived from the actual results of twenty-five (25) open and operating franchised Gyms and three (3) franchised Gyms who have begun collecting revenue but are not yet open for business ("pre-sales"). These twenty-five (25) Gyms represent all opened Starting Strength franchised Gyms as of April 30, 2024. The chart shows the date each Gym opened, the number of months each Gym has been open, the number of platforms, the total active memberships, the pricing of monthly subscription service, and the revenue generated by the sale of memberships and non-recurring services.

Some Gyms have sold these amounts. Your individual results may differ. There is no assurance that you will sell as much.

Sales Performance from Gym Opening to April 30, 2024

Franchised Gym	Opening Date	Months Open	Square Feet	Number of Platforms	Total Active Memberships[1]	Starting Strength Program Price[2]	Total Gross Revenue[3]	2021 Total Gross Revenue[3]	2022 Total Gross Revenue[3]	2023 Total Gross Revenue[3]	April 2024 Total Gross Revenue[3]
Austin, TX [4] (W Anderson)	4/8/2019	60	1750	8	119	$455.00	$2,272,709	$353,184	$453,922	$616,413	$40,987
Dallas, TX [4]	7/1/2019	57	1512	7	88	$455.00	$2,030,836	$397,838	$410,830	$448,634	$35,270
Houston, TX [4]	8/19/2019	56	1560	8	121	$455.00	$2,599,058	$485,894	$541,935	$670,097	$52,363
Denver, CO [4] (Lakewood)	1/6/2020	51	2008	9	60	$365.00	$1,399,629	$298,756	$320,038	$364,774	$20,380
Plano, TX	4/19/2021	36	1620	9	77	$455.00	$996,100	$166,183	$292,780	$358,331	$30,476
Oklahoma City, OK (Westmore)	5/3/2021	35	1500	7	65	$365.00	$666,528	$92,630	$165,005	$278,953	$18,920
Boston, MA	5/24/2021	35	2370	9	83	$405.00	$1,002,692	$150,623	$249,659	$369,076	$28,224
Boise, ID (West)	7/12/2021	33	1334	8	73	$365.00	$716,916	$65,711	$184,882	$309,911	$29,394

Franchised Gym	Opening Date	Months Open	Square Feet	Number of Platforms	Total Active Memberships[1]	Starting Strength Program Price[2]	Total Gross Revenue[3]	2021 Total Gross Revenue[3]	2022 Total Gross Revenue[3]	2023 Total Gross Revenue[3]	April 2024 Total Gross Revenue[3]
Cincinnati, OH	11/15/2021	29	1750	10	112	$365.00	$741,778	$14,830	$211,484	$337,726	$35,860
San Antonio, TX	11/20/2021	29	1430	9	51	$405.00	$519,785	$13,269	$143,131	$246,668	$23,759
Orlando, FL	11/29/2021	29	1400	9	64	$365.00	$589,274	$8,335	$161,681	$292,287	$22,343
Memphis, TN	1/10/2022	27	1600	9	105	$365.00	$741,325	$10,272	$231,317	$340,327	$31,253
Beaverton, OR	1/11/2022	27	1200	8	72	$405.00	$588,627	$4,710	$173,366	$276,388	$27,730
Katy, TX	1/13/2022	27	1556	10	67	$365.00	$771,689	$10,695	$218,755	$379,396	$27,653
Chicago, IL	2/23/2022	26	1717	10	66	$455.00	$633,068	$2,220	$166,852	$324,983	$26,831
Columbus, OH	4/25/2022	24	1618	10	63	$405.00	$532,593	$-	$107,242	$302,508	$25,427
Tulsa, OK	8/25/2022	20	2000	10	15	$365.00	$129,798	$-	$28,431	$76,044	$5,408
Tampa, FL[3]	4/3/2023	12	1500	10	25	$365.00	$203,934	$-	$3,765	$135,576	$11,476
Oklahoma City, OK (Quail Springs)	5/15/2023	11	1272	9	15	$365.00	$87,439	$-	$-	$59,476	$5,515
Indianapolis, IN[3]	6/12/2023	10	1688	10	36	$455.00	$166,120	$-	$11,009	$99,933	$13,711
Atlanta, GA	11/6/2023	5	1400	10	38	$405.00	$88,936	$-	$-	$35,522	$14,920
Austin, TX (Sunset Valley)	11/17/2023	5	1800	12	30	$455.00	$68,138	$-	$-	$21,013	$14,506
Colorado Springs, CO	1/22/2024	3	1154	7	18	$405.00	$23,637	$-	$-	$1,814	$7,281
Denver, CO (Centennial)	2/10/2024	2	1395	10	19	$365.00	$18,633	$-	$-	$185	$5,410
St. Louis, MO	3/4/2024	1	1400	10	22	$365.00	$17,270	$-	$-	$-	$8,260
Miami, FL [5]	5/6/2024	0	1416	11	0	$405.00	$2,170	$-	$-	$-	$1,420
Boise, ID [5] (Downtown)	June 2024	0	1686	11	0	$365.00	$185	$-	$-	$-	$185
Omaha, NE [6]	July 2024	0	1600	9	4	$315.00	$10,310	$-	$-	$6,830	$1,540

Note 1: Total active memberships as of April 30, 2024, and includes all members on a subscription service (in gym and online members) and pre-sales members (memberships sold prior to the opening of the Gym).

Note 2: Price of monthly subscription service for group training three times per week as of April 30, 2024. The price per month typically increases after Grand Opening and again when the gym is nearing capacity.

Note 3: Gross Revenue includes the total revenue derived from subscription services, in addition to non-recurring revenue items, such as a-la-carte private coaching sessions, Intro sessions, and merchandise (for example).

Note 4: This Gym was closed for approximately 2 months in 2020 due to the COVID-19 shutdown; therefore, the total Gross Revenue is less 2 months.

Note 5: This Gym is not yet open but is collecting revenue derived from pre-sales.

Note 6: This Gym is not yet open but is collecting revenue derived from online subscription services (online coaching and/or nutrition coaching).

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

This Item 19 was prepared without an audit. Prospective owners or sellers of franchises should be advised that no certified public accountant has audited these figures or expressed his/her opinion with regard to their contents or form.

Other than the preceding financial performance representation, Strength Train, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of the outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Nick Delgadillo, at Strength Train LLC, 2976 E State St., Suite 120, #2062, Eagle, Idaho 83616, (208) 314-1924, the Federal Trade Commission and any appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2021 TO 2023

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
FRANCHISED	2021	4	11	+7
	2022	11	17	+6
	2023	17	22	+5
COMPANY-OWNED	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
TOTAL OUTLETS	2021	4	11	+7
	2022	11	17	+6
	2023	17	22	+5

TABLE 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR THE YEARS 2021 TO 2023

STATE	YEAR	NUMBER OF TRANSFERS
Colorado	2021	0
	2022	0
	2023	0
Florida	2021	0
	2022	0
	2023	0
Georgia	2021	0
	2022	0
	2023	0
Idaho	2021	0
	2022	1
	2023	0
Illinois	2021	0
	2022	0
	2023	0
Indiana	2021	0
	2022	0
	2023	0
Massachusetts	2021	0
	2022	0
	2023	0

STATE	YEAR	NUMBER OF TRANSFERS
Ohio	2021	0
	2022	0
	2023	0
Oklahoma	2021	0
	2022	0
	2023	0
Oregon	2021	0
	2022	0
	2023	0
Tennessee	2021	0
	2022	0
	2023	0
Texas	2021	0
	2022	0
	2023	0
TOTAL OUTLETS	2021	0
	2022	1
	2023	0

TABLE 3
STATUS OF SINGLE UNIT FRANCHISE OUTLETS
FOR YEARS 2021 TO 2023

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMI-NATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS -OTHER REASONS	OUTLETS AT END OF THE YEAR
CO	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
FL	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
GA	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
ID	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
IL	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
IN	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMI-NATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS -OTHER REASONS	OUTLETS AT END OF THE YEAR
MA	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
OH	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
OK	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	1	0	0	0	0	3
OR	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
TN	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
TX	2021	3	2	0	0	0	0	5
	2022	5	1	0	0	0	0	6
	2023	6	1	0	0	0	0	7
TOTAL	2021	4	7	0	0	0	0	11
	2022	11	6	0	0	0	0	17
	2023	17	5	0	0	0	0	22

TABLE 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2021 TO 2023

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
None	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
TOTAL	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

TABLE 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2023

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLETS IN THE NEXT FISCAL YEAR
Alabama	1	1	0
Colorado	2	2	0
Florida	1	1	0
Idaho	1	1	0
Missouri	1	1	0
Nebraska	1	1	0
Pennsylvania	1	1	0
Tennessee	1	1	0
Texas	1	1	0
Utah	1	1	0
TOTAL	11	11	0

A list of the names, addresses and telephone numbers of our current franchisees as of the Issuance Date of this disclosure document is attached as **Exhibit H**.

A list of the names, addresses and telephone numbers of our franchisees who have had a franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the issuance date of this franchise disclosure document, is attached as **Exhibit I.**

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

Confidentiality Clauses

In the last three fiscal years, none of our franchisees have entered any confidentiality agreements that restrict their ability to speak openly about their experience with our franchise system.

Trademark-Specific Franchisee Organizations

There are no trademark-specific franchisee organizations.

ITEM 21 FINANCIAL STATEMENTS

Attached to this disclosure document as **Exhibit C** are our audited financial statements as of December 31, 2023 and 2022, and for our fiscal years ended December 31, 2023, December 31, 2022, and December 31, 2021, and our unaudited financial statements for the periods ended April 30, 2024, and December 31, 2024.

ITEM 22 CONTRACTS

The following agreements are attached to this disclosure document:

Exhibit A	Franchise Agreement and Exhibits
	Exhibit 1 Authorized Location Addendum
	Exhibit 2 Electronic Funds Transfer Agreement
	Exhibit 3 Electronic Debit Authorization
	Exhibit 4 Guarantee
	Exhibit 5 Addendum to Lease
	Exhibit 6 ADA Certification Form
	Exhibit 7 Webstore E-Commerce Agreement
Exhibit D	Statement of Prospective Franchisee
Exhibit F	Form of General Release
Exhibit G	State Specific Addenda
Exhibit J	Area Development Agreement

ITEM 23 RECEIPTS

Our and your copies of the Franchise Disclosure Document Receipt are located on the last two pages of this disclosure document, as Exhibit L.

Exhibit A
To Franchise Disclosure Document

FRANCHISE AGREEMENT AND RELATED EXHIBITS

STARTING STRENGTH

FRANCHISE AGREEMENT AND RELATED EXHIBITS

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STARTING STRENGTH
FRANCHISE AGREEMENT

This Starting Strength Franchise Agreement (this "Agreement") is entered into as of the ____ day of _____, 20___ between Strength Train LLC, an Idaho limited liability company, doing business as "Starting Strength Gyms" ("Franchisor") and _____, or his/her/their assignee, if a partnership, corporation or limited liability company is later formed ("Franchisee"), upon the following terms, conditions, covenants and agreements:

RECITALS

A. The Aasgaard Company, a Texas partnership, ("Licensor") owns and has developed and administers a system, including various strength training techniques and methods focused on barbell exercises that involve the body's muscle mass, and the related trade secrets, copyrights, confidential and proprietary information and other intellectual property rights, including articles, videos, podcasts, training logs, reports, forums, on-line and in-person coaching, certifications, seminars and events, motivational materials, a mobile phone app and an online store (collectively, the "System") identified by the "Starting Strength" trade name and "Starting Strength" trademarks and service marks, including those which may be developed in the future, licensed hereunder (the "Marks").

B. Pursuant to an agreement that became effective April 8, 2018 (the "License Agreement"), Licensor has granted Franchisor the non-exclusive rights to use the System and Marks in connection with Franchisor's franchise program for the establishment and operation of strength training gyms, which are uniform in appearance and design, and contain an open room with weights, squat racks, and Olympic stands (the "Starting Strength Gyms").

C. The Starting Strength franchise program (the "Franchise Program") includes the System and Marks, trade secrets, proprietary methods and information and procedures for the establishment and operation of Starting Strength Gyms, including, without limitation, confidential manuals (collectively, the "Manual"), training methods, weight-lifting and strength-training equipment, furniture and fixtures, marketing, advertising and sales promotions, cost controls, accounting and reporting procedures, personnel management, distinctive interior design and display procedures, and color scheme and décor (the "Trade Dress").

D. Franchisor grants to qualified persons who are willing to undertake the required investment and effort, a franchise to own and operate a Starting Strength Gym offering the products and services Franchisor authorizes utilizing the System and Marks.

E. Franchisee desires to obtain a franchise under the Franchise Program using the System and Marks in the development and operation of a Starting Strength Gym at the location specified in this Agreement (the "Gym").

F. Franchisee has independently investigated the business contemplated by this Agreement and recognizes that the nature of the business may change over time, that an investment in a Starting Strength Gym involves business risks, and that the venture's success depends primarily upon Franchisee's business abilities and efforts.

NOW, THEREFORE, in consideration of the foregoing, the fees and other sums payable by Franchisee and of the mutual covenants contained in this Agreement, the parties agree as follows:

1. GRANT OF FRANCHISE; LOCATION

1.1 **Grant**. Franchisor grants to Franchisee the non-exclusive right and license to:

A. Establish and operate a single Starting Strength Gym under the Franchise Program utilizing only the System and the Marks, at a location that has been authorized by Franchisor (the "Authorized Location"), in accordance with the provisions and for the term specified in this Agreement, including, but not limited to, the requirement that Franchisee must have employed at the Gym a certified "Starting Strength Coach" (i.e., a coach with a valid Starting Strength Coach Certification) prior to the opening of the Gym and throughout the term of this Agreement;

B. Use only the Marks authorized by Franchisor under the terms of this Agreement to identify and promote the Gym offered hereunder; and

C. Use the proprietary strength training methods and know-how, as set forth periodically in Franchisor's operations manual, other manuals, training programs, or otherwise communicated to Franchisee.

1.2 **Site Acceptance Process**. Before Franchisor considers accepting a location for the Gym, Franchisee must submit to Franchisor a complete report containing all information Franchisor may reasonably request concerning the proposed location, including, without limitation, population density, demographics, proximity to other Gyms, available parking, traffic flow and entrance to and exit from the site (the "Location Report"). Franchisee must submit a proposed site location with a Location Report to Franchisor within 6 months of the execution of this Agreement by Franchisor and prior to submitting a letter of intent ("LOI") to the prospective landlord. Franchisor shall deliver to Franchisee written acceptance or rejection of a proposed location within 30 days after Franchisor receives the Location Report. Franchisor's approval of the proposed site shall be deemed to be a binding addendum to this Agreement upon Franchisor and Franchisee's execution of Exhibit 1, which is attached hereto and incorporated herein by reference, and which will set forth the Authorized Location. Franchisor agrees not to unreasonably withhold its acceptance of a site that meets its site criteria. Franchisee acknowledges that Franchisor's approval of a proposed site is permission only and not an assurance or guaranty to Franchisee of the availability, suitability or success of a location, and cannot create a liability for Franchisor. While Franchisor will provide site selection assistance as specified in Section 6.1 herein, Franchisee alone is ultimately responsible for selecting and developing an acceptable location for the Gym. Franchisee agrees to hold Franchisor harmless with respect to the selection of the Authorized Location by Franchisee. Franchisee must obtain lawful possession of an Authorized Location by lease, purchase or other method and open for regular, continuous business within twelve (12) months of the date that Franchisor accepts this Agreement. The opening date may be extended an additional three (3) months in certain instances, as explained in Section 2.2D, below. Franchisor has the right to terminate this Agreement if Franchisee fails to obtain a site for the Gym that is acceptable to Franchisor and be open for regular, continuous business, within the time period allotted above.

1.3 **Authorized Location & Protected Radius**. If the Authorized Location has not been identified at the time this Agreement is signed, Franchisee must identify a site approved by Franchisor within the following Designated Market Area: _____.

Once the Authorized Location for the Gym has been identified in the Authorized Location Addendum, attached hereto as Exhibit 1, Franchisor agrees that, so long as Franchisee is in good standing, neither it nor its affiliates will operate or establish, or authorize another Starting Strength franchisee to operate or establish, a Gym using the System or Marks within a certain radius from the Authorized Location ("Protected Radius") of up to three (3) miles around the Authorized Location (as measured from the outside walls of the Gym) in suburban environments. In dense urban environments, such as, downtown metropolitan areas, the Protected Radius will be less than half a mile from the primary customer entrance of the Gym. The Protected Radius will be defined in Exhibit 1, hereto.

1.4 **Rights Reserved to Franchisor**.

A. Except for the right to operate a single Gym from the Authorized Location, Franchisee is not granted any rights to use the System and Marks in connection with any other channel of commerce or method of distribution, including, without limitation, distribution of products or services through any temporary or mobile facilities, at stadiums, convention centers, fair grounds, public gatherings, and/or other onsite services for business locations, or through video, television, or internet-based training or classes, (collectively, the "Alternative Channels of Distribution"), all such rights being retained by Franchisor.

B. Franchisor reserves all rights not expressly granted to Franchisee under this Agreement, and specifically reserves the rights to operate, or to license others to operate:

(i) any kind of business in any Protected Radius awarded to Franchisee selling to customers located anywhere, whether or not using the Starting Strength brand and System, except for a Starting Strength Gym in Franchisee's Protected Radius; and

(ii) any kind of business anywhere outside of any Protected Radius awarded to Franchisee selling to customers located anywhere, whether or not using the Starting Strength brand and System, including without limitation, Starting Strength Gyms.

C. Notwithstanding anything to the contrary in this Agreement or otherwise, Franchisor and/or any of Franchisor's affiliates can acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere, and including arrangements in which (i) other units are (or are not) converted to the "Starting Strength" brand or other format (including using the System and/or Marks) and/or (ii) Franchisor and/or any of Franchisor's affiliates are acquired, and/or company-owned, franchised or other businesses are converted to another format, maintained under the System or otherwise. All Gyms owned by Franchisee will fully participate in any such conversion, at Franchisee's expense, which shall not exceed $25,000. Franchisee shall have a period of twelve (12) months to complete the conversion.

2. ACCEPTANCE BY FRANCHISEE

2.1 **Acceptance by Franchisee**. Franchisee accepts this Agreement and the license granted herein and agrees to develop and operate the Gym on the terms and conditions specified herein. Franchisee agrees to follow the System requirements in the operation of its Gym, including, without limitation, its facilities, staff, advertising, operations, and all other aspects of Franchisor's business and the System now in effect and changed periodically. If this is Franchisee's first Starting Strength Gym, then

Franchisee must attend and complete Franchisor's initial training program to Franchisor's satisfaction, as set forth in Section 6.3 of this Agreement.

2.2 **Conditions**. The rights being licensed herein are subject, without limitation, to the following conditions:

A. Franchisee's business and the Gym shall be identified only by those Marks approved in writing by Franchisor with at least one exterior sign as designated by Franchisor.

B. Concurrently, with the signing of this Agreement, Franchisee must execute a personal guaranty in the form attached hereto as Exhibit 4 ("Personal Guaranty"). In the event Franchisee is a legal entity having more than one owner, all owners, shareholders, partners, joint venturers, and any other person who directly or indirectly owns a 10% or greater interest in Franchisee (the "Owners") must execute the Personal Guaranty. Any person or entity that at any time after the date of this Agreement becomes an Owner, pursuant to Section 14 or otherwise, shall, as a condition of becoming an Owner, execute Franchisor's then-current form of Personal Guaranty. Franchisor reserves the right to require any such guarantor's spouse or domestic partner under local law to co-sign the Personal Guaranty.

C. Franchisee shall submit the lease for the Gym to Franchisor for its written consent before Franchisee executes the lease for the Authorized Location. The lease must contain the provisions outlined in Section 7.2 and Exhibit 5 ("Lease Addendum").

D. Franchisee agrees that it shall open the Gym for regular, continuous business no later than twelve (12) months after this Agreement is signed by Franchisor. If, through no fault of Franchisee, the Gym has not opened after twelve (12) months, but substantial progress has been made towards getting the Gym open, Franchisor may, at its sole discretion, extend the period of time to open for an additional three (3) months.

E. Franchisee agrees at all times to comply with the Manual, standards, operating systems, and other aspects of the System (collectively, the "System Standards") prescribed by Franchisor, which are subject to change at Franchisor's discretion.

3. TERM AND RENEWAL

3.1 **Term**. The term of this Agreement shall be for a period of ten (10) years beginning on the date this Agreement is accepted by Franchisor, unless sooner terminated under Section 15. Franchisee agrees to operate the Gym for the entire Term of this Agreement, unless Franchisee receives Franchisor's prior written approval to transfer its interest in the franchise pursuant to Section 14 of this Agreement, or unless the lease for the Authorized Location is terminated at no fault of Franchisee and Franchisee cannot find an alternative location to operate the franchise that is acceptable to Franchisor. The conditions to obtain a renewal Starting Strength franchise agreement are those stated below in Section 3.2.

3.2 **Renewal**. Unless terminated at an earlier date, upon the expiration of the initial term, Franchisee shall have the right to renew this Agreement for a single additional ten (10) year term, or for option terms equal to the new or extended term of the lease for the Authorized Location (or suitable alternative location approved by Franchisor), subject to satisfaction of each of the following conditions:

A. Prior to each such renewal, Franchisee shall execute Franchisor's standard form franchise agreement being offered at the time of each such renewal. The provisions of each such renewal franchise agreement may differ from and shall supersede this Agreement in all respects, including, without limitation, changes in royalty and advertising fees, except that Franchisee shall pay the renewal fee specified in Section 3.2.F., instead of the initial franchise fee. Franchisee's failure or refusal to execute and return Franchisor's then current standard form Franchise Agreement to Franchisor within thirty (30) days after receipt by Franchisee shall constitute Franchisee's election not to renew;

B. Franchisee shall demonstrate that it has the right to remain in possession of the Authorized Location for the duration of the renewal term, or that it has been able to secure and develop an alternative site acceptable to Franchisor;

C. In consideration of each such renewal of the franchise, Franchisee shall execute a general release in the form and substance satisfactory to Franchisor, releasing any and all claims against Franchisor and its affiliates, officers, directors, employees and agents;

D. Franchisee shall have completed or made arrangements to make, at Franchisee's expense, such renovation and modernization of the Gym, including the interior and exterior of the building, grounds, leasehold improvements, signs, furnishings, fixtures, equipment, and decor as Franchisor reasonably requires so the Gym conforms with the then current standards and image of Franchisor;

E. Franchisee, during the term of this Agreement, shall have substantially complied with all of the provisions of this Agreement and all other agreements with Franchisor, and shall be in compliance with the Manual and with Franchisor's policies, standards and specifications on the date of the notice of renewal and at the expiration of the initial term;

F. Franchisee shall pay to Franchisor a "Renewal Fee" in the amount of Twenty Thousand Dollars ($20,000); and

G. Franchisee shall have given Franchisor written notice of renewal no less than 90 days or more than 180 days before expiration of the initial term.

3.3 **Franchisor's Refusal to Renew Franchise**. Franchisor may refuse to renew the franchise if Franchisee is in default under this Agreement, or any other agreement with Franchisor or an affiliate of Franchisor, if Franchisee has had two or more defaults, whether cured or not, during the term of this Agreement; or if Franchisee fails to satisfy any of the foregoing conditions. Subject to the above, Franchisor will not unreasonably deny renewal of a Franchise.

3.4 **Notice of Expiration Required by Law.** If applicable law requires that Franchisor give a longer period of notice to Franchisee than herein provided prior to the expiration of the initial term or any additional term, Franchisor will give such additional required notice. If Franchisor does not give such required additional notice, this Agreement shall remain in effect on a month-to-month basis until Franchisee has received such required notice.

4. TRADEMARK STANDARDS

4.1 **Name and Ownership**. Franchisee acknowledges the validity of the Mark "Starting Strength" and all other Marks that now or in the future are or will be part of the System and agrees and recognizes that the Marks are the sole and exclusive property of Licensor, Franchisor and/or the affiliates of Franchisor. Franchisee further acknowledges that Franchisee's right to use the Marks is derived solely from this Agreement and is limited to the conduct of a Gym pursuant to and in compliance with this Agreement and all applicable standards, specifications and operating procedures prescribed by Franchisor from time to time. Any unauthorized use of the Marks by Franchisee shall be a breach of this Agreement and an infringement of the rights of Franchisor and its affiliates. Franchisee's use of the Marks inures to the benefit of Franchisor, which owns all goodwill now and hereafter associated with the Marks. Franchisee agrees not to contest ownership or registration of the Marks. Licensor or Franchisor (and/or its affiliates) own all right, title and interest in and to the Marks, and Franchisee has and acquires hereby only the qualified license granted in this Agreement.

4.2 **Use**.

A. Franchisee shall not use any Mark as part of the name of any corporation, limited liability company or other entity that Franchisee may form, including any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. Franchisee shall display and use the Marks only in the manner and form prescribed or authorized by Franchisor and shall conduct no other business than that prescribed by Franchisor. Franchisee shall not use any other mark, name, commercial symbol or logotype in connection with the operation of the Gym and shall not market any product relating to the Gym without Franchisor's written consent, and if such consent is granted, such product must be marketed in a manner acceptable to Franchisor. Franchisor may also permit Franchisee to use from time-to-time other trademarks, service marks, trade names and commercial symbols as may be designated by Franchisor in writing.

B. Franchisee agrees to give such notices of trademark and service mark registrations and copyrights as Franchisor specifies and to obtain such fictitious or assumed name registrations as may be required under applicable law.

C. Franchisee is prohibited from using the Marks in advertising, promotion or otherwise, without the appropriate "©" or "®" (copyright and registration marks) or the designations "™" or "℠" (trademark and service mark), where applicable.

D. Franchisee must not establish a website, a URL, or any email accounts, using any domain name containing the Marks or any variation thereof without the prior written consent of Franchisor.

E. Franchisee and its employees and agents will not engage in any acts or conduct that impair the goodwill associated with the Marks.

4.3 **Litigation**. Franchisee agrees to notify Franchisor immediately in writing if it becomes aware that any person who is not a licensee of Franchisor is using or infringing upon any of the Marks. Franchisee may not communicate with any person other than Franchisor and its counsel in connection with any such use or infringement. Franchisor will have discretion to determine what steps, if any, are to be taken in any instance of unauthorized use or infringement of any of its Marks and will have

complete control of any litigation or settlement in connection with any claim of an infringement or unfair competition or unauthorized use with respect to the Marks. Franchisee will execute any and all instruments and documents and will assist and cooperate with any suit or other action undertaken by Franchisor with respect to such unauthorized use or infringement such as by giving testimony or furnishing documents or other evidence. Franchisor will be responsible for legal expenses incurred by Franchisor in connection with any litigation or other legal proceeding involving such third party. Franchisor shall not be liable for any legal expenses of Franchisee unless approved in writing by Franchisor in its discretion.

4.4 **Modification, Discontinuance or Substitution**. Franchisor reserves the right, if necessary in Franchisor's sole judgment, to change the principal Mark(s) of the System on a national or regional basis, and upon reasonable notice, Franchisee shall at its expense adopt a new principal Mark(s) designated by Franchisor to identify the Gym. Franchisor shall have no liability or obligation whatsoever with respect to Franchisee's change of any Mark.

4.5 **Franchisor's Revenues**. Franchisor and its affiliates may offer to sell to Franchisee at a reasonable profit various goods and services, and reserve the right to receive fees or other consideration in connection with "Starting Strength" sales promotion and advertising programs or from System vendors.

5. FEES

5.1 **Initial Franchise Fee.** Franchisee agrees to pay Franchisor an "Initial Franchise Fee" for a single Gym upon the execution of this Agreement in the form of a cashier's check, wire transfer, or electronic check ("eCheck"). The Initial Franchise Fee for a Starting Strength Gym franchise with 4 to 10 weight-lifting platforms is $39,950. The Initial Franchise Fee is used, among other things, to offset Franchisor's costs and expenses relating to site selection assistance [if appropriate], initial training, equipment [if appropriate], establishment of suppliers, inspection, testing and other quality control programs, design assistance, initial marketing and grand opening assistance, as well as Franchisor's other costs in helping Franchisee open the franchise. The Initial Franchise Fee shall be fully earned by Franchisor upon payment and is not refundable, in whole or in part, under any circumstance.

If Franchisee enters into an area development agreement with Franchisor ("Area Development Agreement") for the development of 2 or more Gyms, the Initial Franchise Fee due under this Agreement will be reduced by: 20% if Franchisee agrees to develop 2 Gyms; 30% if Franchisee agrees to develop 3 Gyms; 40% if Franchisee agrees to develop 4 Gyms; and 50% if Franchisee agrees to develop 5 or more Gyms under the terms of and in accordance with the Area Development Agreement. The Development Fee will be credited to the Initial Franchise Fee when Franchisee signs the Franchise Agreement for each Gym, such that no further amount is due and owing by Franchisee to Franchisor in connection with any or all of the Gyms developed under the Area Development Agreement.

5.2 **Royalty Fee**. Beginning from the day Franchisee starts receiving payments for services and products in connection with the Gym, which may be before the Gym first opens for business, and continuing during the Term of this Agreement, Franchisee agrees to pay Franchisor, without setoff, credit or deduction of any nature, a royalty fee (the "Royalty Fee"). The Royalty Fee will be equal to eight percent (8%) of Franchisee's Gross Sales (as that term is defined in Section 5.3, below). The Royalty Fee will be due instantaneously, and automatically paid to Franchisor at the time sales are processed for the Gym by the approved business management or membership management software

and/or the point-of-sale reporting system designated by Franchisor, or daily, weekly, biweekly, or monthly at Franchisor's election.

5.3 **Gross Sales**. Gross Sales means the total revenues Franchisee receives, directly or indirectly, from all business conducted at or in connection with the Gym, including, but not limited to, the sale of classes, products and services, less sales taxes or similar taxes or refunds.

5.4 **Marketing Fund Contribution.** Franchisee agrees to pay Franchisor, during the term of this Agreement, two percent (2%) of Franchisee's Gross Sales, without set-off, credit or deduction of any nature, for national advertising and marketing services (the "Marketing Fund Contribution"), at the same time and in the same manner as the Royalty Fee is paid. The Marketing Fund Contribution will begin the day Franchisee starts receiving payments for services and products in connection with the Gym, which may be before the Gym first opens for business. The Marketing Fund Contribution is subject to increase at Franchisor's discretion, not to exceed three percent (3%) of Franchisee's Gross Sales. Franchisor will give Franchisee at least sixty (60) days written notice before any increase in the Marketing Fund Contribution. The Marketing Fund Contribution shall be expended in accordance with Section 9.1 herein.

5.5 **Local Marketing/Advertising Expenses.** Franchisee agrees to spend each month no less than three percent (3%) of its Gross Sales for the month on local advertising and promotion of the Gym. (See Section 9.2 for more details on Local Marketing/Advertising.)

5.6 **Advertising Cooperative Contributions**. If Franchisor establishes a local or regional advertising cooperative to promote Starting Strength Gyms in Franchisee's market area, Franchisee will be required to contribute to the cooperative in such amounts as are determined by the majority of its members, but, in no event, will Franchisee be required to pay more than four percent (4%) of its Gross Sales for combined Local Marketing and Cooperative Advertising. (See Section 9.4 for more details on Franchisee Marketing/Advertising Cooperatives.)

5.7 **Electronic Transfer.**

A. Unless Franchisor specifies otherwise, Franchisee agrees to pay any and all fees owed to Franchisor, by pre-authorized electronic debit to Franchisor's bank or other financial institution account.

B. Franchisee agrees to complete and execute an "Electronic Funds Transfer Agreement" (attached as Exhibit 2 to this Agreement) and any other form, including, without limitation, an "Electronic Debit Authorization" (attached as Exhibit 3 to this Agreement) for the purpose of authorizing an electronic debit, and to submit any information required by Franchisor for such authorization.

C. Franchisee agrees to install at its expense and use such pre-authorized payment and computerized point of sales systems, credit verification systems, automatic payment systems, electronic funds transfer systems, or automatic banking system as Franchisor in its discretion may require. This requirement may be specified by Franchisor to fulfill any business purpose reasonably related to the operation of the franchise and the Franchise Program or to permit Franchisee to make all required payments to Franchisor by automatic bank transfer.

5.8 **Interest and Late Charges**. Amounts due to Franchisor (except interest on unpaid amounts due) not paid when due shall bear interest from the date due until paid at the lesser of one and one-half

percent (1.5%) per month, or the highest rate of interest allowed by law. Franchisor may also recover its reasonable attorneys' fees, costs and other expenses incurred in collecting amounts owed by Franchisee.

5.9 **Support Fee**. If Franchisee fails to have a trained Designated Operator (defined in Section 17.5) or trained manager and/or coach(es) (approved by Franchisor) at any time during the term of this Agreement, Franchisor may provide such qualified personnel to Franchisee to fill said vacancy and charge Franchisee a support fee ("Support Fee") in the amount of $3,500 per week until a replacement or successor Designated Operator or manager has successfully completed training. The Support Fee is due and payable weekly by Franchisee to Franchisor.

5.10 **Technology Fees.** Franchisor may, at its option, make available to Franchisee certain software programs that Franchisee is required to use in the operation of the Gym and charge Franchisee a fee for the use of such software. Franchisor may bundle the costs of multiple software programs and charge Franchisee one monthly fee for all the software programs, including an administrative fee (collectively, "Technology Fees"). Franchisor may also charge Franchisee any applicable setup fees associated with the software programs. Currently, Franchisor charges a system setup and configuration fee in the amount of $1,350 for the Technology Fees. If Franchisor elects to provide this service to Franchisee, Franchisor will pay the third-party vendors directly for all fees associated with the use of the software programs, and Franchisee agrees to pay Franchisor monthly for the Technology Fees by electronic funds transfer.

5.11 **Marketing Agency Management Fees.** Upon the execution of this Agreement, Franchisor will assist Franchisee with managing any third-party marketing agency that Franchisee may hire during the term of this Agreement. The services Franchisor will provide in managing a marketing agency include, but are not limited to, establishing vendor selection criteria, interviewing and onboarding vendors, brand direction, strategic planning, project management, analytics implementation and reporting, budget planning, asset approval, and copywriting ("Marketing Management Services"). Franchisee is required to use the Marketing Management Services provided by Franchisor if Franchisee hires a third-party marketing agency during the term of this Agreement. Franchisee agrees to pay Franchisor the then-current fee for such services (the "Marketing Agency Management Fee"), which is currently $50 per hour. Franchisor will invoice Franchisee at the beginning of each month for the services provided in the immediately preceding month and Franchisee will pay Franchisor by EFT within 30 days of receipt of such invoice. The Marketing Agency Management Fees are non-refundable, in whole or in part, under any circumstances. Franchisor, at its sole discretion, may elect to stop providing the Marketing Management Services to Franchisee at any time during the term of this Agreement upon 30 days written notice to Franchisee.

5.12 **Recruiter Fees.** Upon the execution of this Agreement, Franchisor will make available to Franchisee a recruiter (the "Recruiter") to assist Franchisee with recruiting apprentices, non-certified coaches (i.e., without a Starting Strength Coach Certification), and Starting Strength Coaches. Franchisee is required to use the Recruiter and agrees to pay Franchisor a fee in the amount of $1,000 (the "Initial Recruiter Fee") for the Recruiter to post job openings, promote on social media, and source candidates through its network. The Initial Recruiter Fee is due at the signing of this Agreement by EFT. The Recruiter will refer candidates to Franchisee who have expressed an interest in working at a Starting Strength Gym in Franchisee's market area; however, Franchisee is solely responsible for vetting the candidates to ensure that they have the background, qualifications, skills, values, and personality that Franchisee desires for employment at the Gym. Franchisee is solely responsible for all employment and

hiring decisions regarding the individuals employed at the Gym, as set forth in more detail in Section 8.3, herein. In addition to the Initial Recruiter Fee, Franchisee agrees to pay Franchisor a placement fee ("Placement Fee") in the amount of $500, $1,000, or $1,500 for each non-veteran apprentice, coach (non-certified), or Starting Strength Coach, respectively, that the Recruiter refers to Franchisee and that Franchisee hires. If the apprentice, coach (non-certified), or Starting Strength Coach is a veteran who will be using his/her benefits under the GI Bill while working at the Gym, Franchisee must pay Franchisor an additional $250 for each such veteran candidate. The Placement Fee is payable by EFT and is due at the time Franchisee places a candidate referred by the Recruiter. The Recruiter Fees are non-refundable, in whole or in part, under any circumstances. After the Gym has opened for regular, continuous business, and during the remainder of the term of this Agreement, Franchisor, at its sole discretion, may elect to stop providing the aforementioned recruiting services to Franchisee upon 30 days written notice to Franchisee. If Franchisor helps Franchisee place a veteran who will be using his/her benefits under the GI Bill, Franchisee will pay Franchisor a monthly fee to manage the processing of the veteran's benefits under the GI Bill ("Veteran Apprentice Management Fee"). Currently, the monthly Veteran Apprentice Management Fee is $50. Franchisee will pay this fee as long as the veteran is using his/her benefits under the GI Bill while working at the Gym. If Franchisee currently owns and operates an existing Starting Strength Gym, Franchisee is not required to use the Recruiter and the related recruiting services for any future Starting Strength Gyms that Franchisee may purchase.

5.13 **Online Coaching Lead Fee.** Franchisor receives inquiries and requests on its website from individuals interested in receiving coaching online ("Online Coaching") and may, from time to time, refer a prospective member to Franchisee for Online Coaching. Franchisee agrees to pay Franchisor the then-current "Online Coaching Lead Fee" by EFT for each member lead Franchisee accepts from Franchisor for Online Coaching. Currently, the Online Coaching Lead Fee is $50 per lead.

5.14 **No Accord or Satisfaction; Application of Funds.**

A. If Franchisee pays, or Franchisor otherwise receives, a lesser amount than the full amount due under this Agreement for any payment due hereunder, such payment or receipt shall be applied against the longest outstanding amount due Franchisor. Franchisor may accept any check or payment in any amount without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be construed as an accord or satisfaction. Franchisor and any of its affiliates' acceptances of any payments made by Franchisee shall not be construed to be a waiver of any breach or default of any provision in this Agreement.

B. Notwithstanding any designation by Franchisee, Franchisor shall have the sole discretion to apply any payments made by, or on behalf of, Franchisee (and to apply any amounts owed to Franchisee or any of its affiliates by Franchisor or any of Franchisor's affiliates) to any of Franchisee's past due indebtedness for Royalty Fees, Marketing Fund Contributions, and other amounts owing to Franchisor or any of Franchisor's affiliates, interest or any other indebtedness of Franchisee or any of Franchisee's affiliates to Franchisor or any of Franchisor's affiliates. No restrictive endorsement on any check or in any letter or other communications accompanying any payment shall bind Franchisor or any of its affiliates.

6. FRANCHISOR SERVICES

6.1 **Site Selection and Lease Negotiations**. Franchisor has identified an independent third-party nationwide commercial real estate brokerage firm to assist Starting Strength franchisees with site selection, market research, demographic analysis and negotiation of the Letter of Intent, and Franchisee agrees to hire (at Franchisee's expense) such real estate brokerage firm to assist Franchisee in selecting a site for the Gym. Franchisor requires that Franchisee hire and use a real estate attorney designated by Franchisor to assist in negotiating the lease for the Gym and Franchisee agrees to hire such attorney. Franchisee is solely responsible for site selection. The site/property must have 645 to 2,000 usable, square feet, unless otherwise accepted by Franchisor. Franchisee must obtain the approval of Franchisor for the proposed Gym location. Franchisor agrees not to unreasonably withhold approval of a site that meets its site criteria. (See Section 1.2 for details on the Site Acceptance Process.)

6.2 **Unit Development**. Franchisor shall advise Franchisee on the proper display of the Marks, construction standards, procurement of weight-lifting equipment, furniture, fixtures, finishes, and initial inventories. Franchisee agrees to hire and use the suppliers designated and approved by Franchisor ("Approved Suppliers") for professional consulting services in the pre-construction and construction of the Gym, including, but not limited to, pre-construction assessment and planning, bid management, signage management, construction management, and construction close-out support. After Franchisee has executed a lease for the Authorized Location, Franchisor shall deliver to Franchisee specifications and standards for finishes, equipment, furnishings, fixtures, and signs relating to the Authorized Location and shall provide reasonable consultation in connection with the development of the Gym. Franchisee must hire an architect and engineer designated by Franchisor, who will prepare a complete set of site-specific, architectural design drawings, including mechanical, electrical, plumbing, if necessary, and any other applicable plans (the "Architectural Drawings") for the Gym. Franchisee agrees to make no changes, alterations or modifications whatsoever to the selected layout and design without obtaining prior written consent from Franchisor.

6.3 **Training.**

A. Online Initial Training Program. Prior to the opening of the Gym and at no charge beyond the Initial Franchise Fee, Franchisor will provide initial training conducted online (the "Online Initial Training Program") to Franchisee. Franchisee agrees to take and complete such training prior to signing a lease for the Gym. The Online Initial Training Program covers the basic aspects of establishing a Starting Strength Gym, including, but not limited to, coach recruiting, coach development, real estate, sales, and marketing. The length of the Online Initial Training Program will be determined solely by Franchisor and communicated to Franchisee prior to the training. This training is mandatory, and Franchisee must complete it to Franchisor's satisfaction, which includes attendance at all scheduled training days and times, as communicated in advance of the training, within the timeframe established by Franchisor. If Franchisee is a business entity, then the Designated Operator(s), as identified in Section 17.5, herein, must successfully complete the Online Initial Training Program.

B. Management Development Program Provided by an Existing Franchisee. Prior to the opening of the Gym, Franchisor will provide a management training program (the "Management Development Program") to Franchisee, Franchisee's proposed general manager of the Gym ("Gym Manager") and its Starting Strength Coach. This training will be conducted by an existing Starting Strength franchisee designated by Franchisor (a "Host Franchisee"). The Management Development Program is mandatory and will be conducted in two phases, as follows:

Phase 1: Approximately four (4) weeks before the Gym opens for business, Franchisee and Franchisee's Gym Manager must attend and complete training held at a franchised Starting Strength Gym designated by Franchisor and receive hands-on training (i.e., direct practical experience in the operation of a Starting Strength Gym) from a Host Franchisee. This training will be conducted by the designated Host Franchisee and will include shadowing the staff at the Host Franchisee's Gym, and other operations and development training. If Franchisee is the Gym Manager, then only Franchisee is required to attend and complete this training. Phase 1 of the Management Development Program will be approximately three (3) days consecutive days, or for any other time period as Franchisor selects, in its sole discretion, and must be completed no later than the day before the Gym opens for business. The cost of the Management Development Program will be $500 per day and will cover training for up to three individuals. Franchisee agrees to pay the Host Franchisee directly for this training. Franchisee is responsible for the compensation, travel and living expenses (if any), and any other expenses incurred by Franchisee and its employees in attending such training.

Phase 2: Within two (2) months after the Gym opens for business, Franchisor will arrange for a Gym Manager from a Starting Strength Gym owned by a Host Franchisee to visit Franchisee's Gym for two (2) consecutive days, or for any other time period as Franchisor selects, in its sole discretion, to observe and review the quality standards at the Gym and provide Franchisee, Franchisee's Gym Manager, and, if Franchisee has one, its Head Coach (who is a certified Starting Strength Coach, with a least one year of coach development and member retention experience, and designated by Franchisee as the "Head Coach" at the Gym) with additional support for the development and operation of the Gym. If Franchisee is the Gym Manager, then Franchisee and its Head Coach are required to attend and complete this training. If Franchisee is both the Gym Manager and Head Coach at the Gym, then only Franchisee is required to attend and complete this training. Phase 2 of the Management Development Program will cost $500 per day, plus reasonable travel expenses incurred by the Gym Manager conducting the training at the Gym. Franchisee agrees to pay the Host Franchisee directly for the costs of this training and the reasonable travel expenses incurred by the Host Franchisee and its Gym Manager in attending such training.

Franchisee agrees to require any new Gym Manager hired after the Gym is open for business to be trained either by the outgoing Gym Manager or by completing at least Phase 1, and, optionally, Phase 2, of the Management Development Training within the first four (4) weeks of employment. Franchisee must always have a trained Gym Manager managing the Gym. Franchisee agrees to require any new Head Coach hired after the Gym is open for business to be trained by Franchisee's Gym Manager. Franchisor may waive, at its sole discretion, any of the required training for the Gym Manager and/or Head Coach under the Management Development Program if such individuals have worked as a Gym Manager and/or Head Coach at another Starting Strength Gym before being hired by Franchisee. If Franchisee currently owns a Starting Strength Gym and is in Good Standing, Franchisee will not be required to repeat the Management Development Training Program before opening a second Gym or additional Gyms.

C. Starting Strength Coach Training Provided by Licensor. Before the Gym opens for business and all times after the Gym is open for business, Franchisee agrees to hire/employ a coach, who has earned and maintained the Starting Strength Coach Certification through Licensor's training program. There must always be at least one coach employed at the Gym with a valid Starting Strength Coach Certification, who must manage at least twelve (12) sessions per week, as set forth in the Manual. Candidates for the Starting Strength Coach Certification are evaluated in practical sessions by Licensor at

Starting Strength Seminars. Those who demonstrate the ability to coach the exercises must also pass an oral exam, which further tests their knowledge, experience, and application. The process for becoming a Starting Strength Coach is estimated to take six (6) to twelve (12) months if the candidate has professional experience coaching the Starting Strength method, and significantly longer if the candidate is a novice. The candidate will be responsible for paying Licensor any and all applicable fees for the required training to earn the Starting Strength Coach Certification. Such training will be arranged and provided by Licensor. The candidate will be responsible for all travel, lodging and living expenses while receiving such training. The Starting Strength Coach Certification requirements and standards are established solely by Licensor and are subject to change from time to time at Licensor's sole discretion.

D. Starting Strength Coach Prep Course Provided by Licensor. Before the Gym opens for business and at all times after the Gym is open for business, Franchisee must hire/employ a coach who meets Franchisor's standards, as set forth in the Manual, and is approved by Licensor to coach at the Gym. All apprentices and coaches at the Gym who do not possess a Starting Strength Coach Certification must be enrolled in the Starting Strength Coach Prep Course through Licensor's training program, as described in the Manual, and must be making progress in line with Licensor's standards. The Starting Strength Coach Prep Course will be arranged and provided by Licensor. The candidate will pay Licensor any and all applicable fees for the Starting Strength Coach Prep Course, which must be completed within five (5) months. The Starting Strength Coach Prep Course requirements and standards are established solely by Licensor and are subject to change from time to time at Licensor's sole discretion.

E. Additional Apprentice and Coach Training. In addition to the training program provided by Licensor, Franchisee agrees to require all apprentices and coaches at the Gym, who do not possess a Starting Strength Coach Certification, to train, observe, and shadow in person under a certified Starting Strength Coach. All apprentices and coaches at the Gym who are not certified must meet certain minimum criteria, as set forth by us in the Manual and otherwise communicated to Franchisee by Franchisor, including, but not limited to, apprenticing for a minimum of 30 days under the guidance of a Starting Strength Coach, and reading and studying certain books and materials by Licensor. The in-gym training will be arranged by Franchisee and provided by a Starting Strength Coach. The candidate is responsible for all travel, lodging and living expenses while receiving such training.

F. Ongoing/Refresher Training. From time to time, Franchisor may offer system-wide ongoing or refresher training to the Starting Strength franchisees, Gym Managers and/or their coaches for a reasonable fee, such training may include online and offline courses, meetings, seminars, conventions, conferences, and retreats. Franchisee agrees to personally attend or have its Gym Manager (if approved by Franchisor) attend any and all required ongoing or refresher training for Franchisee. Furthermore, Franchisee will ensure that its Gym Manager and coaches attend any required ongoing or refresher training that Franchisor should require of them. In addition to paying any required training fee(s), Franchisee is responsible for the compensation, travel and living expenses, and any other expenses incurred by Franchisee and its employees in attending such training.

G. If warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure or other event outside of Franchisor's control, Franchisor reserves the right to conduct any and all training, classes, courses, meetings, and conferences, online, telephonically, or otherwise, or to cancel or delay any and all such training, classes, courses, meetings, and conferences.

6.4 **Operations Manual**. Franchisor will grant Franchisee online access to an electronic version of the Manual during the term of this Agreement. The Manual is anticipated to codify existing mandatory and suggested specifications, standards and operating procedures currently prescribed by Franchisor. Franchisee acknowledges that Franchisor may from time to time revise its Franchise Program as well as the contents of the Manual, and Franchisee agrees to comply with each new or changed standard and specification upon notice from Franchisor. Any required specifications, standards, and/or operating procedures exist to protect Franchisor's interests in the Franchise Program, System and Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those day-to-day operational matters that are reserved to Franchisee. The Manual shall remain the sole property of Franchisor and shall be kept confidential by Franchisee both during the Term of this Agreement and subsequent to the termination, expiration, or non-renewal of this Agreement. If Franchisee in any way compromises the secure access to the online version of the Manual, including, but not limited to, allowing unauthorized users access to the Manual and its confidential contents, Franchisee will be required to pay Franchisor liquidated damages in the amount of $8,000 for each such unauthorized access or disclosure, to compensate Franchisor for the breach and related damage to the Franchise Program.

6.5 **Continuing Services**. Franchisor shall provide such continuing advisory assistance and information to Franchisee in the development and operation of the Gym as Franchisor deems advisable. Such assistance may be provided, in Franchisor's discretion, by Franchisor's directives, System bulletins, meetings and seminars, telephone, computer, e-mail, personal visits, newsletters or manuals. Franchisor may provide regular consultation and advice to Franchisee in response to inquiries from Franchisee regarding administrative and operating issues that Franchisee brings to Franchisor's attention. Franchisor may make recommendations that it deems appropriate to assist Franchisee's efforts. However, Franchisee alone will establish all requirements, consistent with Franchisor's policies, regarding (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom Franchisee will offer and sell its products and services; and (iii) the suppliers from whom Franchisee obtains any products or services used in or at the Gym for which Franchisor has not established Approved Suppliers. The rendering of any consultation, advise, assistance, consent, approval or services by Franchisor, as set forth in this Agreement, does not constitute any assurance or guaranty that such consultation, advice, assistance, consent, approval or services will result in any level of success of Franchisee's business. Franchisee hereby agrees to defend, indemnify and hold harmless Franchisor from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees, costs and interest) arising out of Franchisee's operation of the Gym, as more specifically set forth in Section 11.2, including, but not limited to, claims arising out of Franchisee's employment policies or the use of independent contractors.

6.6 **Approved/Designated Suppliers, Products and Services**.

A. Franchisor shall provide and from time to time, add to, alter or delete, at Franchisor's discretion, lists of specifications, approved distributors and suppliers, approved services and products, including, but not limited to, barbells and weight-lifting equipment, and other materials, furniture, software, hardware, and supplies used in the operation of the Gym. Franchisor has the right to require that Franchisee obtain products/services specified by Franchisor from time to time exclusively from suppliers designated or approved by Franchisor. Franchisor has the right to designate or approve a single supplier or multiple suppliers for any specified product/service and to designate a single supplier as an exclusive supplier of a required product or service. Suppliers may include, and may be limited to, Franchisor and/or companies affiliated with Franchisor. Franchisee must not offer or sell any products

or services not approved by Franchisor. If Franchisor disapproves a particular item, Franchisee will not use it.

B. Designation or approval of a supplier may be conditioned on factors established by Franchisor as it considers appropriate, including without limitation performance relating to frequency of delivery, standards of service, inability to maintain quality/adequate supply of goods, inability to meet or maintain acceptable pricing, and payment or other consideration to Franchisor or parties designated by Franchisor. Franchisor can approve, or revoke or deny approval, of particular items or suppliers in its sole discretion. Franchisor and its affiliates reserve the right to receive rebates, incentive amounts, discounts and other economic benefits from any supplier and have the right to realize a profit on the sales of products and/or services to Franchisee.

6.7 **Pricing.** Franchisor has developed an image that is based in part on consistent and reasonable prices for products and services offered under the Franchise Program. To promote a consistent consumer experience, and to maximize the value of the products and services offered at the Gyms, and subject to applicable law, Franchisor may require fixed minimum or maximum prices for any products or services offered at the Gym and by Franchisee. Franchisee is obligated to use the pricing required by Franchisor, unless Franchisor consents to changes in local pricing offered by Franchisee in order to (i) allow Franchisee to respond to unique, local, marketing conditions, competition, or expenses; or (ii) comply with changes or interpretations in State or Federal anti-trust laws. Consistent with State or Federal law, Franchisor reserves the right to change or eliminate its pricing program in the future, or to move from a required to recommended pricing structure. Franchisee acknowledges and agrees that any maximum, minimum or other prices Franchisor prescribes or suggests may or may not optimize the revenues or profitability of the Gym, and Franchisee irrevocably waives any and all claims arising from or related to Franchisor's prescription or suggestion of the Gym's retail prices.

6.8 **National Marketing Fund.** Franchisor may, in its sole discretion, institute, maintain and administer a national marketing fund for such advertising or public relations programs as Franchisor, in its discretion, may deem necessary or appropriate to advertise and promote the "Starting Strength" brand pursuant to Section 9.1 of this Agreement.

6.9 **Grand Opening Advertising Assistance.** Franchisor shall consult and advise Franchisee on the advertising, marketing and promotion for the Grand Opening of the Gym.

6.10 **Webstore Management**. At Franchisor's sole election and without any obligation whatsoever to do so, Franchisor will create and manage a Starting Strength website for the Gym through Franchisor's Starting Strength Platform (the "Platform"). Additionally, Franchisor will generate and manage through the Platform an e-commerce webstore (the "Webstore") that sells Starting Strength brand apparel and other items for Franchisee. Franchisee agrees to have Franchisor generate and manage the Webstore for the Gym in accordance with the terms and conditions of an e-commerce agreement, in the form attached hereto as Exhibit 7 (the "Webstore E-Commerce Agreement"), which Franchisee agrees to execute with Franchisor. Franchisor, at its sole discretion, may choose to no longer provide this service on behalf of Franchisee and may cancel the Webstore E-Commerce Agreement upon 60 days prior written notice to Franchisee. The Website and Webstore will be hosted by third-party vendors designated by Franchisor (the "Hosts"). The Hosts will be responsible for data backup services on the data stored in the Website for Franchisee. Franchisor is specifically not responsible for unintentional damages or loss, either incidental or direct, caused by a loss of Franchisee's or the Gym's members/customers' information.

6.11 **Notice of Completion of Pre-Opening Obligations**. After Franchisor has completed its pre-opening obligations to Franchisee under this Agreement, Franchisor may require Franchisee to sign and deliver to Franchisor confirmation that Franchisor has performed its pre-opening obligations in a form that Franchisor reasonably requests ("Notice of Completion"). If Franchisor asks Franchisee to provide Franchisor with such Notice of Completion, Franchisee must sign and deliver it to Franchisor within five (5) days after Franchisor's request. The term "pre-opening obligations" means the obligations Franchisor has provided to Franchisee under this Agreement that must be performed before the date that the Franchised Business starts its operations. If Franchisee reasonably believes that Franchisor has not completed its pre-opening obligations to Franchisee, Franchisee must provide Franchisor with a notice in writing, withing that same five (5) day period, specifying those pre-opening obligations that have not been performed ("Remaining Obligations"). Within five (5) days following our completion of the Remaining Obligations, Franchisee must execute and deliver to Franchisor the Notice of Completion notwithstanding that Franchisor's performance of such obligations was concluded after the time of performance required by this Agreement. In the event Franchisee fails to timely sign and deliver to Franchisor a Notice of Completion (or notice of Remaining Obligations) Franchisee will be deemed to have confirmed that all of Franchisor's pre-opening obligations have been met.

7. FACILITY STANDARDS, LEASE AND CONSTRUCTION

7.1 **Facility Specifications.** Franchisee's Gym shall meet the following conditions:

A. The Gym shall be laid out, designed, constructed or improved, equipped and furnished in accordance with Franchisor's standards and specifications. Equipment, furnishings, fixtures, hardware, finishes, decor and signs for the Gym shall be purchased from suppliers approved or designated by Franchisor. Although Franchisor may set a specification or require use of an approved supplier in its sole discretion, Franchisor makes no representations or warranties about the specification, or about the goods or services provided by such supplier. Franchisor is not liable for any damages, injuries or losses caused by or due to the actions, services or products supplied to Franchisee from any third-party supplier approved by Franchisor. Franchisee acknowledges that it is responsible for supervising the build-out of the Gym and the installation of equipment, fixtures and signage. Franchisee may remodel or alter the Gym, or change its equipment, furniture or fixtures, only with Franchisor's written consent. Franchisee must obtain any and all necessary permits and licenses, and comply with any and all other legal or architectural requirements in the design and construction of the Gym. Franchisee agrees to hire and use the construction specialists designated by Franchisor for pre-opening management in the pre-construction and construction of the Gym. The Gym shall contain or display only signage that has been specifically approved or designed by Franchisor. Franchisee agrees to purchase all signage for the Gym from the Approved Suppliers designated by Franchisor for signage.

B. The Gym and all weight-lifting equipment shall be maintained in accordance with standards and specifications established by Franchisor or prescribed after inspection of the Gym. Franchisee shall promptly repair or replace defective or obsolete equipment, signage, fixtures or any other item of the interior or exterior that is in need of repair, refurbishing or redecorating in accordance with such standards established (and updated from time to time) by Franchisor or as may be required by Franchisee's lease.

C. Franchisee recognizes that the Franchise Program will evolve. Franchisee further understands that barbells and other weight-lifting equipment wears out, breaks down, or becomes

obsolete. Consequently, from time to time, as Franchisor requires, Franchisee must modernize and/or replace items of the Trade Dress or Gym equipment as may be necessary for the Gym to conform to the standards for new Gyms. Further, Franchisee will be required to thoroughly modernize or remodel the Gym when requested by Franchisor, but no more than once every 5 years. This may include replacing barbells and weight-lifting equipment and gear, and other updates and improvements. Franchisee acknowledges that this obligation could result in Franchisee making extensive structural changes to, and significantly remodeling and renovating the Gym, and Franchisee agrees to incur, without limitation, any capital expenditures required in order to comply with this obligation and Franchisor's requirements. Within 60 days after receiving written notice from Franchisor, Franchisee shall have plans prepared according to the standards and specifications that Franchisor prescribes, and Franchisee must submit those plans to Franchisor for its approval. Franchisee agrees to complete all work according to the plans that Franchisor approves within the time period that Franchisor reasonably specifies and in accordance with this Agreement. Franchisor, or its affiliate, will hold themselves, and the Gyms they operate (if any) to the same high standard, and same frequency for replacement and renovation as is expected of Franchisee. If any such expenditures required by Franchisor pursuant to this provision cannot be amortized over the remaining term of this Agreement, and if the remaining term is less than twenty-four (24) months, then Franchisee will not be required to make such improvements, replacements or renovations at that time.

D. The Gym shall contain signage prominently identifying Franchisee by name as an independently owned and operated franchisee of Franchisor.

E. The Gym must have surveillance cameras installed, at the sole expense of Franchisee, for security purposes. The cameras must monitor inside and, if permitted by the lease, outside of the front and back entrances to the Gym. Franchisor shall have the right to monitor any and all surveillance cameras at the Gym. Franchisee agrees to indemnify Franchisor for any breaches of privacy from Franchisee's use of any surveillance camera.

F. Franchisor may place in a conspicuous location signage, language and informational materials, including, without limitation, a brochure rack on the customer counter and various signage and/or language on the front doors and/or windows relating to its franchise opportunities at any time during the term of this Agreement and any extensions to this Agreement.

7.2 **Lease**. Franchisee is solely responsible for purchasing or leasing a suitable site for the Gym. Franchisee must submit the LOI and lease for the Gym to Franchisor for its written consent before Franchisee executes the LOI and lease for the Authorized Location. Franchisor will not withhold consent arbitrarily; however, any lease must contain substantially the following provisions: (1) "The leased premises will be used only for the operation of a Starting Strength Franchise;" (2) "The employees of Franchisor will have the right to enter the leased premises to make any modifications necessary to protect the System and proprietary marks thereof;" (3) "Lessee agrees that Lessor may, upon request of Franchisor disclose to said Franchisor all reports, information or data in Lessor's possession with respect to sales made in, upon or from the leased premises;" and (4) a conditional assignment clause to be contained in a lease rider in a form approved by Franchisor, which shall provide that Franchisor (or its designee) may, upon termination, expiration, non-renewal or proposed assignment of this Agreement, at Franchisor's sole option, take an assignment of Franchisee's interest thereunder, without the consent of the Lessor or property owner, without liability for accrued obligations, payment of additional consideration or increase in rent, and at any time thereafter, reassign the lease to a new franchisee. Franchisor's execution of this Agreement is conditioned upon the above-referenced lease addendum in

the form attached hereto, as Exhibit 5 ("Lease Addendum"), which shall be signed by Franchisee and attached and made part of the lease for the Gym. Franchisee agrees to hire and use the real estate attorney designated by Franchisor to negotiate and review the lease for the Gym.

7.3 **Development of the Gym.**

A. Franchisee agrees that prior to obtaining possession of the Authorized Location, Franchisee will promptly, at Franchisee's sole expense:

(1) Obtain any standard plans and/or specifications from Franchisor;

(2) Employ a qualified licensed architect and engineer, designated by Franchisor, to prepare the Architectural Drawings for the Gym, and submit same to Franchisor for review and approval prior to commencing construction; and

(3) Employ a Project Manager, designated by Franchisor, for pre-construction management (i.e., assessment and planning, bid management, and signage management) and construction management (i.e., active construction, contract management, and construction close-out support). Franchisor is not acting as a general contractor in providing such consultation services to Franchisee.

B. Franchisee agrees that after obtaining possession of the Authorized Location, Franchisee will promptly, at Franchisee's sole expense:

(1) Complete the construction or remodeling of the Gym in full and strict compliance with plans and specifications approved by Franchisor, and in compliance with all applicable ordinances, building codes and permit requirements;

(2) Purchase or lease, in accordance with Franchisor's standards and specifications, all finishes, equipment, fixtures, furniture, inventory, supplies and signs required for the Gym;

(3) Hire and train the initial operating personnel according to Franchisor's standards and specifications; and

(4) Complete development of and have the Gym open for business not later than twelve (12) months after the date that Franchisor accepts this Agreement.

7.4 **Franchisee's Responsibility.** Although Franchisor may provide Franchisee with various standard or sample plans and specifications with respect to constructing and equipping the Gym, it is Franchisee's sole responsibility to construct and equip the Gym in compliance with all applicable federal, state and local laws and regulations, including, without limitation, all building codes, fire and safety codes, environmental laws, Occupational Safety and Health Administration laws, health laws, sanitation laws, Americans with Disabilities Act and all other requirements that may be prescribed by any federal, state or local governmental agency. Franchisor is not acting as a general contractor or providing construction advice. Franchisee must hire a general contractor, architect and engineer, designated by Franchisor, to comply with local ordinances and codes. Franchisee alone is responsible for the build out of the Authorized Location. Franchisee agrees to execute the ADA Certification Form attached to this Agreement as Exhibit 6. Franchisor makes no representations or warranties that any of the standard or

sample plans and specifications provided to Franchisee comply with such laws and regulations. Franchisee agrees to indemnify, defend and hold harmless Franchisor with respect to any standard or sample plans and specifications provided by Franchisor and with respect to the construction and equipping of the Gym.

8. GYM IMAGE AND OPERATING STANDARDS

8.1 **Compliance**. Franchisee acknowledges and agrees that every detail regarding the appearance and operation of the Gym is important to Franchisor, Franchisee, the Franchise Program and other Starting Strength franchisees in order to maintain high and uniform operating standards, to increase demand for the products and services sold by all franchisees, and to protect Franchisor's reputation and goodwill, and, accordingly, Franchisee agrees to comply strictly at all times with the requirements of this Agreement and Franchisor's standards and specifications (whether contained in the Manual or any other written or oral communication to Franchisee by Franchisor) relating to the appearance or operation of the Gym. Franchisee acknowledges that other Gyms may operate under different forms of agreement with Franchisor, and that the rights and obligations of the parties to other agreements may differ from those hereunder.

8.2 **Franchisor's Right to Inspection**. To determine whether Franchisee is complying with this Agreement and Franchisor's standards and specifications, Franchisor reserves the right to supervise, determine and approve the standards of appearance, quality and service pertinent to the Gym including, without limitation, the right at any reasonable time and without prior notice to Franchisee to: (1) inspect and examine the business premises, weight-lifting equipment, facilities and operation of the Gym, (2) interview Franchisee and Franchisee's employees, including any independent contractors; (3) interview Franchisee's members and customers, suppliers and any other person with whom Franchisee does business; (4) confer with members and staff of government agencies with authority over Franchisee about matters relevant to the Gym; and (5) use "mystery shoppers," who may pose as customers and evaluate Franchisee and Franchisee's operations.

8.3 **Personnel.** Franchisee agrees to employ in the operation of the Gym only persons of high character and ability who maintain and exhibit traits of enthusiasm, cleanliness, neatness, friendliness, honesty and loyalty, it being recognized by Franchisee that such persons are necessary in order to promote and maintain customer satisfaction and the goodwill of the Franchise Program and System. Franchisee agrees to staff the Gym at all times with a sufficient number of qualified, competent personnel who have been trained in accordance with Franchisor's standards. All employees Franchisee hires or employs at the Gym will be Franchisee's employees and Franchisee's employees alone, and will not, for any purpose, be deemed to be Franchisor's employees or subject to Franchisor's direct or indirect control, most particularly with respect to any mandated or other insurance coverage, taxes or contributions, or requirements regarding withholdings, levied or fixed by any governmental authority. Franchisee will file its own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments for its employees and operations. Franchisor will not have the power to hire or fire Franchisee's employees. Franchisor's authority under this Agreement to train and approve Franchisee's supervisorial or managerial personnel for qualification to perform certain functions at the Gym does not directly or indirectly vest Franchisor with the power to hire, fire or control any of Franchisee's personnel. Franchisee will be solely responsible for all hiring and employment decisions and functions relating to the Gym, including those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, regardless of whether Franchisee has

received advice from Franchisor on these subjects or not. Franchisee is responsible for obtaining its own independent legal advice regarding the hiring of employees and independent contractors, and complying with any and all applicable laws pertaining thereto. Franchisee shall engage in no discriminatory employment practices and shall in every way comply with all applicable laws, rules and regulations of federal, state and local governmental agencies, including, without limitation, all wage-hour, civil rights, immigration, employee safety and related employment and payroll related laws. Franchisee shall make all necessary filings with, and pay all taxes and fees due to, the Internal Revenue Service and all other federal, state and local governmental agencies or entities to which filings and payments are required. Any guidance Franchisor may give Franchisee regarding employment policies should be considered merely examples. Franchisee will be responsible for establishing and implementing its own employment policies, including, but not limited to, creating its own employee handbook, and should do so in consultation with local legal counsel experienced in employment law. Franchisee must, through its payroll software, ensure that Franchisee's name is disclosed as the payor on each employee or contractor paycheck/payment. Franchisee hereby agrees to defend, indemnify and hold harmless Franchisor from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees, costs and interest) arising out of Franchisee's operation of the Gym, as more specifically set forth in Section 11.2, including but not limited to claims regarding employment, hiring and supervision at the Gym.

8.4 **Products and Services to be Offered for Sale.**

A. Franchisee acknowledges that the presentation of a uniform image to the public and the offering of uniform services and products is an essential element of a successful franchise system. In order to ensure consistency, quality and uniformity throughout the Franchise Program and System, Franchisee agrees (1) to sell or offer for sale only the services or products that have been expressly approved for sale by Franchisor; (2) to sell or offer for sale all services and products required by Franchisor; (3) not to deviate from Franchisor's standards and specifications; and (4) to discontinue selling and offering for sale any services or products that Franchisor may, in its discretion, disapprove at any time. Franchisor shall supply Franchisee with a list of suppliers from which Franchisee is required to purchase barbells, weight-lifting equipment, and other related items, products or services for the Gym. Franchisor may change this list from time to time, and upon notification to Franchisee, Franchisee shall only purchase the products and/or services from Approved Suppliers as specified on the changed list. Franchisor, or an affiliate of Franchisor, may be a designated or approved supplier of certain weight-lifting or strength-training equipment, gear, merchandise, apparel and supplies, including supplements. Franchisee agrees to keep the Gym and weight-lifting equipment in clean condition, with all equipment well-maintained and operational, and be able at all times during business hours to provide members with all services and products specified by Franchisor.

B. Franchisee agrees that all weight-lifting and strength-training equipment must be purchased exclusively from Approved Suppliers, must be maintained according to manufacturer or Franchisor specifications, as applicable.

C. Franchisee and those it employs must coach Starting Strength classes exactly as specified in the Manual and in other training materials provided by Franchisor. Franchisee agrees not to add any barbell training, lifting exercises, or other strength-training and/or conditioning exercises that are not approved by Franchisor, and Franchisee agrees not to leave out any barbell training, lifting exercises, or other strength-training and/or conditioning exercises that are required by Franchisor.

D. Franchisee may allow certain members to have unsupervised access to the Gym to train outside the Gym's regular business hours, or in the "off-hours." Such members must meet certain criteria established by Franchisor, as set forth in the Manual or otherwise communicated to Franchisee by Franchisor. Franchisee agrees to require any and all members who train outside the staffed business hours to sign a standard liability waiver in a form that is satisfactory to Franchisor. Such form of liability waiver must release Franchisor in addition to Franchisee.

E. If Franchisee proposes to offer for sale any products, classes or services that have not been approved by Franchisor, Franchisee shall first notify Franchisor in writing and submit sufficient information, specifications and samples concerning such product, classes and/or supplier and/or service for a determination by the Franchisor whether such product, classes or supplier of service complies with the Franchisor's specifications and standards and/or whether such supplier meets the Franchisor's approved supplier criteria. Franchisor shall, within ninety (90) days, notify Franchisee in writing whether or not such proposed product, class and/or supplier or service is approved, as determined in Franchisor's discretion. Franchisor reserves the right to charge Franchisee reasonable costs in connection with Franchisor's review, evaluation and approval of alternative suppliers. These charges may include reimbursement for travel, accommodations, meal expenses, and personnel wages. Franchisor may from time to time prescribe procedures for the submission of requests for approved products and/or suppliers or services and obligations that Approved Suppliers must assume (which may be incorporated in a written agreement to be executed by Approved Suppliers). Franchisor reserves the right to revoke its approval of a previously authorized supplier, product, class or service when Franchisor determines in its discretion that such supplier, product, class or service is not meeting the specifications and standards established by Franchisor. If Franchisor modifies its list of approved products, classes and/or suppliers and/or services, Franchisee shall not, after receipt in writing of such modification, reorder any product or utilize any supplier, product, class or service that is no longer approved.

F. Franchisee acknowledges and agrees that Franchisor may become an approved or designated supplier for certain weight-lifting and strength-training equipment, and other equipment, products, logo items, signage and artwork; that Franchisor may derive income from the sale of such items, and that the price charged by Franchisor may reflect an ordinary and reasonable profit consistent with a business of the kind that produces and/or supplies such items.

G. Franchisee acknowledges and agrees that Franchisor may sell products and services to members located anywhere, even if such products and services are similar to what Franchisor sells to Franchisee and what Franchisee offers at the Gym. Franchisor may use the internet or alternative channels of commerce to sell Starting Strength brand products and services. Franchisee may only sell the products and services from the Gym's approved location, and may only use the internet or alternative channels of commerce to offer or sell the products and services, as permitted by Franchisor, in order to register members for classes. Nothing in the foregoing shall prohibit Franchisee from obtaining members over the Internet provided Franchisee's internet presence and content comply with the requirements of this Agreement.

H. Except as provided elsewhere in this Agreement, Franchisee, other Starting Strength franchisees, Franchisor and its affiliates are not prohibited from soliciting prospective members wherever they live or work. As such, Franchisee is not prevented from soliciting members who live or work inside the protected territories granted to other Starting Strength franchisees, or territories held by Franchisor or its affiliates. Similarly, other Starting Strength franchisees, Franchisor and its affiliates are not prohibited from soliciting members who live or work within Franchisee's protected territory.

Franchisee is not entitled to any compensation, allowance, payment or other consideration on account of any members who live or work within its protected territory and who become members of Starting Strength Gyms owned by others.

I have read the above Section 8.4 H., understand it, and agree with it.

Your Initials: _____/_____

I. Unless Franchisor directs otherwise, Franchisee agrees not to sell vitamins, supplements or other nutritional products, beverages, drinks or food items at the Gym.

J. Franchisee acknowledges and agrees that absolutely no cash payments may be accepted by Franchisee or its employees for services and products provided at the Gym. All payments for services and products must be transacted through the approved business management or membership management software and/or the point-of-sale reporting system designated by Franchisor. Any violation of this Subsection 8.4 I. shall constitute a material breach of this Agreement.

8.5 **Compliance with Laws.**

A. Franchisee agrees to comply with all federal, state and local laws, rules, and regulations and shall as soon as practicable, but in any event prior to the opening for business of the Gym, obtain all municipal and state permits, certificates or licenses necessary to operate the Gym and shall file and publish, if required by applicable law, a certificate of doing business (whether under a fictitious name or otherwise). Franchisee acknowledges and agrees that it has the sole responsibility to investigate and comply with any applicable laws in the state where the Gym is located that are specific to the operation of a health/fitness Gym. Franchisee shall have a staff person available during the Gym's regular business hours of operation that is certified in basic cardiopulmonary resuscitation or other specialized medical training. Additionally, Franchisee shall have an automated external defibrillator and other first aid equipment on the premises. Franchisee shall operate and maintain the Gym in strict compliance with all employment laws, building codes, fire and safety codes, environmental laws, Occupational Safety and Health Administration laws, health and safety laws, sanitation laws, Americans with Disabilities Act and any other requirements that may be prescribed by any federal, state or local governmental agency. Franchisee agrees to immediately provide Franchisor with a copy of any notice received by Franchisee from any state, local or governmental agency pertaining to compliance with any codes or requirements, or the failure to comply with any codes or requirements, at the Gym. Franchisee hereby agrees to defend, indemnify and hold harmless Franchisor from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees, costs and interest) arising out of any failure of Franchisee to comply with this paragraph.

B. Franchisee hereby certifies and represents that Franchisee, and any of its affiliates, any of its partners, members, shareholders or other equity owners, and their respective employees, officers, directors representatives or agents, are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control. Franchisee hereby agrees to defend, indemnify and hold harmless Franchisor from and against any and all claims, damages, losses, risks, liabilities and

expenses (including attorney's fees, costs and interest) arising from or related to any breach of the certifications set forth in this paragraph.

C. Franchisee shall manage the Gym and its staff in compliance with all laws, the Manual and any other general policies as prescribed by Franchisor. Franchisee agrees to abide by all employment laws, including, without limitation, Title VII of the Civil Rights Act, Family and Medical Leave Act, ADA, Consolidated Omnibus Budget Reconciliation Act, Fair Labor Standards Act, all state wage and hour laws, Internal Revenue Code and the immigration laws. Franchisor may from time to time provide information or training to assist Franchisee in gaining knowledge about applicable laws, but this does not in any way relieve Franchisee of its full responsibility and sole obligation to comply with such laws.

D. Franchisee shall honor all credit, charge, courtesy and cash cards that Franchisor approves in writing. To the extent Franchisee stores, processes, transmits or otherwise accesses or possesses cardholder data in connection with the sale of products and services at the Gym, Franchisee is required to maintain the security of cardholder data and adhere to the then-current credit card security standards which can be found at www.pcisecuritystandards.org for the protection of cardholder data throughout the Term of this Agreement. Franchisee is responsible for the security of cardholder data in its possession or control and in the possession or control of any of its employees that Franchisee engages to process credit cards. At Franchisor's request, Franchisee agrees to provide appropriate documentation to Franchisor to demonstrate compliance by Franchisee and all its employees with the Payment Card Industry Data Security Standard ("PCI DSS") requirements. In the event of a breach or intrusion of or otherwise unauthorized access to cardholder data, Franchisee must immediately notify Franchisor in the manner required in the PCI DSS requirements and provide an approved third-party full access to conduct a thorough security review following a security intrusion. In the event of termination or expiration of this Agreement, Franchisee and its respective successors and permitted assigns shall ensure compliance with PCI DSS requirements even after expiration of this Agreement.

8.6 **Operational Efforts**. Franchisee may designate a manager to assist in the direct, day-to-day, supervision of the operations of the Gym. The manager must complete the initial training requirements and all additional training reasonably required by Franchisor. Franchisee agrees to keep Franchisor advised, in writing, of any manager and all coaches involved in the operation of the franchised business and their contact information. Franchisee agrees to keep the Gym open for the hours stated in the Manual and as deemed appropriate by Franchisor.

8.7 **Good Standing**. Franchisee will be considered in "Good Standing" if Franchisee is not in default of any obligation to Franchisor or any of Franchisor's affiliates, whether arising under this Agreement or any other agreement between Franchisee and Franchisor (or any of Franchisor's affiliates), the Manual or other System requirements.

8.8 **Performance Standards**. Franchisee and Franchisor have a shared interest in the Gym performing at or above the System Standards, and meeting a minimum sales quota ("Minimum Sales Quota"). Franchisor would not have entered into this franchise relationship if Franchisor had anticipated that Franchisee would not meet these Performance Standards.

A. System Standards. Franchisor may choose, in its sole discretion, to evaluate the Gym for compliance with the System Standards using various methods (including, but not limited to, inspections, field service visits, member comments/surveys, and secret shopper reports.) Franchisee must meet minimum standards for cleanliness, equipment condition, repair and function, and customer service.

Franchisee's employees, including any independent contractors, must meet minimum standards for courteousness and customer service. Franchisee, or someone Franchisee hires, must follow up with every new inquiry pertaining to the Gym within one hour of Franchisee's receipt of the inquiry, during regular business hours, regardless of the day, including holidays.

B. Minimum Sales Quota. Unless waived by Franchisor or excused because of *force majeure*, Franchisee must meet a certain Minimum Sales Quota. If Franchisee fails to achieve and maintain $150,000 per year of Gross Sales, by the 1st year anniversary of the opening of the Gym, or $200,000 per year of Gross Sales by the end of the 2nd year anniversary, or $300,000 per year of Gross Sales by the end of the 3rd year and each succeeding year thereafter, Franchisor may institute a corrective training program and/or require Franchisee to perform additional local marketing. If Franchisee fails to meet the Minimum Sales Quota for twenty-four (24) consecutive months at any time during the Term of this Agreement, Franchisor may institute a mandatory corrective training program or terminate this Agreement at its sole discretion.

8.9 **Media Inquiries and Crisis Situations**. Franchisee shall immediately notify Franchisor upon the occurrence of any situation that may have a material impact on Franchisee, Franchisor, the Starting Strength Gym, or which could have a deleterious effect on the Brand, Marks, or System. Franchisee shall also notify Franchisor immediately when Franchisee receives any media inquiries concerning the Starting Strength Gym or its location, including, but not limited to, the business operation and incidents and occurrences related to a customer or employee, and Franchisee shall direct all media inquiries to Franchisor. Neither Franchisee, Franchisee's employees nor anyone on Franchisee's behalf may comment to any broadcast medium about the System, except as directed by Franchisor. Franchisee shall follow all of Franchisor's policies, procedures, and instructions in every such situation, including, without limitation, managing public relations and communications, as directed by the Franchisor or as specified in the Manuals, whether or not Franchisee has retained outside counsel or a public relations firm to assist with such matters. Franchisor acknowledges that in certain cases Franchisee may be approached by media during, for example, an incident involving a fire or other disasters, and such impromptu comments are not intended to be prevented by this Section. Franchisee agrees that it will behave in a professional and courteous manner in any such impromptu interviews and will not discuss the System, but only the incident. Franchisee shall notify Franchisor at the first possible opportunity following the interview. Franchisee may not disseminate any press release unless it has been reviewed and approved in advance in writing by Franchisor.

9. ADVERTISING AND MARKETING

9.1 **Marketing Fund**.

A. Franchisor will establish and administer an advertising**,** publicity and marketing fund (the "Marketing Fund") to promote Starting Strength Gyms and the brand. Franchisee will be required to make a contribution ("Marketing Fund Contribution") of two percent (2%) of its Gross Sales (as defined in Section 5.4) to the Marketing Fund. Such Marketing Fund Contribution will begin the day Franchisee starts receiving payments for services and products in connection with the Gym, which may be before the Gym first opens for business, and will be paid to Franchisor at the same time and in the same manner as the Royalty Fee. Upon thirty (30) days' notice to Franchisee, the Marketing Fund Contribution may be increased or decreased, at Franchisor's sole discretion, but shall not be higher than three percent (3%) of Franchisee's Gross Sales.

B. The Marketing Fund will be maintained and operated by Franchisor to meet the costs of conducting regional and national advertising and promotional activities which are deemed most beneficial to the Franchise Program, including the System. The Marketing Fund may be used for (among other things) product development; signage; creation, production and distribution of marketing, advertising, public relations and other materials in any medium, including the Internet; administration expenses; legal fees incurred by or spent defending the Marketing Fund; brand/image campaigns; government lobbying; media; national, regional and other marketing programs; activities to promote current and/or future Starting Strength Gyms and the "Starting Strength" brand; agency and consulting services; research, any expenses approved by Franchisor and associated with franchisee advisory groups (if any); and all or portions of the salaries, benefits or expenses of people Franchisor employs who work on Marketing Fund matters (except that such salaries, benefits or expenses will be charged pro rata based on the time they spend on Marketing Fund matters.) Among other things, Marketing Fund Contributions may be used for website development/operation and to pay Internet, Intranet, URL, 800 or similar number, and other charges, fees and/or expenses. A brief statement regarding the availability of Starting Strength franchises may be included in advertising and other items produced using the Marketing Fund.

C. Franchisor may spend in any calendar year more or less than the total Marketing Fund Contributions to the Marketing Fund in that year. Franchisor may cause the Marketing Fund to invest any surplus for future use by the Marketing Fund.

D. Franchisor and/or any Franchisor-Related Persons/Entities can provide goods, services, materials, etc. (including administrative services and/or "in-house advertising agency" services) and be compensated and/or reimbursed for the same by the Marketing Fund, provided that any such compensation must be reasonable in amount and approved by Franchisor. Franchisor can arrange for goods, services, materials, etc. (including administrative services) to be provided by independent persons/companies and all related costs, fees, etc. will be paid by the Marketing Fund.

E. The Marketing Fund will be accounted for separately from Franchisor's other funds and Franchisor will not use the Marketing Fund for it general operating expenses. All taxes of any kind incurred in connection with or related to the Marketing Fund, its activities, contributions to the Marketing Fund and/or any other Marketing Fund aspect, whether imposed on Franchisor, the Marketing Fund or any other related party, will be the sole responsibility of the Marketing Fund. A statement of monies collected and costs incurred by the Marketing Fund will be prepared annually by Franchisor and be furnished to Franchisee upon written request. Franchisor may (but is not required to) have financial statements of the Marketing Fund audited and any costs in connection therewith will be paid by the Marketing Fund. All interest earned on monies contributed to, or held in, the Marketing Fund will be remitted to the Marketing Fund and will be subject to the restrictions of the relevant Franchise Agreement(s).

F. Franchisee acknowledges that the Marketing Fund Contributions are intended to maximize general public recognition of and the acceptance of the Intellectual Property for the benefit of the Franchise Program and System as a whole. Notwithstanding the foregoing, Franchisor undertakes no obligation, in administering the Marketing Fund Contributions to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution, or to insure that any particular Starting Strength Gym benefits directly or *pro rata* from advertising or promotion conducted with the Marketing Fund Contributions.

G. Franchisor maintains the right to terminate the collection and disbursement of the Marketing Fund Contributions and the Marketing Fund. Upon termination, Franchisor will disburse the remaining funds for the purposes authorized under this Agreement.

H. The Starting Strength Gyms that Franchisor or its affiliates operate will contribute to the Marketing Fund on the same basis as Franchisee is required to contribute.

9.2 **Local Marketing/Advertising Activities.**

A. Franchisee is responsible for local marketing and advertising activities to attract members to the Gym. Franchisor recommends that Franchisee spend no less than 3% of its Gross Sales for the month on local advertising and promotion of the Gym, including expenditures on social media activities.

B. Franchisee's advertising will be in good taste and conform to ethical and legal standards. Additionally, all advertising and marketing by Franchisee must conform and comply with Franchisor's brand standards and requirements for advertising and marketing, as set forth in the Manual and otherwise communicated to Franchisee by Franchisor. Franchisee must submit to Franchisor all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet, World Wide Web or otherwise, that Franchisee develops and plans to use. Franchisor retains the right to approve or disapprove of such advertising, in its sole discretion. Franchisee agrees not to use any materials or programs disapproved by Franchisor.

C. Franchisor must approve any form of co-branding, or advertising with other brands, products or services, in writing, in advance.

9.3 **Social Media Activities.** Franchisor has the right to establish, maintain, modify or discontinue all internet activities pertaining to the System, including through the use of a page or profile on a social media website such as Facebook, Instagram, TikTok, Twitter or Snapchat. Franchisee may have an online presence, through social media pages approved by Franchisor. If Franchisee wishes to create a social media page or profile for its Franchised Business, then it must first obtain Franchisor's prior written consent (which Franchisor may withhold in its business judgment). If Franchisor approves Franchisee's request to create a social media page or profile, then Franchisee acknowledges and understands that any content posted to any such approved page or profile must strictly comply with Franchisor's System standards and social media policy as set forth in the Manual. To ensure brand uniformity, Franchisee must comply with the standards Franchisor develops for the System, in the manner Franchisor directs in the Manual or otherwise, with regard to Franchisor's authorization to use, and use of, blogs, common social networks (including "Facebook"), professional networks (including "LinkedIn"), live blogging tools (including "Twitter"), virtual worlds, file, audio and video sharing sites and other similar social networking media or tools (collectively, "Social Media") that in any way references the Marks or involves the System or the Gym. Franchisee agrees to immediately remove any content that Franchisor, in its business judgment, deems to be in violation of the System standards or social media policy. Franchisee also agrees, upon Franchisor's request, to provide Franchisor with the login ID and passwords for each social media page and profile that Franchisee creates to promote its Franchised Business. Franchisee further agrees that Franchisor shall have the right to use such login credentials to remove any content that Franchisor requested that Franchisee delete but which Franchisee failed to remove.

9.4 **Franchisee Marketing/Advertising Group(s) ("Co-Ops").** Franchisor may decide to form one or more associations and/or sub-associations of the Starting Strength Gyms to conduct various marketing and advertising-related activities on a cooperative basis (a "Co-Op"). If one or more Co-Ops (local and/or regional) are formed covering Franchisee's area, then Franchisee must join and actively participate. Each Gym will be entitled to one (1) vote, but in order to vote the Gym must be in Good Standing. Franchisee may be required to contribute such amounts as are determined from time to time by such Co-Ops. (See Section 5.6 for more details on Advertising Cooperative Contributions.)

9.5 **Franchisee Advertising Council**. Franchisor reserves the right, if necessary and in Franchisor's sole judgment, to establish a Franchisee Advertising Council. The Franchisee Advertising Council will be composed of an elected body of Starting Strength franchisees for the purpose of providing the Franchisor with input on advertising and marketing issues. The Franchisee Advertising Council will operate under its own by-laws and will be purely advisory in nature and will have no operational or decision-making authority.

9.6 **Grand Opening Advertising.** Franchisee agrees to spend a minimum of $2,500 on advertising, marketing and promotion to support the Grand Opening of the Gym. Franchisor will advise Franchisee in connection with the Grand Opening advertising for the Gym. All materials used for the Grand Opening of the Gym will be subject to Franchisor's prior written approval. Franchisor, at its sole discretion, may waive or reduce the Grand Opening expenditure requirement in limited instances where the venue or other circumstances warrant it.

10. FINANCIAL REPORTS, AUDITS, COMPUTER SYSTEM AND INSURANCE REQUIREMENTS

10.1 **Records and Reports.** Franchisee shall maintain and preserve for four (4) years or such period as may be required by law (whichever is greater) from the date of their preparation such financial information relating to the Gym as Franchisor may periodically require, including without limitation, Franchisee's sales and use tax returns, register tapes and reports, sales reports, purchase records, and full, complete and accurate books, records and accounts prepared in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor. Franchisee agrees that its financial records shall be accurate and up to date at all times. Franchisee agrees to promptly furnish any and all financial information, including tax records and returns, relating to the Gym and of each of the principal owners to Franchisor on request.

10.2 **Right to Conduct Audit or Review**. Franchisor shall have the right, in its sole determination, to require a review by such representative(s) as Franchisor shall choose, of all information pertaining to the Gym including, without limitation financial records, books, tax returns, papers, and business management software programs of Franchisee at any time during normal business hours without prior notice for the purpose of accurately tracking unit and System-wide sales, sales increases or decreases, effectiveness of advertising and promotions, and for other reasonable business purposes. Such review will take place at the Gym or Franchisee's head office (if different), or both, and Franchisee agrees to provide all information pertaining to the Gym requested by Franchisor during its review. If the review is done because of a failure by Franchisee to furnish reports, supporting records or other required information or to furnish the reports and information on a timely basis, Franchisee shall reimburse Franchisor for all costs of the audit or review including, without limitation, travel, lodging, wage expense and reasonable accounting and legal expense. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or applicable law. Franchisor shall have the right

to conduct an audit and/or review of all information pertaining to the Franchised Business upon termination or expiration of this Agreement.

10.3 **Computer System, Equipment and Software.**

A. Franchisee must acquire a Computer System as designated by Franchisor for use in the operation of the Gym. The Computer System shall include, but is not limited to, a computer(s), which may be a desktop, laptop or tablet computer; a smartphone; and electronic data processing and communications hardware and software, including voicemail, and a business management system and/or a point-of-sale ("POS") reporting system. Franchisee agrees to maintain broadband connection to the required Computer System and to any other specified points of connection according to Franchisor's standards and specifications. Franchisee must upgrade and maintain the computer hardware and software and the POS system, if applicable, in the Gym, as required by Franchisor from time to time, and pay any fees associated with such upgrades. Franchisor reserves the right, at its sole discretion, to apply such upgrades or changes automatically and without notice in the event that Franchisee fails to promptly take action to operate the Gym to required standards.

B. Franchisee agrees to record all of its receipts, expenses, invoices, member lists, class schedules and other business information promptly in the Computer System and use the software programs and/or POS system that Franchisor specifies or otherwise approves. Franchisor will have independent access, at all times, to information Franchisee generates and stores on the Computer System, including, but not limited to, sales, reports, records, and other accounting information, and software used in the operation of the Gym. Franchisee acknowledges and understands that the business management software and/or POS system is designed to enable Franchisor to have immediate access to the information monitored by the Franchise Program, and there is no contractual limitation on Franchisor's access or use of the information Franchisor obtains. Franchisor reserves the right to change the Computer System, and the accounting, business operations, customer service and other software at any time.

C. Data, including names, addresses, contact information, and credit card or payment information of members of the Gym will be captured on the required software, and will become the joint property of Franchisee and Franchisor during the Term of this Agreement. Franchisee is solely responsible for ensuring that the capture of customer data is done in compliance with any and all local, state, and federal privacy laws. Franchisor will have independent access to information Franchisee generates and stores in the Computer System, including full and unrestricted administrative access to the business, tax, and accounting information. Franchisee will provide Franchisor with any passwords necessary to access the business information for the Gym that is stored on the required software and online. Franchisor may use such information to communicate directly to the members of the Gym, and to provide updates, information, newsletters, and special offers to the members. Franchisee must upgrade and maintain the computer system and software in the Gym, as required by Franchisor from time to time, and pay any fees associated with such upgrades. Upon expiration or termination of this Agreement, Franchisee shall have no further access or rights to the member information and Franchisor shall be the sole owner of such information.

D. Franchisee and Franchisor acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, reasonable new standards for the implementation of technology

in the Franchise Program; and Franchisee agrees that it shall abide by those reasonable new standards established by Franchisor as if this Section 10.3 was periodically revised by Franchisor for that purpose.

E. Franchisee is solely responsible for protecting itself from disruptions, Internet access failures, Internet content failures, and cyber-attacks by hackers and other unauthorized intruders, and Franchisee waives any and all claims Franchisee may have against Franchisor as the direct or indirect result of such disruptions, failures, or attacks. Franchisee agrees to use "Two Factor Authentication" for all enabled digital services that Franchisee uses in connection with the Gym, along with a unique password.

F. Franchisee agrees to take all reasonable and prudent steps necessary to ensure that its and its customers' data is protected at all times from unauthorized access or use by a third party or misuse, damage or destruction by any person.

G. Franchisee must comply with all laws and regulations relating to privacy and data protection, and must comply with any privacy policies or data protection and breach response policies Franchisor periodically may establish. Franchisee must notify Franchisor immediately of any suspected data breach at or in connection with the Gym.

10.4 **Insurance.**

A. At the time Franchisee acquires an interest in the premises for the Gym and throughout the entire term of this Agreement, Franchisee will keep in force at Franchisee's own expense and by advance payment of the premium, the following insurance coverages:

(1) Workers' Compensation and Employer's Liability Insurance as well as such other insurance, with statutory limits, as required by law in the jurisdiction where the franchised business is located. Employers Liability or "Stop Gap" insurance, with limits of not less than $1,000,000 each accident;

(2) Commercial General Liability Insurance, Occurrence form, including a per location or project aggregate, with the following coverages: owners and contractors protective liability, broad form property damage, contractual liability, severability of interest clause; personal and advertising injury; and products/completed operations; medical payments and fire damage liability; insuring you and us against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from or occurring in the course of, or on or about or otherwise relating to the Franchised Business including general aggregate coverage in the following limits:

Required Coverage	**Minimum Limits of Coverage**
General Aggregate	$2,000,000
Products/Completed Operations Aggregate	$2,000,000
Personal and Advertising Injury	$1,000,000
Each Occurrence	$1,000,000
Damage to Rented Premises (each occurrence)	$100,000
Medical Expense (any one person)	$50,000

(3) "ALL RISK" or special property coverage of not less than current replacement cost of the Gym's glass windows, equipment, fixtures and leasehold improvements sufficient in the amount to restore the Gym to full operations;

(4) Business Interruption Insurance with a minimum coverage amount of $100,000;

(5) Employment Practices Liability Insurance with a minimum coverage amount of $1,000,000 per claim and $2,000,000 aggregate; and

(6) Sexual Abuse and Molestation Liability Insurance with a minimum coverage amount of $100,000 per occurrence and $300,000 aggregate.

B. The insurance company will have at least an "A" Rating Classification as indicated in A.M. Best's Key Rating Guide.

C. Franchisor reserves the right, from time to time, in its discretion, to upgrade the insurance requirements or lower the required amounts as to policy limits, deductibles, scope of coverage, or rating of carriers in response to current industry standards, market conditions and/or landlord requirements. Within sixty (60) days of receipt of notice from Franchisor, Franchisee agrees to revise its coverage, as specified in any notice from Franchisor.

D. Franchisee's obligation to obtain and maintain the forgoing insurance policy or policies in the amounts specified shall not be limited by reason of any insurance that may be maintained by Franchisor nor relieve Franchisee of liability under the indemnity provisions set forth in this Agreement. Franchisee's insurance procurement obligations under this Section 10.4 are separate and independent of Franchisee's indemnity obligations.

E. Franchisor may require Franchisee to purchase its insurance from insurance specialists designated as Approved Suppliers by Franchisor.

F. Additional Insured Endorsement. All insurance shall name Franchisor and Licensor as additional insureds, waive any subrogation rights or other rights to assert a claim back against Franchisor and shall contain a clause requiring notice to Franchisor thirty (30) days in advance of any cancellation or material change or cancellation to any such policy. The "Additional Insured Endorsement" must be approved in writing by Franchisor and name Franchisor and its respective officers, directors, partners, members, affiliates, subsidiaries and employees as additional insureds. Additional insured status shall include, without limitation, coverage for ongoing and completed operations. The additional insured endorsement form shall be ISO CG 20 26 or any other form approved in writing by Franchisor that provides comparable coverage. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) the negligent acts, errors or omissions of Franchisor or other additional insureds. Franchisee shall maintain such additional insured status for Franchisor on its general liability policies continuously during the term of this Agreement.

G. The insurance policies described above are minimum requirements and Franchisee may purchase and maintain additional insurance policies or insurance policies with greater coverage limits. Franchisee shall provide Franchisor with copies of certificates of coverage, insurance policy endorsements, and other evidence of compliance with these requirements, at least annually, or as

Franchisor periodically requires. Franchisee's failure to obtain or the lapse of any of the required insurance coverage shall be grounds for the immediate termination of this Agreement pursuant to Section 15.2, and Franchisee agrees that any losses, claims or causes of action arising after the lapse of or termination of insurance coverage will be the sole responsibility of Franchisee and that Franchisee will hold Franchisor harmless from all such losses, claims and/or causes of action. In addition, but not to the exclusion of the foregoing remedy, if Franchisee fails to procure or maintain the required insurance, Franchisor shall have the right and authority, but not the obligation, to procure immediately the insurance and Franchisee shall reimburse Franchisor for the cost of the insurance plus reasonable expenses immediately upon written notice. Franchisee is required to submit to Franchisor a copy of a Certificate of Insurance, with Franchisor as an additional insured, showing compliance with the foregoing requirements at least thirty (30) days before Franchisee commences operation of the Gym. Franchisor shall have a security interest in all insurance proceeds to the extent Franchisee has any outstanding obligations to Franchisor.

10.5 **Gift Card Program.** Franchisee agrees to participate in any gift card program instituted by Franchisor for all Starting Strength franchisees to sell, issue, or redeem gift cards (the "Gift Card Program"). Franchisee shall sell or otherwise issue Starting Strength Gym gift cards to its members and honor those gift cards sold at the Gym when presented as payment for products and services at the Gym. Franchisee will not be required to honor gift cards purchased at other Starting Strength Gyms. When Franchisee sells or issues a gift card, Franchisee will keep the amount paid in its account until the gift card is redeemed. Franchisee will pay Royalties on sales paid by redeemed gift cards in the Gym. The Starting Strength Gym gift cards have no expiration date, therefore Franchisee will remain liable for each gift card sold at the Gym upon it is redeemed for an undetermined amount of time. If this Agreement is terminated and not renewed, Franchisee must pay Franchisor the full value of any outstanding gift cards sold at the Gym that were not redeemed before the termination of this Agreement.

11. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

11.1 **Independent Contractor**. The only relationship between Franchisor and Franchisee created by this Agreement is that of independent contractor. The business conducted by Franchisee is completely separate and apart from any business that may be operated by Franchisor and nothing in this Agreement shall create a fiduciary relationship between them or constitute either party as agent, legal representative, subsidiary, joint venturer, partner, employee, general contractor, servant or fiduciary of the other party for any purpose whatsoever. Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a license from Franchisor, and Franchisee agrees to take such action including exhibiting a notice to that effect in such content, form and place as Franchisor may specify. It is further specifically agreed that Franchisee is not an affiliate of Franchisor and that neither party shall have authority to act for the other in any manner to create any obligations or indebtedness that would be binding upon the other party. Neither party shall be in any way responsible for any acts and/or omissions of the other, its agents, servants or employees and no representation to anyone will be made by either party that would create an implied or apparent agency or other similar relationship by and between the parties.

11.2 **Indemnification**. Franchisee shall indemnify, defend and hold harmless Franchisor, and its current or former affiliates, and their respective officers, directors and employees, accountants, and lawyers against any and all suits, claims, liabilities, costs and expenses, including, without limitation, attorneys' fees in any way relating to, arising out of or in conjunction with Franchisee's conduct of the

business licensed hereunder, or the actions or inaction of Franchisee or its employees or independent contractors. Franchisor reserves the right to appoint its own attorney. Franchisee waives and releases all claims by Franchisee against Franchisor for damages to property or injuries to persons arising out of the operation of the Gym.

12. CONFIDENTIAL INFORMATION

12.1 **Franchisor's Confidential Information**.

A. Franchisee acknowledges and agrees that all information relating to the Franchise Program, the System, and to the development and operation of the Gym, including, without limitation, the Manual, Franchisor's training program, members and supplier lists, or other information or know-how distinctive to a Starting Strength Franchise (all of the preceding information is referred to herein as the "Confidential Information") are considered to be proprietary and trade secrets of Franchisor. Franchisee agrees that all Confidential Information is to be held in the strictest of confidence during and after the term of this Agreement and is not to be divulged to anyone directly or indirectly at any time, except to Franchisee's Gym employees, including any independent contractors, with a need to know the information in order to operate the Gym. Franchisee shall require its management employees and coaches at the Gym to execute a nondisclosure and non-competition agreement in a form satisfactory to Franchisor. Franchisee shall not acquire any interest in the Confidential Information other than the right to utilize it in the Gym and agrees not to copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, nor otherwise make them available to any unauthorized person, nor use them in any other business or in any manner not specifically authorized or approved in writing by Franchisor. Franchisee shall adopt and implement all reasonable procedures to prevent unauthorized use, duplication or disclosure of Franchisor's Confidential Information. If Franchisee or Franchisee's employees or any independent contractors learn about an unauthorized use of any trade secret or confidential materials, Franchisee must promptly notify Franchisor. Franchisor is not obligated to take any action, but will respond to the information as it deems appropriate. If Franchisee at any time conducts, owns, consults with, is employed by or otherwise assists a similar or competitive business to that franchised hereunder, the doctrine of "inevitable disclosure" will apply, and it will be presumed that Franchisee is in violation of this covenant; and in such case, it shall be Franchisee's burden to prove that Franchisee is not in violation of this covenant.

B. Franchisee agrees that any new concept, process or improvement in the operation or promotion of the Gym developed by or on behalf of Franchisee that relates to or enhances the Starting Strength System, or any aspect of Franchisor's business, shall be the sole property of Franchisor, and Franchisee shall promptly notify Franchisor and shall provide Franchisor with all necessary information and execute all necessary documents with respect thereto, without compensation. Franchisee acknowledges that Franchisor may utilize or disclose such information to other Franchisees.

12.2 **No Other Interests.** Franchisee further acknowledges that Franchisor would be unable to protect its Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among the Starting Strength franchisees if its franchisees were permitted to hold an interest in other fitness, exercise, weight-lifting or strength-training businesses and otherwise to compete with Franchisor. Therefore, during the term of this Agreement, Franchisee must comply with the competitive covenant provisions of Article 13 herein.

12.3 **Injunctive Relief.** Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising out of this Agreement, shall not constitute a defense to the enforcement of this Article 12. Franchisee acknowledges and agrees that any failure to comply with the requirements of this Article 12 will cause Franchisor irreparable injury for which no adequate remedy at law is available, and Franchisee accordingly agrees that Franchisor shall be entitled to injunctive relief as specified in Section 16.2 herein to enforce the terms of this Article 12. Franchisee shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Franchisor in connection with the enforcement of this Article 12. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or applicable law.

13. COVENANTS NOT TO COMPETE

13.1 **Non-Competition Covenants of Franchisee.** To prevent a conflict of interest and unfair competition based upon Franchisee's knowledge and use of the System, the Marks, and other Confidential Information, Franchisee, including all officers, directors, holders of beneficial interests of Franchisee, members, general partners, any limited partners and their respective spouses and immediate family members, covenant and agree, pursuant to this Agreement, that Franchisee, shall not without Franchisor's prior written consent, directly or indirectly, as an individual, owner, partner, stockholder, member, employer, employee, consultant, or in any other capacity, participate in or share the earnings or profits of any weight-lifting or strength-training business, any weight-lifting or strength-training marketing or consulting business, any business offering services or products of a similar nature to those of the Gym, or in any business or entity which franchises, licenses or otherwise grants to others the right to operate such aforementioned businesses: (i) during the term of this Agreement and any extensions or renewals, at any location other than the Gym, (ii) for two (2) years after the expiration, termination or non-renewal (by Franchisor or by Franchisee for any reason) of this Agreement anywhere within a one (1) mile radius in dense urban environments and within a five (5) mile radius in suburban environments of any Starting Strength brand Gym whether franchised or owned by Franchisor or any of Franchisor's affiliates, and (iii) for two (2) years after Franchisee has assigned its interest in this Agreement anywhere within a one (1) mile radius in dense urban environments and within a five (5) mile radius in suburban environments of any Starting Strength brand Gym whether franchised or owned by Franchisor or any of Franchisor's affiliates.

13.2 **Franchisor's Right to Offer or Sell a Franchise to Employee of Franchisee.** Franchisee acknowledges that Franchisor has the right to offer to sell or to sell a Starting Strength franchise to any employee of Franchisee.

13.3 **Enforcement of Covenants.**

A. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising out of this Agreement, shall not constitute a defense to the enforcement of the covenants in this Article 13. Franchisee acknowledges and agrees that in view of the nature of the System and the business of Franchisor, the restrictions contained in this Article 13 are reasonable and necessary to protect the legitimate interests of the System and Franchisor. Franchisee further acknowledges and agrees that Franchisee's violation of the terms of this Article 13 will cause irreparable injury to Franchisor for which no adequate remedy at law is available, and Franchisee accordingly agrees that Franchisor shall be entitled to preliminary and permanent injunctive relief and damages, as well as, an equitable accounting of all earnings, profits, and other benefits arising from such violation, which remedies shall be cumulative and in addition to any other rights or remedies to which

Franchisor shall be entitled. Franchisee agrees to waive any bond that may be required or imposed in connection with the issuance of any preliminary or provisional relief. Franchisee shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees, and interest on such fees, costs and expenses, incurred by Franchisor in connection with the enforcement of this Article 13. If Franchisee violates any restriction contained in this Article 13, and it is necessary for Franchisor to seek equitable relief, the restrictions contained herein shall remain in effect until two (2) years after such relief is granted. If Franchisee contests the enforcement of Article 13 and enforcement is delayed pending litigation, and if Franchisor prevails, the period of non-competition shall be extended for an additional period equal to the period of time that enforcement of this Article 13 is delayed.

B. Franchisee agrees that the provisions of this covenant not to compete are reasonable. If, however, any court should find this Article 13 or any portion of this Article 13 to be unenforceable and/or unreasonable, the court is authorized and directed to reduce the scope or duration (or both) of the provision(s) in issue to the extent necessary to render it enforceable and/or reasonable and to enforce the provision so revised.

C. Franchisor shall have the right, in Franchisor's discretion, to reduce the scope of any covenant not to compete set forth in this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee shall comply with any covenant as so modified.

14. TRANSFER OF INTEREST

14.1 **Franchisor's Approval Required.** All rights and interests of Franchisee arising from this Agreement are personal to Franchisee and except as otherwise provided in this Article 14, Franchisee shall not, without Franchisor's prior written consent, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, pledge or encumber its interest in this Agreement, in the license granted hereby, in the assets of the Gym, any of its rights hereunder, or in the lease for the premises at which the Gym is located, and any purported sale, assignment, transfer, pledge or encumbrances shall be null and void. If Franchisee is a corporation, limited liability, partnership, or an individual or group of individuals, any assignment (or new issuance), directly or indirectly, occurring as a result of a single transaction or a series of transactions that alters the Percentage of Ownership Interest reflected in Section 17.5 of this Agreement is a "transfer" within the meaning of this Article 14, and Franchisee must receive Franchisor's prior written consent before such assignment or transaction.

14.2 **Conditions for Approval of Transfer.** Franchisor shall not unreasonably withhold its approval of a proposed transfer, provided that the prospective transferee, in Franchisor's reasonable judgment, is of good moral character and reputation, has no conflicting interests, has a good credit rating and sufficient and competent business experience, aptitude and financial resources acceptable to Franchisor's then-current standards for franchisees; and that the following conditions are met: (1) Franchisee pays Franchisor a Transfer Fee in an amount equal to Ten Thousand Dollars ($10,000), (2) Franchisee signs a general release of all claims in Franchisor's standard form, (3) the Gym and equipment must be upgraded, refurbished or repaired if Franchisor, in its sole discretion, decides it is necessary, (4) the transferee attends and successfully completes the applicable then-current required training for new franchisees, at its own expense, and (5) the transferee agrees to assume all of Franchisee's obligations, duties, liabilities, and commitments, under this Agreement by executing an assignment agreement in a form satisfactory to Franchisor.

14.3 **Permitted Transfers to a Corporation or LLC or Affiliate Company**. If Franchisee is an individual or partnership, and desires to assign and transfer its rights, assets and obligations under this Agreement to a corporation or limited liability company that is wholly-owned by Franchisee and formed for the convenience of ownership, it may do so without approval from Franchisor, and without payment of a transfer fee, so long as the terms and conditions of this Agreement remain unchanged, and the Franchisee shall own and control all of the equity and voting power of all issued and outstanding stock of the transferee corporation or all of the equity and voting power of the limited liability company and, if Franchisee is more than one individual, each individual shall have the same proportionate ownership interest in the corporation or limited liability company as he or she had in Franchisee prior to the transfer.

14.4 **Death or Disability of Franchisee**. In the event of the death or disability of Franchisee, if an individual, or of a stockholder of a corporate Franchisee, or of a partner of a Franchisee which is a partnership, or a member of a Franchisee which is a limited liability company, the transfer of Franchisee's or the deceased stockholder's, partner's or member's interest in this Agreement to his or her heirs, trust, personal representative or conservators, as applicable, must occur within six (6) months of the death or disability, but, shall not be deemed a transfer by Franchisee (provided that the responsible supervisorial or managerial personnel or agents of Franchisee have been satisfactorily trained at Franchisor's Initial Training) nor obligate Franchisee to pay any transfer fee. If Franchisor determines (i) there is no imminent transfer to a qualified successor or (ii) there is no heir or other principal person capable of operating the Gym, Franchisor shall have the right, but not the obligation, to immediately appoint a manager and commence operating the Gym on behalf of Franchisee. Franchisee shall be obligated to and shall pay to Franchisor all reasonable costs and expenses for such management assistance, including without limitation, the manager's salary, room and board, travel expenses and all other related expenses of the Franchisor appointed manager. Operation of the Gym during any such period shall be for and on behalf of Franchisee, provided that Franchisor shall only have a duty to utilize reasonable efforts and shall not be liable to Franchisee or its owners for any debts, losses or obligations incurred by the Gym, or to any creditor of Franchisee for any supplies, inventory, equipment, furniture, fixtures or services purchased by the Gym during any period in which it is managed by a Franchisor appointed manager. Franchisor may, in its sole discretion, extend the six (6) month period of time for completing a transfer contemplated by this Section.

14.5 **Relocation**. Except in cases when Franchisee is in default of its lease, if the Gym location is lost through condemnation, loss of lease, fire or other casualty, Franchisee may identify a new Authorized Location within the same Designated Market Area in which the Gym was located, subject to the consent of Franchisor. Franchisee must apply for Franchisor's consent to relocate at the new Gym location and execute a general release in favor of Franchisor, both in the form prescribed by Franchisor. Franchisor will consent to or reject Franchisee's relocation application in accordance with its then-current relocation and closure policy. If the Gym is temporarily closed pending relocation, Franchisee may not assign any interest in the franchise to another party or entity until such time as the Gym is once again in operation, as determined by Franchisor. Any such relocation shall be at Franchisee's sole expense and Franchisor shall have the right to charge Franchisee for any costs incurred by Franchisor, and a reasonable fee for its services, in connection with any such relocation.

14.6 **Transfer by Franchisor**. Franchisor shall have the right to transfer or assign all or any part of its rights or obligations herein to any person or legal entity, directly or indirectly, by merger, assignment, pledge or other means.

15. DEFAULT AND TERMINATION OF AGREEMENT

15.1 **Termination of Franchise by Franchisee**. If Franchisee is in substantial compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure or remedy such breach within thirty (30) days after written notice thereof delivered from Franchisee, Franchisee may terminate this Agreement. Such termination will be effective thirty (30) days after delivery to Franchisor of notice that such breach has not been cured or remedied and Franchisee elects to terminate this Agreement, except that if such cure, by its nature, may take longer than thirty (30) days to cure, then Franchisee may not terminate this Agreement so long as Franchisor is making a good faith effort to cure or remedy the breach. A termination by Franchisee for any other reasons shall be deemed a termination by Franchisee without cause.

15.2 **Termination of Franchise by Franchisor**. Franchisor shall have the right to terminate this Agreement for "good cause" upon delivering notice of termination to Franchisee. For purposes of this Agreement, "good cause" shall include, without limitation: (i) a material breach of this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates, (ii) intentional, repeated or continuous breach of any provision of this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates, and (iii) the breaches set forth below:

A. **Immediate Termination**. Franchisee shall be deemed to be in default and Franchisor may terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee, and such termination shall be for good cause where the grounds for termination are:

(1) Franchisee has made any material misrepresentation or omission in applying for the franchise or in executing or performing under this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates;

(2) Franchisee becomes insolvent by reason of Franchisee's inability to pay debts as they become due, or makes an assignment for the benefit of creditors or makes an admission of Franchisee's inability to pay obligations as they become due;

(3) Franchisee files a petition in bankruptcy, or an involuntary petition in bankruptcy is filed against Franchisee or a receiver is appointed for Franchisee's business, or a final judgment remains unsatisfied or of record for 30 days or longer; or if Franchisee is a corporation, limited liability company or partnership, Franchisee is dissolved;

(4) Franchisee voluntarily abandons or discontinues to actively operate the Gym for two (2) consecutive business days or more in any twelve (12) month period, and it is readily apparent that Franchisee has closed or abandoned the Gym and has discontinued operations;

(5) Franchisee or any of its principal officers, directors, partners or managing members is convicted of or pleads no contest to a felony or other crime or offense that adversely affect the reputation of the System or the goodwill associated with the Marks;

(6) Franchisee makes an unauthorized direct or indirect transfer or attempted or purported transfer of this Agreement, or makes an unauthorized direct or indirect transfer or attempted or purported transfer of an ownership interest in the Franchise, or fails or refuses to transfer the

Franchise or the interest in the Franchise of a deceased or disabled controlling owner thereof as required;

(7) Franchisee falsifies any financial reports or records, doesn't disclose all sales, or hides any payments required to be provided by Franchisee to Franchisor under this Agreement;

(8) Franchisee's disclosure, utilization, or duplication of any portion of Franchise Program, including the System, the Manual or other proprietary or Confidential Information relating to the Gym that is contrary to the provisions of this Agreement;

(9) Franchisee violates any health or safety law, ordinance or regulation or operates the Gym in a manner that presents a health or safety hazard to its members or to the public;

(10) Franchisee fails to obtain lawful possession of an acceptable location and to open for business as a Starting Strength Gym within twelve (12) months after this Agreement is accepted by Franchisor;

(11) Franchisee defaults under the lease agreement or otherwise loses the right to possess the premises at the location at which the Gym is located;

(12) Franchisee fails to comply with the covenants not to compete as required in Article 13 herein; or

(13) Franchisee, after curing a default pursuant to Section 15.2B herein, commits the same act of default again within any twelve (12) consecutive month period whether or not such default is cured after notice thereof is delivered to Franchisee, or if Franchisee received three (3) or more default notices from Franchisor within any twelve (12) consecutive monthly period whether or not such defaults were related to the same problem or were cured after notice thereof was delivered to Franchisee.

B. **Termination with Notice**. In addition to the provisions of Section 15.2A, if Franchisee shall be in default under the terms of this Agreement and the default shall not be cured or remedied (to Franchisor's satisfaction) within thirty (30) days after receipt of written notice from Franchisor (and 10 days prior notice in the event of a default described in Subsections (5), (6) and (7) below), in addition to all other remedies available to Franchisor at law or in equity, Franchisor may immediately terminate this Agreement. If any such default is not cured within the specified cure period, this Agreement shall terminate without further notice to Franchisee effective immediately upon expiration of the cure period. Franchisee shall be in default, and each of the following shall constitute good cause for termination under this Agreement:

(1) Failure, refusal or neglect by Franchisee to obtain Franchisor's prior written approval or consent any time such approval or consent is required by this Agreement;

(2) Franchisee's failure to comply with any provision of this Agreement that does not otherwise provide for immediate termination, or failure to comply with the Manual, or Franchisee's bad faith in carrying out the terms of this Agreement;

(3) Failure by Franchisee to maintain books and financial records for the Gym suitable for proper financial audit or failure by Franchisee to permit Franchisor to carry out its rights to conduct an inspection or audit as provided in this Agreement or failure by Franchisee to submit as required by this Agreement all reports, records and information of the Starting Strength franchised business;

(4) Franchisee, or if Franchisee has elected not to directly supervise "on-premises" the day-to-day Gym operations, then Franchisee's management employee, fails to complete, to Franchisor's satisfaction, the initial training program as provided in this Agreement.

(5) Franchisee fails to pay when due any amount owing to Franchisor or its affiliates under this Agreement or any other agreement, or is unable to obtain adequate financing to cover all costs of developing, opening and operating the Gym;

(6) Franchisee fails to pay when due any amounts owing to any person or entity in connection with the construction, leasing, financing, operation or supply of the Gym;

(7) Franchisee closes any bank account without completing all of the following after such closing: (i) notifying Franchisor in writing within 48 hours, (ii) establishing another bank account within 48 hours, and (iii) executing and delivering to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account by electronic funds transfer as Exhibit 2 to this Agreement permits;

(8) Franchisee fails to maintain or suffers cancellation of any insurance coverage required under this Agreement;

(9) Franchisee fails to have a Starting Strength Coach employed at the Gym, who has successfully completed the Starting Strength Coach training provided by Licensor and has earned and maintained the Starting Strength Certification for coaches required by Licensor, and coaching the minimum number of classes as outlined in the Manual;

(10) Any transfer or attempted transfer by Franchisee or any partner, member or shareholder in Franchisee of any rights or obligations under this Agreement to any third party without the prior written consent of Franchisor;

(11) Franchisee offers in conjunction with the operation of the Gym products or services that have not been approved by Franchisor;

(12) Franchisee fails to abide by the pertinent marketing and advertising requirements and procedures and participate in marketing programs for the business as established by Franchisor; or

(13) Franchisee fails to comply with the Performance Standards as set forth in the provisions of this Agreement, as prescribed by Franchisor, or in the Manual, including, but not limited to, the System Standards for cleanliness, customer service, equipment maintenance, and any other System Standards which effect or enhance the member experience at the Gym; and the Minimum Sales Quota.

15.3 **Cross-Default.** If there are now, or hereafter shall be, other Franchise Agreements or any other agreements in effect between Franchisee and Franchisor and/or any of Franchisor's affiliates, a default by Franchisee under the terms and conditions of this or any other such agreement, shall at the option of Franchisor, constitute a default under all such agreements.

15.4 **Obligations of Franchisee upon Termination, Expiration or Non-Renewal.** Immediately upon termination, expiration or non-renewal of this Agreement for any reason:

A. All rights, privileges and licenses granted by Franchisor to Franchisee shall immediately cease and be null and void and of no further force and effect, and all such rights, privileges and licenses shall immediately revert to Franchisor;

B. Franchisee shall cease to be an authorized Starting Strength franchise owner, and shall immediately, at its own expense, remove all signs, close/shutdown all websites and social media accounts, remove labels or any other item or form of identification that would in any way link or associate Franchisee, its goods and/or services with Franchisor, and shall immediately cease to use, in any manner, the Marks, System and any other copyrighted information or materials or any confidential information Franchisee obtained as a result of the franchise granted to Franchisee;

C. Franchisee shall immediately terminate all advertising and promotional efforts and any other act that would in any way indicate that Franchisee is or was ever an authorized Starting Strength franchisee;

D. Franchisee shall cancel any assumed name of Franchisee or equivalent registration that contains any Proprietary Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination, expiration or non-renewal of this Agreement;

E. Franchisee agrees not to use any reproduction, counterfeit, copy, or colorable imitation of the Marks that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in and to the Marks, and further agrees not to use any trade dress or designation of origin or description or representation that falsely suggests or represents an association or connection with Franchisor;

F. Franchisee shall pay all sums owing to Franchisor. In the event of termination for any default of Franchisee, such sums shall include all damages, costs and expenses, including reasonable legal fees, incurred by Franchisor as a result of the default;

G. Franchisee shall comply with the covenants set forth in Articles 12 and 13 of this Agreement; and

H. Franchisee shall, at Franchisor's option, assign to Franchisor any interest that Franchisee has in any lease for the premises of the Gym;

I. Franchisor shall have the option**,** exercisable by giving written notice thereof within thirty (30) days from the date of such termination, expiration or non-renewal to purchase any and all equipment, furniture, fixtures, signs, sundries and supplies owned by Franchisee and used in the Gym, at the lesser of (i) Franchisee's cost less depreciation computed on a reasonable straight line basis (as

determined in accordance with generally accepted accounting principles and consistent with industry standards and customs) or (ii) fair market value of such assets, less (in either case) any outstanding liabilities of the Gym. In addition, Franchisor shall have the option to assume Franchisee's lease for the lease location of the Gym, or if an assignment is prohibited, a sublease for the full remaining term on the same terms and conditions as Franchisee's lease. No value will be attributed to the value of the Marks or the System or to the assignment of the lease (or sublease) for the premises or the assignment of any other assets used in conjunction with the Gym, and Franchisor will not be required to pay any separate consideration for any such assignment or sublease.

If the parties cannot agree on fair market value within thirty (30) days of Franchisor's notice of intent to purchase, fair market value shall be determined by an experienced, professional and impartial third-party appraiser without regard to goodwill or going concern value, designated by Franchisor and acceptable to Franchisee, whose determination shall be final and binding on both parties. If the parties cannot agree upon an appraiser one shall be appointed by the American Arbitration Association, upon petition of either party. The cost of any appraisal, as provided herein, shall be borne equally by Franchisor and Franchisee.

Franchisor shall have the right to withhold from the purchase price funds sufficient to pay all outstanding debts and liabilities of Franchisee and the Gym and to pay such debts and liabilities from such funds.

J. Termination, expiration or non-renewal of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies, which Franchisor may have against Franchisee, whether under this Agreement or otherwise, for any reason whatsoever, whether such claims or rights arise before or after termination.

15.5 **Franchisor's Rights and Remedies in Addition to Termination.**

A. If Franchisee shall be in default in the performance of any of its obligations or breach any term or condition of this Agreement, in addition to Franchisor's right to terminate this Agreement, and without limiting any other rights or remedies to which Franchisor may be entitled at law or in equity, Franchisor may, at its election, immediately or at any time thereafter, and without notice to Franchisee cure such default for the account of and on behalf of Franchisee including, without limitation, entering upon and taking possession of the Gym and to taking in the name of Franchisee, all other actions necessary to effect the provisions of this Agreement and any such entry or other action shall not be deemed a trespass or other illegal act, and Franchisor shall not be liable in any manner to Franchisee for so doing, and Franchisee shall pay the entire cost thereof to Franchisor on demand, including reasonable compensation to Franchisor for the management of the Gym.

B. As an alternative to Franchisor's exercising its rights under Section 15.5A, above, and only in the event of a premature termination of this Agreement, Franchisee shall pay Franchisor liquidated damages in an amount equal to the sum of the royalties paid to Franchisor for the twenty-four (24) months prior to the termination of this Agreement. Franchisee's payment to Franchisor would not be a penalty for breaching this Franchise Agreement, but rather a reasonable estimate of the losses Franchisor would incur in the event of the closure of Franchisee's franchised business. Should Franchisor elect to enforce its right to liquidated damages under this Section, Franchisee's obligation to pay such damages would be in addition to Franchisee's obligations to (i) pay all amounts still owed to Franchisor, and (ii) adhere to Franchisee's other post-termination obligations. Franchisor's right to

payment of liquidated damages would be in addition to all other post-termination remedies available to Franchisor under the law.

C. If this Agreement is terminated by Franchisor with cause or Franchisee unilaterally attempts to terminate this Agreement without cause, then Franchisee may be liable for all unpaid future Royalty Fees, Marketing Fund Contributions, and lost profits, as well as any other direct, actual or consequential damages for the remainder of the Term of this Agreement.

16. RESOLUTION OF DISPUTES

16.1 **Mediation and Mandatory Binding Arbitration**. Franchisee and Franchisor believe that it is important to resolve any disputes amicably, quickly, cost effectively and professionally and to return to business as soon as possible. Franchisee and Franchisor have agreed that the provisions of this Section 16 support these mutual objectives and, therefore, agree as follows:

A. **Claim Process**. Any litigation, claim, dispute, suit, action, controversy, or proceeding of any type whatsoever, between or involving Franchisee and any of its affiliates, on the one hand, and Franchisor and any of its affiliates, on the other hand, arising out of, related to, or referencing this Agreement or its breach in any way, including, without limitation, any claim arising in contract or tort arising out of the relationship created by this Agreement, for equitable relief, or asserting that this Agreement is invalid, illegal, or void, ("Claim") shall be processed in the following manner, Franchisee and Franchisor each expressly waiving all rights to any court proceeding, except as expressly provided below at Section 16.1 D:

(i) First, the Claim will be discussed in a face-to-face meeting held in the county where Franchisor's then-current headquarters is located, within thirty (30) days after either Franchisee or Franchisor gives written notice to the other proposing such a meeting.

(ii) Second, if the Claim is not resolved, from the face-to-face meeting, it shall be submitted to non-binding mediation, in the county where Franchisor's then-current headquarters is located. Franchisee and Franchisor will split the costs and each will bear their own expenses of any mediation. Any mediation/arbitration will be conducted by a mediator/arbitrator experienced in franchising. Any party may be represented by counsel and may, with permission of the mediator, bring persons appropriate to the proceeding. If both Franchisee and Franchisor do not want to participate in mediation, then they may proceed to arbitration as provided below.

(iii) Third, the Claim shall be submitted to and finally resolved by binding arbitration before a single arbitrator in the county where Franchisor's then-current headquarters is located, and in accordance with the Commercial Arbitration Rules of the American Arbitration Association or its successor. On election by any party, arbitration and/or any other remedy allowed by this Agreement may proceed forward at the same time as mediation. Judgment on any preliminary or final arbitration award will be final and binding, and may be entered in any court having jurisdiction. Any dispute arising out of or in connection with this arbitration provision, including any question regarding its existence, validity, scope, or termination shall be referred to and finally resolved by arbitration. Notwithstanding any allocation made by the arbitral body or the arbitrators, Franchisor and Franchisee agree that, subject to the final award, each party will contribute equally to all charges or assessments of an arbitrator's compensation, administrative expenses or fees of the arbitral body and deposits with respect thereto. In the event a party defaults in timely payment, the other party shall have the option of

paying the full amount of such charge, assessment or fee and proceeding with the arbitration or of voiding this arbitration agreement and proceeding in a court of law in the seat of the arbitration with the defaulting party hereby submitting to the jurisdiction of said courts and the service of process by courier or ordinary mail at the address where notices are to be sent under this Agreement.

B. Franchisee and Franchisor each expressly waives all rights to any court proceeding, except as expressly provided in Section 16.4, below.

C. In the Claim Process, Franchisee and Franchisor agree that each may bring claims against the other only in the Franchisee's or Franchisor's individual capacity and not as a plaintiff or class member in any class or representative action or any multiple plaintiff or consolidated proceeding. Unless both Franchisee and Franchisor agree, no arbitrator may consolidate more than one person's claims or otherwise preside over any form of representative, class, multiple plaintiff or consolidated proceeding.

16.2 **Confidentiality**. The parties to any meeting/mediation/arbitration will sign confidentiality agreements. However, the parties will be permitted to make public disclosures and filings as are required by law and will be permitted to speak to individuals reasonably necessary to prepare for mediation or arbitration, including but not limited to percipient witnesses and expert witnesses.

16.3 **Fees and Costs**. In the event of any arbitration or litigation (also including appeals, petitions for confirmation, modification, or vacation of an award) arising out of or relating to a Claim, this Agreement, the breach of this Agreement, or the relationship of the parties to this Agreement, the prevailing party will be reimbursed by the other party for all costs and expenses incurred in connection with such arbitration or litigation, including, without limitation, reasonable attorneys' fees.

16.4 **Disputes Not Subject to the Mediation/Arbitration Process**. Claims or disputes seeking (a) injunctive relief as to the validity of the Marks and/or any intellectual property licensed to Franchisee and use of the Marks or other intellectual property licensed to the Franchisee, (b) injunctive relief for health and safety issues and violations, or (c) injunctive relief as to the validity and enforcement of the covenants not to compete, may be submitted to Court, provided that only the portion of any such claim or dispute requesting injunctive relief shall be subject to Court action, and any portion of such claim or dispute seeking monetary damages or other relief will be subject to the Claim Process outlined above in paragraph 16.1.A.

16.5 **Intentions of Franchisee and Franchisor**. Franchisee and Franchisor mutually agree (and have expressly had a meeting of the minds) that, notwithstanding any contrary provisions of state, federal or other law, and/or any statements in Franchisor's Franchise Disclosure Document required by a state or the Federal government as a condition to registration or for some other purpose:

(i) all issues relating to the enforcement of arbitration-related provisions of this Agreement will be decided by the arbitrator (including all Claims that any terms were procured by fraud or similar means) and governed only by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law of arbitration and exclusive of state statutes and/or common law;

(ii) all provisions of this Agreement shall be fully enforced, including (but not limited to) those relating to arbitration, waiver of jury trial, limitation of damages, venue, and choice of laws;

(iii) Franchisee and Franchisor intend to rely on federal preemption under the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and, as a result, the provisions of this Agreement will be enforced only according to its terms;

(iv) **Franchisee and Franchisor each knowingly waive all rights to a court or jury trial** (except as expressly provided in this Agreement), understanding that arbitration may be less formal than a court or jury trial, may use different rules of procedure and evidence and that appeal is generally less available, but still strongly preferring mediation and/or arbitration as provided in this Agreement; and

(v) in the Claim Process, Franchisee and Franchisor agree that each may bring claims against the other only in the Franchisee's or Franchisor's individual capacity and not as a plaintiff or class member in any class or representative action or any multiple plaintiff or consolidated proceeding. Unless both Franchisee and Franchisor agree, no arbitrator may consolidate more than one person's claims or otherwise preside over any form of representative, class, multiple plaintiff or consolidated proceeding; and

(vi) the terms of this Agreement (including but not limited to this Section 16) shall control with respect to any matters of choice of law. Nothing in this or any related agreement, however, is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document it furnished to Franchisee.

16.6 **Class Action Waiver**. To the extent any party brings any claim for relief, cause of action, or proceeding in court, Franchisee and Franchisor also agree that each may only bring such claims for relief, causes of action, or proceedings against the other in the Franchisee's or Franchisor's individual capacity and not as a plaintiff or class member in any class or representative action or any multiple plaintiff or consolidated proceeding. Unless both Franchisee and Franchisor agree, no court may consolidate more than one person's claims for relief, causes of action, or proceeding, or otherwise preside over any form of representative, class, multiple plaintiff, or consolidated proceeding.

16.7 **Limitations on Claims.** Neither party may make claims for fraud and/or negligent misrepresentation, emotional distress, whether negligent or intentional, nor punitive damages.

17. MISCELLANEOUS PROVISIONS

17.1 **Severability**. Except as provided in Section 13.3, each article, section, paragraph, term and provision of this Agreement, or any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held by an arbitrator or by a court of competent jurisdiction to be unenforceable due to any applicable existing or future law or regulation, such portion shall not impair the operation of or have any effect upon, the remaining portions of this Agreement which will remain in full force and effect. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but, each shall be cumulative of every other right or remedy.

17.2 **Waiver and Delay**. No failure, refusal or neglect of Franchisor to exercise any right, power, remedy or option reserved to it under this Agreement, or to insist upon strict compliance by Franchisee with any obligation, condition, specification, standard or operating procedure in this Agreement, shall

constitute a waiver of any provision of this Agreement and the right of Franchisor to demand exact compliance with this Agreement, or to declare any subsequent breach or default or nullify the effectiveness of any provision of this Agreement. Subsequent acceptance by Franchisor of any payment(s) due it under this Agreement shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

17.3 **Governing Law**. This Agreement and all related Agreements take effect upon their acceptance and execution by Franchisor in the State of Idaho and any matter whatsoever which arises out of or is connected any way with the Agreement or the franchise shall be governed by and interpreted and construed under the laws of Idaho, which laws shall prevail in the event of any conflict of law; provided, however, that if any provision of this Agreement would not be enforceable under the laws of Idaho, then such provisions shall be interpreted and construed under the laws of the state in which the premises of the Gym is located.

17.4 **Choice of Forum.**

A. Franchisee acknowledges and agrees that this Agreement is entered into in Idaho, and that any action brought by either party against the other for the purpose of enforcing the terms and provisions of this Agreement (which is not to be arbitrated pursuant hereto or pursuant to law) shall be instituted solely in a state or federal court having subject matter jurisdiction thereof only in Idaho in the judicial district in Ada County and in no other court and that Franchisee irrevocably waives any objection Franchisee may have to the exclusive jurisdiction or the exclusive venue of such court.

B. If Franchisee institutes any arbitration or other legal proceedings in any venue or other court other than those specified, Franchisee shall assume all of Franchisor's costs in connection therewith, including, without limitation, reasonable attorney fees regardless of the outcome of such arbitration or legal proceedings.

17.5 **Designation of Responsible Parties**. Franchisee represents and warrants to Franchisor that the list below states: (i) the name, mailing address and equity interest of each person holding any shares or other form of ownership, or security interest convertible into an equity interest, in Franchisee, showing percentage of ownership held by each and (ii) the name and mailing address of the individual(s) who will be the principal franchisee-operator(s) (the "Designated Operator(s)") of the business franchised hereunder. The Designated Operator(s) (there may be up to two such individuals but only one address to which Franchisor communicates regarding the franchise) named has the authority to act for Franchisee in all matters relating to the Starting Strength Franchise, including voting responsibilities. Only those individuals who are party to this Agreement and have an ownership interest in the franchise entity may be listed as a Designated Operator(s). Franchisee shall promptly notify Franchisor of any change in any such information. Any change in the Designated Operator(s) or in shareholder information is subject to Article 14 and the training requirements of this Agreement:

Franchisee is a ☐ _____, organized under the laws of _____, or ☐ Franchisee is an individual or group of individuals, and hereby represents and warrants that the information stated below is true and accurate as of the date set forth below:

Shareholder, Partner, Member or Individual Name and Address	**Percentage of Ownership Interest in Franchisee**
_____ _____ _____	_____
_____ _____ _____	_____

Designated Operator(s): _____

17.6 **Franchisor's Discretion**. Except as otherwise specifically referenced herein, all acts, decisions, determinations, specifications, prescriptions, authorizations, approvals, consents and similar acts by Franchisor may be taken or exercised in the sole and absolute discretion of Franchisor, regardless of the impact upon Franchisee. Franchisee acknowledges and agrees that when Franchisor exercises its discretion or judgment, its decisions may be for the benefit of Franchisor or the Starting Strength franchise network and may not be in the best interest of Franchisee as an individual franchise owner.

17.7 **Notices**.

A. All notices which the parties hereto may be required or permitted to give under this Agreement shall be in writing and shall be given by any of the following methods: (1) personally delivered; (2) mailed by certified or registered mail, return receipt requested, postage paid; (3) by reliable overnight delivery service; or (4) by electronic transmission, including email and facsimile.

The addresses for the parties are as follows:

If to Franchisor:

Strength Train LLC
2976 E. State St., Suite 120, #2062
Eagle, Idaho 83616
Attention: Nick Delgadillo
Email: nick@startingstrengthgyms.com

If to Franchisee:

_____
_____
_____
Attention: _____
Email: _____

B. The above addresses given for notices may be changed at any time by either party by giving ten (10) calendar days prior written notice to the other party, as herein provided. Notices delivered by certified or registered mail shall be deemed to have been given three (3) business days

after postmark by United States Postal Service, or the next business day after deposit with reliable overnight delivery service or when delivered by hand. Notices sent by electronic transmission shall be deemed to have been given on the next business day after being sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email or facsimile has not been delivered.

17.8 **No Recourse Against Nonparty Affiliates.** All claims, obligations, liabilities, or causes of action (whether in contract or in tort, in law or in equity, or granted by statute) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to this Agreement, or the negotiation, execution, or performance of this Agreement (including any representation or warranty made in, in connection with, or as an inducement to this Agreement, but not including separate undertakings such as guarantees of performance, personal guaranties, or corporate guarantees), may be made only against (and are those solely of) the entities that are expressly identified as parties in the preamble to this Agreement ("Contracting Parties"). No Person who is not a Contracting Party, including without limitation any director, officer, employee, incorporator, member, partner, manager, stockholder, affiliate, agent, attorney, or representative of, and any financial advisor or lender to, any of the foregoing ("Nonparty Affiliates"), shall have any liability (whether in contract or in tort, in law or in equity, or granted by statute) for any claims, causes of action, obligations, or liabilities arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach; and, to the maximum extent permitted by law, each Contracting Party hereby waives and releases all such liabilities, claims, causes of action, and obligations against any such Nonparty Affiliates, unless such liabilities, claims, causes of action, and obligations arise from deliberately fraudulent acts. Without limiting the foregoing, to the maximum extent permitted by law, (a) each Contracting Party hereby waives and releases any and all rights, claims, demands or causes of action that may otherwise be available at law or in equity, or granted by statute, to avoid or disregard the entity form of a Contracting Party or otherwise impose liability of a Contracting Party on any Nonparty Affiliate, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise; and (b) each Contracting Party disclaims any reliance upon any Nonparty Affiliates with to the performance of this Agreement or any representation or warranty made in, in connection with, or as an inducement to this Agreement. Nothing herein is intended to prevent a Contracting Party from pursuing any distinct legal rights it may have against a Nonparty Affiliate which arise from a separate document, such as a guaranty of performance, personal guaranty, corporate guaranty or similar agreement. Notwithstanding any other provision of this Agreement which limits the right of prospective Third-Party Beneficiaries, any Nonparty Affiliate may rely on this provision and enforce it against any Contracting Party or other Person or entity.

17.9 **Force Majeure.** Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, except the payment of monies, neither party shall be liable or responsible for any delays due to Force Majeure or other causes beyond the reasonable control of the parties that materially affects a party's ability to perform. In this Agreement, the term "Force Majeure" shall include any of the following: (i) casualty or condemnation; (ii) storm, earthquake, hurricane, tornado, flood or other act of God; (iii) war, insurrection, pandemics, epidemics, quarantine restrictions, civil commotion or act of terrorism; (iv) strikes or lockouts; (v) embargoes, lack of water, materials, power or telephone transmissions specified or reasonably necessary in connection with the production, storage, shipment, or sale of goods and services; or (vi) failure of any applicable governmental authority to issue any approvals, or the suspension, termination or revocation of any material approvals, required for the

production, storage, shipment, or sale of goods or services. Any time period for the performance of an obligation shall be extended for the amount of time of the delay. The party whose performance is affected by any of such causes shall give prompt written notice of the circumstances of such event to the other party, but in no event more than five (5) days after the commencement of such event. The notice shall describe the nature of the event and an estimate as to its duration. This clause shall not apply or not result in an extension of the term of this Agreement.

17.10 **Similar Agreements.** Franchisor makes no warranty or representation that anything contained in this Agreement may be construed as requiring that all the Starting Strength Gym franchise agreements issued by Franchisor, during any time period, contain terms substantially similar to those contained in this Agreement. Further, Franchisee agrees and acknowledges that Franchisor may, in its reasonable business judgment, due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements granted to other Starting Strength Gym franchisees in a non-uniform manner, subject to those provisions of this Agreement that require Franchisor to act toward its franchisees on a reasonably non-discriminatory basis.

18. ACKNOWLEDGMENTS

18.1 THE SUBMISSION OF THIS AGREEMENT DOES NOT CONSTITUTE AN OFFER AND THIS AGREEMENT SHALL BECOME EFFECTIVE ONLY UPON THE EXECUTION HEREOF BY THE FRANCHISOR AND THE FRANCHISEE. THE DATE OF EXECUTION BY THE FRANCHISOR SHALL BE CONSIDERED TO BE THE DATE OF EXECUTION OF THIS AGREEMENT.

18.2 THIS AGREEMENT SHALL NOT BE BINDING ON THE FRANCHISOR UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF THE FRANCHISOR.

18.3 Franchisee acknowledges and agrees that Franchisor may elect to keep only electronic copies of any and all documents and records pertaining to the franchised business, the System, and the franchise relationship between the parties. Each such electronic record will accurately reflect the information in the document and will remain accessible to all persons entitled by law to access the information for the period of time required by law. The electronic record will be in a form capable of being accurately reproduced for later reference if necessary.

19. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, and the exhibits hereto, constitute the entire and only agreement between the parties concerning the granting, awarding and licensing of Franchisee as an authorized Starting Strength Franchisee at the Gym location, and supersede all prior and contemporaneous agreements. There are no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the parties other than those set forth herein. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. This Agreement does not alter agreements between Franchisor and Franchisee for other locations. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim representations Franchisor made to Franchisee in the Franchise Disclosure Document or in any related document that Franchisor heretofore furnished to Franchisee.

20. NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

20.1 The following provision applies only to franchisees and franchises that are subject to state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor, any franchise seller, or any other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below to be effective upon execution by Franchisor.

FRANCHISOR
Strength Train LLC
an Idaho limited liability company

By:_____

Print Name: _____

Title: _____

Accepted: _____

FRANCHISEE

If Franchisee is an individual:

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

If Franchisee is a corporation or other entity:

_____
[Name of Franchisee]

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT 1 TO
STARTING STRENGTH FRANCHISE AGREEMENT

AUTHORIZED LOCATION ADDENDUM

This Addendum is made to the Starting Strength Franchise Agreement (the "Franchise Agreement") between Strength Train LLC ("Franchisor"), and _____ ("Franchisee"), dated _____, 20__.

1. **Preservation of Agreement.** Except as specifically set forth in this Addendum, the Franchise Agreement shall remain in full force and effect in accordance with its terms and conditions. This Addendum is attached to and upon execution becomes an integral part of the Franchise Agreement.

2. **Authorized Location**. The parties hereto agree that the Authorized Location referred to in Section 1.3 of the Franchise Agreement shall be the following:

_____.

3. **Protected Radius, if any.** The parties hereto agree that Franchisee will receive a non-exclusive protected radius of _____ around the Authorized Location.

This Addendum is agreed to and accepted by the parties this ___ day of _____ 20__.

FRANCHISOR:

By: _____

Print Name: _____

Title: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

By: _____

Print Name: _____

Title: _____

EXHIBIT 2 TO THE
STARTING STRENGTH FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER AGREEMENT

This Electronic Funds Transfer Agreement (the "Agreement") is made on this ___day of _____ 20__ by and between Strength Train LLC. ("Franchisor"), and _____ or their assignee, if a partnership, corporation or limited liability company is later formed ("Franchisee").

Whereas, Franchisor and Franchisee are parties to a Starting Strength Franchise Agreement executed on even date herewith (the "Franchise Agreement") and desire to enter into an Addendum to the Franchise Agreement;

Now, therefore in consideration of the mutual promises contained herein and as an inducement to Franchisor to execute the Franchise Agreement, the parties agree as follows:

A. Franchisee shall pay any and all fees and other charges in connection with this Addendum and the Franchise Agreement (including, without limitation, any payments due to Franchisor by Franchisee, and any applicable late fees and interest charges) by electronic, computer, wire, automated transfer, ACH debiting, and bank clearing services (collectively "electronic funds transfers" or "EFT"'), and Franchisee shall undertake all action necessary to accomplish such transfers.

B. Upon execution and delivery of this Agreement, Franchisee shall execute and deliver two (2) originals of the "Electronic Debit Authorization" attached as Exhibit 3 to the Franchise Agreement, which authorizes Franchisee's bank or other financial institution to accept debit originations, electronic debit entries, or other EFT, and electronically deposit fees and contributions owing Franchisor directly to Franchisor's bank account(s). Upon Franchisor's request, Franchisee shall deliver to Franchisor all additional information that Franchisor deems necessary (including, without limitation, financial institution of origin and relevant accounts and ABA/transit numbers for any new bank accounts that Franchisee opens related to the franchised business after the date of this Addendum) in connection with such EFT.

C. By executing this Addendum, Franchisee authorizes Franchisor to withdraw funds at such days and times as Franchisor shall determine via EFT from Franchisee's bank account related to the franchised business for all fees and other charges in connection with the Franchise Agreement and this Addendum, as described in the first sentence of this paragraph. Franchisee authorizes ACH debits via EFT based on an amount equal to the total amount(s) due Franchisor, as set forth in Section 5 of the Franchise Agreement.

D. Franchisee is responsible for paying all service charges and other fees imposed or otherwise resulting from action by Franchisee's bank in connection with EFT by Franchisor, including, without limitation, any and all service charges and other fees arising in connection with any EFT by Franchisor not being honored or processed by Franchisee's bank for any reason and a Fifty Dollar ($50) charge by Franchisor for processing the EFT. Upon written notice by Franchisor to Franchisee, Franchisee may be required to pay any amount(s) due under the Franchise Agreement and/or this Addendum directly to Franchisor by check or other non-electronic means in lieu of EFT at Franchisor's discretion. It shall be a non-curable event of default under Article 15 of the Franchise Agreement if Franchisee closes any bank

account related to the franchised business without completing all of the following forthwith after such closing: (1) immediately notifying Franchisor thereof in writing, (2) immediately establishing another bank account related to the franchised business, and (3) executing and delivering to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account by EFT as this Addendum permits.

E. Except as specifically set forth in this Addendum, the Franchise Agreement shall remain in full force and effect in accordance with its terms and conditions. This Addendum is attached to and upon execution becomes an integral part of the Franchise Agreement.

F. Wherefore, the parties have executed below on the day and date first above written.

FRANCHISOR:

By: _____

Print Name: _____

Title: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

By: _____

Print Name: _____

Title: _____

EXHIBIT 3 TO THE
STARTING STRENGTH FRANCHISE AGREEMENT

ELECTRONIC DEBIT AUTHORIZATION

FRANCHISOR: Strength Train LLC

FRANCHISOR ID NUMBER: _____

The undersigned hereby authorizes Strength Train LLC (the "Franchisor"), to initiate debit entries to the undersigned's checking account related to the franchised business indicated below and the depository named below (the "Depository"), to debit the same to such account.

Depository Name: _____
Branch: _____
City State and Zip Code: _____
_____
Transit/ABA No.: _____
Account Number: _____

This authority is to remain in full force and effect until the underlying obligations under the Franchise Agreement have been satisfied in full or released in writing by Franchisor.

This authorization further confirms my understanding of Exhibit 2 to the Franchise Agreement signed by me/us in which I/we expressly agree that this authorization shall apply to any and all Depositories and bank accounts related to the franchised business with which I/we open accounts during the term of the Franchisee Agreement and any renewals. Without limiting the generality of the forgoing, I/we understand that if I/we close any bank account related to the franchised business, I/we are obligated immediately to: (i) notify Franchisor thereof in writing, (ii) establish another bank account, and (iii) execute and deliver to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account/depository by ACH debiting or other electronic means. I/we specifically agree and declare that this Authorization shall be the only written authorization needed from me/us in order to initiate debit entries/ACH debit originations to my/our bank account(s) related to the franchised business as established with any Depository in the future.

DATE: _____

ID NUMBER: _____

PRINT NAME(S): SIGNATURE(S):

_____ _____

_____ _____

EXHIBIT 4 TO THE
STARTING STRENGTH FRANCHISE AGREEMENT

GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGEMENT

For value received, and in consideration for, and as an inducement to Strength Train LLC (the "Franchisor") to execute the Starting Strength Franchise Agreement (the "Franchise Agreement"), of even date herewith, by and between Franchisor and _____ or his/her assignee, if a partnership, corporation or limited liability company is later formed (the "Franchisee"), _____ (the "Guarantor(s)"), jointly and severally, hereby unconditionally guarantees to Franchisor and its successors and assigns the full and timely performance by Franchisee of each obligation undertaken by Franchisee under the terms of the Franchise Agreement, including all of Franchisee's monetary obligations arising under or by virtue of the Franchise Agreement.

Upon demand by Franchisor, Guarantor(s) will immediately make each payment required of Franchisee under the Franchise Agreement. Guarantor(s) hereby waives any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Franchise Agreement; (b) proceed against or exhaust any security from Franchisee; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee. Without affecting the obligations of Guarantor(s) under this Guarantee, Indemnification and Acknowledgment, Franchisor may, without notice to Guarantor(s), extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust or compromise any claims against Franchisee.

Guarantor(s) waives notice of amendment of the Franchise Agreement and notice of demand for payment by Franchisee, and agrees to be bound by any and all such amendments and changes to the Franchise Agreement.

Guarantor(s) hereby agrees to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, without limitation, reasonable attorney's fees, reasonable costs of investigations, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Franchise Agreement, any amendment, or any other agreement executed by Franchisee referred to therein.

Guarantor(s) hereby acknowledges and agrees to be individually bound by all covenants contained in the Franchise Agreement and all terms and conditions of the Franchise Agreement requiring Franchisee not to disclose confidential information.

This Guarantee shall terminate upon the expiration or termination of the Franchise Agreement, except that all obligations and liabilities of Guarantor(s) that arise from events that occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by Guarantor(s), and all covenants that by their terms continue in force after termination or expiration of the Franchise Agreement shall remain in force according to their terms. Upon the death of an individual Guarantor, the estate of such Guarantor will be bound by this Guarantee, but only for defaults and obligations existing at the time of death, and the obligations of the other Guarantor(s) will continue in full force and effect.

The validity of this Guarantee and the obligations of Guarantor(s) hereunder shall in no way be terminated, restricted, diminished, affected or impaired by reason of any action that Franchisor might take or be forced to take against Franchisee, or by reason of any waiver or failure to enforce any of the rights or remedies reserved to Franchisor in the Franchise Agreement or otherwise.

The use of the singular herein shall include the plural. Each term used in this Guarantee, unless otherwise defined herein, shall have the same meaning as when used in the Franchise Agreement.

This Guarantee is to be performed in Ada County, Idaho and shall be governed by and construed in accordance with the laws of the State of Idaho. Guarantor(s) specifically agrees that the state and federal courts situated in Ada County, Idaho shall have exclusive jurisdiction over Guarantor(s) and this Guarantee. In connection therewith, each of the undersigned hereby appoints the Secretary of State for the State of Idaho as his agent for service of process to receive summons issued by the court in connection with any such litigation. Notwithstanding the foregoing, Franchisor and Guarantor(s) agree that any dispute under this Guarantee shall be resolved by arbitration pursuant to Article 16 of the Franchise Agreement (except as otherwise provided in Article 16 of the Franchise Agreement).

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Franchise Agreement.

GUARANTOR

By: _____

Print Name: _____

SS #: _____

DOB: _____

Driver's License No. _____

GUARANTOR

By: _____

Print Name: _____

SS #: _____

DOB: _____

Driver's License No: _____

The undersigned, as the spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty.

_____
Name of Guarantor

_____
Name of Guarantor's Spouse

_____
Signature of Guarantor's Spouse

_____
Name of Guarantor

_____
Name of Guarantor's Spouse

_____
Signature of Guarantor's Spouse

EXHIBIT 5 TO THE
STARTING STRENGTH FRANCHISE AGREEMENT

ADDENDUM TO LEASE

This Addendum to Lease (this "Addendum") modifies and supplements that certain lease dated _____ and entered into by Tenant and Landlord concerning the Location at _____(the "Lease").

Landlord and Tenant, intending that Strength Train LLC, an Idaho limited liability company, ("Franchisor") (and its successors and assigns) be a third-party beneficiary of this Addendum, agree as follows:

(1) Landlord shall, during the term of the Lease and thereafter, provide Franchisor all sales and other information it may have, whether provided by Tenant or otherwise, related to the operation of Tenant's Gym as Franchisor may reasonably request;

(2) Tenant may display the trademarks, service marks and other commercial symbols owned by Franchisor and used to identify the service and/or products offered at the Gym, including the name "Starting Strength," the Gym design and image developed and owned by Franchisor, as it currently exists and as it may be revised and further developed by Franchisor from time to time, and certain associated logos in accordance with the specifications required by the Starting Strength Manual, subject only to the provisions of applicable law and in accordance with provisions in the Lease no less favorable than those applied to other tenants of Landlord;

(3) Tenant shall not, and the Landlord shall not permit the tenant to, sublease or assign all or any part of the Lease or the Premises, or extend the term or renew the Lease, without Franchisor's prior written consent;

(4) Landlord shall concurrently provide Franchisor with a copy of any written default notice sent to Tenant and thereupon grant Franchisor the right (but not the obligation) to cure any deficiency or default under the Lease, should Tenant fail to do so, within five (5) days after the expiration of the period in which Tenant may cure the default;

(5) The Premises shall be used only for the operation of a Starting Strength Gym;

(6) Tenant may, without Landlord’s consent (but subject to providing Landlord with written notice thereof), at any time assign this Lease or sublease the whole or any part of the Premises to Franchisor or any successor, subsidiary or affiliate of Franchisor;

(7) In the event of an assignment of the Lease to Franchisor as described in (6) above, Franchisor may further assign this Lease, subject to Landlord's consent, such consent not to be unreasonably withheld based on the remaining obligations of assignee under the Lease, to a duly

authorized franchisee of Franchisor, and thereupon Franchisor shall be released from any further liability under the Lease;

(8) Until changed by Franchisor, notice to Franchisor shall be sent as follows:

Strength Train LLC
2976 E. State St., Suite 120, #2062
Eagle, Idaho 83616
Attention: Nick Delgadillo

(9) None of the provisions in this Addendum or any rights granted Franchisor hereunder, may be amended absent Franchisor's prior written consent.

AGREED:

TENANT	**LANDLORD**
By: _____	By: _____
Print Name: _____	Print Name: _____
Its: _____	Its: _____
Date: _____	Date: _____

EXHIBIT 6 TO THE
STARTING STRENGTH FRANCHISE AGREEMENT

ADA CERTIFICATION FORM

Strength Train LLC, an Idaho limited liability company, ("Franchisor") and _____ ("Franchisee") are parties to a franchise agreement dated _____, 20__ (the "Franchise Agreement") for the operation of a Starting Strength Gym at the location identified below (the "Gym").

_____
(*GYM ADDRESS)*

ADA Certification:

In accordance with Section 7.4 of the Franchise Agreement, Franchisee certifies to Franchisor that to the best of Franchisee's knowledge, the Gym and its adjacent areas comply with all applicable federal, state and local accessibility laws, statutes, codes, rules, regulations and standards, including but not limited to the Americans with Disabilities Act. Franchisee acknowledges that it is an independent contractor and the requirement of this certification by Franchisor does not constitute ownership, control, leasing or operation of the Gym by Franchisor. Franchisee acknowledges that Franchisor has relied on the information contained in this certification. Furthermore, Franchisee agrees to indemnify Franchisor and each of Franchisor's affiliates, and each of their respective officers, directors, members, shareholders, representatives, employees and agents, in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by such indemnified party(ies) as a result of any matters associated with Franchisee's compliance (or failure to comply) with the Americans with Disabilities Act, as well as the costs, including attorneys' fees, related to the same.

In the event of any dispute concerning or relating to this document and/or any of the transactions and/or matters to which it may apply, such dispute will be resolved in accordance with the dispute resolution provisions of the Franchise Agreement, including Article 16 of the Franchise Agreement. Terms not defined in this document shall have the same meaning as they do in the Franchise Agreement.

[Signatures on Following Page]

All signers are jointly and severally responsible for the representations and promises described in this Acknowledgment and Certification Form.

"FRANCHISEE"

If Franchisee is an individual:

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

If Franchisee is a corporation or other entity:

_____
[Name of Franchisee]

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT 7 TO
STARTING STRENGTH FRANCHISE AGREEMENT

WEBSTORE E-COMMERCE AGREEMENT

This Webstore E-Commerce Agreement (this "Addendum") is made on this ___ day of _____ 20___, by and between Strength Train LLC ("Franchisor") and _____ or their assignee, if a partnership, corporation or limited liability company is later formed ("Franchisee").

RECITALS

Whereas, Franchisor and Franchisee are parties to that certain Starting Strength Franchise Agreement dated _____ (the "Franchise Agreement") for the operation of a Starting Strength Gym (the "Gym");

Whereas, as part of the Franchise Program, Franchisor creates and manages a Starting Strength® website (a "Website") for each of the Gyms owned and operated by its franchisees through Franchisor's Starting Strength Platform (the "Platform");

Whereas, Franchisor wishes to generate and manage through the Platform an e-commerce webstore (the "Webstore") that sells Starting Strength® brand apparel and other items (the "Merchandise") for Franchisee; and

Whereas, Franchisee desires to have Franchisor generate and manage the Webstore for the Gym in accordance with the terms and conditions of this Agreement.

Now, therefore, in consideration of the mutual promises contained herein and as an inducement to Franchisor to execute the Franchise Agreement, the parties agree as follows:

1. **Definitions**. Terms not defined in this Addendum (including various capitalized terms) are defined in the Franchise Agreement.

2. **Website and Webstore**. At Franchisor's sole election and without any obligation whatsoever to do so, Franchisor agrees to create, manage, and maintain a Website for the Gym through the Platform to register members/customers and to sell the Merchandise via the Webstore on behalf of Franchisee, as a value-added service. Franchisor does not currently charge for this service but reserves the right to do so in the future upon 30 days prior written notice to Franchisee. Franchisor, at its sole discretion, may choose to no longer provide this service on behalf of Franchisee and may cancel this Addendum upon 60 days prior written notice to Franchisee. The Website and Webstore will be hosted by third-party vendors designated by Franchisor (the "Hosts"). The Hosts will be responsible for data backup services on the data stored in the Website for Franchisee. Franchisor is specifically not responsible for unintentional damages or loss, either incidental or direct, caused by a loss of Franchisee's or the Gym's members/customers' information.

3. **Operation of the Webstore and Franchisee's E-Commerce Sales.**

3.1 The parties agree, understand and acknowledge that the Webstore is being managed and maintained by Franchisor on behalf of Franchisee for the Gym's e-commerce retail sales; that

the Webstore is hosted by a third-party vendor; and that Franchisee is the e-commerce seller.

3.2 Franchisor, at its sole discretion, will select and designate the Merchandise sold on the Webstore. The Merchandise is subject to change from time to time by Franchisor.

3.3 Franchisor, at its sole discretion, will establish the selling price for the Merchandise. All proceeds from the sale of the Merchandise on the Webstore will be collected and processed by Franchisor through the Platform.

4. **Payment Terms**. Franchisor will deduct the Royalty Fee and Marketing Fund Contribution from the Gross Sales per the terms of the Franchise Agreement, and the remainder of the Gross Sales will be paid to Franchisee. Franchisor does not currently collect a commission on the sales at the Webstore but reserves the right to do so in the future upon 30 days prior written notice to Franchisee.

5. **Reporting**. Franchisor will provide Franchisee with summary reports once per quarter or more frequently. The report will include a summary of the orders, amounts, locations, and city-specific tax amounts on the Webstore sales and other pertinent information. Franchisee is responsible for paying all federal and state sales, use, transfer, or similar taxes payable to any governmental authority on any sale of the Merchandise through the Webstore, as well as on any other charge made in connection with such sale based on the Applicable Sales Tax Rates.

6. **Merchandise Returns**. Franchisee and the third-party vendor designated by Franchisor to fulfill the orders of Merchandise on the Webstore shall be responsible in all respects for processing and completing any and all returns of Merchandise by the customers/members of the Gym, including, without limitation, making any refunds to the customers/members for such returns. Franchisor shall have no responsibility or liability for Merchandise returns and refunds. The Royalty Fee and Marketing Fund Contribution will not be refunded to Franchisee for any returned Merchandise, as such fees are based upon Franchisee's Gross Sales.

7. **Customer Service and Vendor Relations**. Franchisee shall be responsible for handling all customer/member phone calls and other inquiries pertaining to the Gym's Website, Webstore and the Merchandise. Franchisee shall also be responsible for interfacing with any vendor or approved supplier of the Merchandise to address and resolve any customer/member related issues.

8. **Term**. This Addendum remains in effect for the duration of the Franchise Agreement unless cancelled by Franchisor sooner upon no less than 60 days' prior written notice to Franchisee.

9. **Disclaimer of Warranties**. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THESE TERMS AND CONDITIONS, NEITHER PARTY MAKES, AND EACH PARTY HEREBY WAIVES AND DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES REGARDING THE TRANSACTIONS CONTEMPLATED HEREBY, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT OR IMPLIED WARRANTIES ARISING OUT OF COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH PARTY SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY REGARDING (A) THE AMOUNT OF SALES REVENUES THAT MAY OCCUR DURING THE TERM, AND (B) ANY ECONOMIC OR OTHER BENEFIT THAT IT MIGHT OBTAIN THROUGH ENTRANCE INTO THESE TERMS AND CONDITIONS (OTHER THAN THE SPECIFIC SUMS TO BE PAID PURSUANT TO THESE TERMS AND CONDITIONS).

10. **Preservation of Agreement.** Except as specifically set forth in this Addendum, the Franchise Agreement shall remain in full force and effect in accordance with its terms and conditions. This Addendum is attached to and upon execution becomes an integral part of the Franchise Agreement.

This Addendum is agreed to and accepted by the parties this ___ day of _____ 20__.

FRANCHISOR
Strength Train LLC
an Idaho limited liability company

By:_____

Print Name: _____

Title: _____

FRANCHISEE

If Franchisee is an individual:

Signature: _____

Print Name: _____

Signature: _____

Print Name: _____

If Franchisee is a corporation or other entity:

_____
[Name of Franchisee]

By: _____

Print Name: _____

Title: _____

Exhibit B
To Franchise Disclosure Document

LIST OF STATE AGENTS FOR SERVICE OF PROCESS
AND STATE ADMINISTRATORS

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA
Commissioner of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, CA 95834
Tel: (415) 972-8559
Fax: (415) 972-8590
Toll Free: (866) 275-2677
Website: https://dfpi.ca.gov
Email: Ask.DFPI@dfpi.ca.gov

CONNECTICUT
Department of Banking
Securities and Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103-1800
Tel: (860) 240-8230

FLORIDA
Tom Kenny, Regulatory Consultant
Department of Agriculture & Consumer Services
Division of Consumer Services
P.O. Box 6700
Tallahassee, Florida 32314
Tel: (850) 488-2221
Fax: (850) 410-3804

HAWAII
(for service of process)
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

(state agency)
Department of Commerce &
Consumer Affairs
King Kalakaua Building
335 Merchant Street, Rm 203
Honolulu, Hawaii 96813
Tel: (808)586-2722
Fax: (808) 587-7559

ILLINOIS
Franchise Bureau
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA
(for service of process)
Indiana Secretary of State
201 State House
Indianapolis, Indiana 46204

(state agency)
Securities Commissioner
Indiana Secretary of State
Securities Division, Franchise Section
302 West Washington Street,
Room E-111
Indianapolis, Indiana 46204
Tel: (317) 232-6681

IOWA
Dennis Britson
Director of Regulated Industries Unit
Iowa Securities Bureau
340 Maple
Des Moines, Iowa 50319-0066
Tel: (515) 281-4441
Fax: (515) 281-3059
email: iowasec@iid.state.ia.us

MARYLAND
(for service of process)
Maryland Securities Commissioner
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

(state agency)
Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020
Tel: (410) 576-6360

MICHIGAN
(for service of process)
Michigan Department of Consumer and Industry Services
Bureau of Commercial Services
Corporations Division
PO Box 30054
Lansing, Michigan 48909
Tel: (517) 241-6470

(state agency)
Department of the Attorney General
Consumer Protection Division
Antitrust and Franchise Section
670 Law Building
Lansing, MI 48913
Tel: (517) 373-7117

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

NEBRASKA
Gene Schenkelberg, Securities Analyst
Department of Banking & Finance
1200 N. Street, Suite 311
P.O. Box 95006
Lincoln, Nebraska 68509
Tel: (402) 417-3445

NEW YORK
(Agent for Service of Process)
Secretary of State
99 Washington Avenue
Albany, NY 12231

(Administrator)
NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21St Floor
New York, NY 10005
Tel: (212) 416-8222

NORTH DAKOTA
(for service of process)
North Dakota Securities Commissioner
North Dakota Securities Department
600 East Boulevard, 5th Floor
Bismarck, North Dakota 58505-0510

(state agency)
North Dakota Securities Department
600 East Boulevard, 5th Floor
Bismarck, North Dakota 58505-0510
Tel: (701) 328-2910

OREGON
Director, Department of Consumer &
Business Services
Division of Finance & Corporate Securities
Labor and Industries Building
Salem, Oregon 97310
Tel: (503) 378-4140
Fax: (503) 947-7862
Email: dcbs.dfcsmail@state.or.us

RHODE ISLAND
Director
Securities Division
Department of Business Regulation,
Building 69, First Floor
John O. Pastore Center
1511 Pontiac Avenue,
Cranston, Rhode Island 02920
Tel: (401) 462 9582

SOUTH DAKOTA
Director, Department of Labor and
Regulation
Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, South Dakota 57501
Tel: (605) 773-3563

(continued on next page)

TEXAS
Statutory Document Section
Secretary of State
1719 Brazos
Austin, Texas 78701
Attn: Dorothy Wilson
Tel: (512) 475-1769

UTAH
Director, Division of Consumer Protection
Utah Dept. of Commerce
160 East Three Hundred South
SM Box 146704
Salt Lake City, Utah 84114-6704
Tel: (801) 530-6601
Fax: (801) 530-6001

VIRGINIA
(for service of process)
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

(state agency)
Director
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
Tel: (804) 371-9051

WASHINGTON
(for service of process)
Administrator
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501

(state agency)
Administrator
Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, Washington 98504-1200
Tel: (360) 902-8760
Fax: (360) 902-0524

WISCONSIN
Commissioner of Securities
Department of Financial Institutions
P.O. Box 1768
Madison, Wisconsin 53701-1768
Tel: (608) 266-2801

Exhibit C
To Franchise Disclosure Document

FINANCIAL STATEMENTS

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIODS ENDED
APRIL 30, 2024, AND DECEMBER 31, 2024

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

Strength Train, LLC - Balance Sheet

As of December 31, 2024

Account		Dec 31, 2024
Assets		
Current Assets		
Cash and Cash Equivalents	$	126,390
Accounts Receivable		21,520
Other Current Assets		8,536
Total Current Assets		**156,446**
Total Assets		**156,446**
Liabilities and Equity		
Liabilities		
Current Liabilities		
Accrued Liabilities		35,341
Other Current Liabilities		7,588
Total Current Liabilities		**42,929**
Long Term Liabilities		
Deferred Revenue - Franchisee Fees		434,398
Notes Payable		350,000
Total Long Term Liabilities		**784,398**
Total Liabilities		**827,326**
Total Equity		**(670,880)**
Total Liabilities and Equity	**$**	**156,446**

Strength Train, LLC - Income Statement

For the year ended December 31, 2024

Revenue	2024
Royalty Fees	$ 545,604
Franchisee Fees	214,207
Tech Fees	95,555
Tech Fees - Custom Software	30,960
Royalty Fees - Online Coaching	21,758
Shopify Sales	14,038
Conference Registration Income	6,825
Other Revenue	10,883
Total Revenue	**939,829**
Cost of Goods Sold	
Tech Expenses - Custom Software	73,036
Merchandise for Resale	4,268
Total Cost of Goods Sold	**77,304**
Gross Profit	**862,525**
Operating Expenses	
Consulting	257,734
Guaranteed Payments	213,897
Consulting- Advertising	55,133
Professional Fees	44,102
Advertising	36,482
Web Design	32,973
Contractor Payments	31,959
Interest Expense	18,190
Travel	15,560
Software Subscriptions	13,113
Conference Expenses	11,836
Leadership Retreat	8,225
Consulting- Social Media	7,900
Insurance	6,245
Other Operating Expenses	40,904
Total Operating Expenses	**794,253**
Operating Income	**68,272**
Net Income	**$ 68,272**

Balance Sheet

Strength Train, LLC

As of April 30, 2024

Account	Apr 30, 2024
Assets	
Current Assets	
Cash and Cash Equivalents	
Chase Business Card	8,063
Chase Operating Bank Account	78,428
Chase Total Business Savings	25
Total Cash and Cash Equivalents	**86,516**
Accounts Receivable	11,728
Due From Franchisees	-
Inventory - Manual	2,208
Other Receivables	570
Prepayments	-
Royalty Receivable	6,286
Total Current Assets	**107,308**
Total Assets	**107,308**
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accrued Liabilities	29,496
Chase Business Card	-
Chase Credit Card Payable	15,668
Conferences - Deferred Revenue and Expense	(3,788)
Online Sales-Gift Cards	-
Rounding	-
Total Current Liabilities	**41,375**
Long Term Liabilities	
Deferred Revenue - Franchisee Fees	587,754
Loan	200,000
Total Long Term Liabilities	**787,754**
Total Liabilities	**829,130**
Equity	
Current Year Earnings	4,014
Owner Draw - TAC	(70,000)
Owners Contribution - Ray Gillenwater	50,000
Owners Contribution - The Aasgarrd Company	200,000
Retained Earnings	(905,836)
Total Equity	**(721,822)**
Total Liabilities and Equity	**107,308**

Income Statement (Profit and Loss)

Strength Train, LLC

For the month ended April 30, 2024

Account	YTD Apr 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024
Income					
Franchise Advisor Fees - Architecture & Design	4,515	840	1,220	1,475	980
Franchise Advisor Fees - Online Coaching Leads	550	-	100	400	50
Franchise Advisor Fees - Recruiting	-	-	-	-	-
Franchisee Fees	-	-	-	-	-
Online Retail Sales	6,877	2,949	813	261	2,853
Royalty Fees	177,175	44,562	44,634	43,440	44,539
Royalty Fees - Online Coaching	13,305	3,160	3,368	3,256	3,521
Tech Fees	33,289	8,537	8,443	8,294	8,015
Tech Fees - Custom Software	10,960	2,810	2,760	2,660	2,730
Total Income	**246,671**	**62,859**	**61,338**	**59,787**	**62,688**
Cost of Goods Sold					
Cost of Goods Sold	306	117	78	40	72
Total Cost of Goods Sold	**306**	**117**	**78**	**40**	**72**
Gross Profit	**246,365**	**62,742**	**61,260**	**59,747**	**62,617**
Operating Expenses					
Advertising	27,014	9,612	8,916	11,748	(3,262)
Advertising - Reimbursable	1,157	-	1,157	-	-
Bank Service Charges	-	-	-	-	-
Business Licenses and Permits	-	-	-	-	-
Conference Income / Loss	(4,325)	-	2,500	(6,825)	-
Construction Management / Buildout Support	2,030	735	-	1,295	-
Consulting & Accounting	5,566	1,703	1,400	2,463	-
Dues & Subscriptions	5,305	887	2,759	845	814
Gifts	-	-	-	-	-
Guaranteed Payments	68,834	18,834	23,000	22,000	5,000
Insurance	4,972	-	4,972	-	-
Interest Expense	3,980	995	995	995	995
Legal Expenses	1,077	-	825	253	-
Marketing - Brand Designer	(500)	-	-	-	(500)
Meals and Entertainment	6,839	-	2,596	119	4,125
Office Expenses	-	-	-	-	-
Office Supplies	675	245	177	127	126
Online Coaching Contract Labor	713	113	125	475	-
Parking Fees and Tolls	-	-	-	-	-
Payments to Asgaard for tech fees	-	-	-	-	-
Postage & Delivery	-	-	-	-	-
Printing & Stationery	-	-	-	-	-
Professional Fees - Other	77,765	25,778	24,106	24,746	3,136
Recruiting Fee	-	-	-	-	-
Rent	-	-	-	-	-
Seminars	2,161	2,161	-	-	-
State Taxes	103	103	-	-	-
Stripe Fees	2,064	416	466	413	770
Tech Expenses - Software	23,311	5,877	5,851	5,792	5,791
Telephone & Internet	-	-	-	-	-
Travel	11,208	-	1,000	2,251	7,956
Website	2,403	-	-	-	2,403
Total Operating Expenses	**242,351**	**67,458**	**80,843**	**66,696**	**27,354**
Operating Income	**4,014**	**(4,716)**	**(19,583)**	**(6,949)**	**35,263**
Net Income	**4,014**	**(4,716)**	**(19,583)**	**(6,949)**	**35,263**

STRENGTH TRAIN LLC

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

As of December 31, 2023 and 2022
and for the Years Ended December 31, 2023, 2022, and 2021

STRENGTH TRAIN LLC

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INDEPENDENT AUDITORS' REPORT

To the Members
Strength Train LLC
Boise, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of Strength Train LLC (an Idaho limited liability company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations and members' deficit and cash flows for the years ended December 31, 2023, 2022, and 2021, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Strength Train LLC as of December 31, 2023 and 2022 and the results of its operations and its 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. 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 Strength Train 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 Strength Train LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Strength Train 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 Strength Train 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.

Lavine, Lofgren, Morris & Engelberg, LLP

La Jolla, California
June 7, 2024

STRENGTH TRAIN LLC

Balance Sheets
As of December 31, 2023 and 2022

	2023	2022
ASSETS		
Current assets:		
Cash	$ 64,517	$ 206,964
Accounts receivable, net	40,847	50,933
Inventory	2,208	2,208
Prepaid expenses	2,644	1,788
Advance to member	2,500	-
Total assets	$ 112,716	$ 261,893
LIABILITIES AND MEMBERS' DEFICIT		
Current liabilities:		
Credit card and accrued expenses payable	$ 98,239	$ 117,765
Deferred franchise fee revenue, current portion	313,158	385,170
Total current liabilities	411,397	502,935
Deferred franchise fee revenue, net of current portion	230,726	32,546
Economic Injury Disaster Loan	200,000	200,000
Total liabilities	842,123	735,481
Commitments		
Members' deficit	(729,407)	(473,588)
Total liabilities and members' deficit	$ 112,716	$ 261,893

See accompanying notes to financial statements and independent auditors' report.

STRENGTH TRAIN LLC

Statements of Operations and Members' Deficit
For the Years Ended December 31, 2023, 2022, and 2021

	2023	2022	2021
Revenue:			
Recognition of initial franchise fees	$ 133,432	$ 212,857	$ 188,052
Continuing franchise fees	496,381	354,486	164,911
Franchisee services	141,073	107,411	130,479
Merchandise and equipment sales	9,410	11,643	9,309
Other revenue	-	10,154	3,391
Total revenue	780,296	696,551	496,142
Cost of sales:			
Cost of services provided to franchisees	329,621	292,138	241,278
Cost of goods sold	7,073	9,975	6,742
Total cost of sales	336,694	302,113	248,020
Gross profit	443,602	394,438	248,122
Operating expenses:			
Payroll and payments to members for services to the Company	94,078	119,001	83,605
Advertising expense	240,105	93,981	26,640
Professional fees	218,274	151,330	112,352
Other operating expenses	109,049	64,603	52,396
Total operating expenses	661,506	428,915	274,993
Loss from operations	(217,904)	(34,477)	(26,871)
Other income (expense):			
Other income	-	-	12,541
Other expense	(130)	-	-
Interest expense	(7,785)	(8,814)	(4,576)
Other income (expense), net	(7,915)	(8,814)	7,965
Net loss	(225,819)	(43,291)	(18,906)
Distributions to members	(30,000)	(30,000)	(38,352)
Members' deficit, beginning of year	(473,588)	(400,297)	(343,039)
Members' deficit, end of year	$ (729,407)	$ (473,588)	$ (400,297)

See accompanying notes to financial statements and independent auditors' report.

STRENGTH TRAIN LLC

Statements of Cash Flows
For the Years Ended December 31, 2023, 2022, and 2021

	2023	2022	2021
Cash flows from operating activities:			
Net loss	$ (225,819)	$ (43,291)	$ (18,906)
Adjustments to reconcile net loss to cash provided by (used in) operating activities:			
Bad debt expense	10,000	-	-
Paycheck Protection Program loan forgiveness	-	-	(3,541)
Changes in net operating assets and liabilities:			
Accounts receivable	86	(31,884)	(15,256)
Inventory	-	960	(3,168)
Prepaid expenses	(856)	(1,482)	1,501
Advance to member	(2,500)	-	-
Credit card and accrued expenses payable	(19,526)	16,332	(10,034)
Deferred franchise fee revenue	126,168	(53,007)	71,648
Net cash provided by (used in) operating activities	(112,447)	(112,372)	22,244
Cash flows from financing activities:			
Proceeds from notes payable	-	-	164,000
Distributions to members	(30,000)	(30,000)	(38,352)
Net cash provided by (used in) financing activities	(30,000)	(30,000)	125,648
Net increase (decrease) in cash	(142,447)	(142,372)	147,892
Cash, beginning of year	206,964	349,336	201,444
Cash, end of year	$ 64,517	$ 206,964	$ 349,336
Supplemental disclosure of cash flow information:			
Cash paid for interest	$ 11,940	$ 3,035	$ -

See accompanying notes to financial statements and independent auditors' report.

NOTE 1. ORGANIZATION AND NATURE OF BUSINESS

General

Strength Train LLC (the "Company") was originally organized on February 2, 2018 as a California limited liability company. In December 2020, the Company cancelled its California registration, relocated its headquarters to Idaho, and filed as an Idaho limited liability company. As a limited liability company, its members' liability is limited by the operating agreement and as provided by law. The business plan of the Company is to offer franchise opportunities in the strength training industry using the *Starting Strength*® system and methods.

During 2019, the Company's first franchised location opened, and as of December 31, 2023 and 2022, 22 and 17 franchised locations, respectively, were open and operating. In addition, the Company has signed agreements for 9 and 10 franchised locations which it expects will open during 2024 and 2025, respectively.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make certain estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an initial maturity of three months or less, as well as money market funds, to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2023 and 2022.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist primarily of cash. Management periodically evaluates the creditworthiness of its primary financial institution. From time to time, the balances maintained by the Company may exceed Federal Deposit Insurance Corporation insurance limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk related to cash.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable consists primarily of services provided/sold to franchisees and any unpaid royalty fees due from franchisees and is reported at the amount management expects to collect. The Company does not accrue interest on past due accounts. Management assesses the need for an allowance for doubtful accounts based on the length of time receivables are past due, the status of a franchisee's financial position, and general economic factors. Based on its evaluation of accounts receivable and ongoing collection experience, management recorded an allowance for doubtful accounts of $10,000 as of December 31, 2023, and determined that no allowance was necessary at December 31, 2022 or 2021.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition and Deferred Revenue

Initial franchise fees:

Initial (and any successor) franchise fees are payable by the franchisee upon signing a new franchise agreement (or successor franchise agreement). The Company's performance obligations under its franchise agreements include pre-opening services, continuing licensing rights for the Company's intellectual property, and certain other ongoing services over the term of the franchise agreement. Pre-opening services which are distinct within the contract include (i) certain layout, recruitment, and development consulting, (ii) initial training provided to the franchisee and gym manager, and (iii) grand opening advertising assistance, among others.

The Company accounts for all pre-opening services as a single performance obligation. Fees associated with pre-opening services are recognized as revenue upon the franchise location's opening, which is when the Company has completed such services. That portion of the initial franchise fee relating to services that are not distinct, but which are rather determined to be highly interrelated with the franchise license, are accounted for as a separate performance obligation which is satisfied over the terms of the franchise agreements. Accordingly, any such portion is deferred and recognized as revenue on a straight-line basis over the terms of the respective franchise agreements.

Continuing franchise fees:

Continuing franchise fees consisting primarily of royalty fees as well as franchisee contributions to a marketing fund, are calculated as a percentage of monthly franchisee sales throughout the durations of the respective franchise agreements. The franchise agreements stipulate that marketing fund contributions paid by franchisees must be spent on advertising, marketing, and related activities. Royalties from franchisees, including marketing fund contributions, represent sales-based royalties that are related entirely to the Company's continuing performance obligation pursuant to the franchise agreements and are recognized as franchisee sales occur.

Franchisee services:

At times, the Company may provide services to franchisees, including advisory, architecture and design, and information technology services in addition to those included in the franchise agreement. Revenue associated with such services are recognized as the services are provided.

Other matters:

As of December 31, 2023, 2022, and 2021, accounts receivable, net from franchisees totaled $40,847, $50,933, and $19,049, respectively. Deferred revenue associated with initial franchise fees as of December 31, 2023, 2022, and 2021 was $543,884, $417,716, and $470,723, respectively.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Company has elected to be taxed as a partnership for federal and state income tax purposes, rather than as a corporation. Accordingly, no provision or benefit related to income taxes related to the Company is included in the accompanying financial statements. The income or loss of the Company is passed through to its members who are then taxed based on their own tax situations.

Generally, the tax returns and amounts of distributable income or loss of an entity are subject to examination by federal and state taxing authorities during the three and four-year period, respectively, prior to the period covered by the financial statements. If such examination results in a change in the Company's income tax status, a provision for income taxes may need to be recorded. Management believes that it has not taken any uncertain tax positions as of December 31, 2023.

Advertising

The Company expenses advertising costs as they are incurred. For the years and period ended December 31, 2023, 2022, and 2021, advertising expenses, included in operating expenses, totaled $240,105, $93,981, and $26,640, respectively.

Leases

The Company leased office space in Boise, Idaho pursuant to a lease which ended in November 2023. The Company determines if an arrangement is a lease at inception, and when applicable, includes operating lease right-of-use ("ROU") assets as well as lease liabilities on the accompanying balance sheets; however, the Company's operating lease qualifies for an available exemption related to the recording of the ROU asset and related liability due to the lease's expiration being fewer than twelve months from the balance sheet date. The Company has elected to apply this short-term lease exemption to its office lease.

The Company's lease agreement did not contain any material residual value guarantees or material restrictive covenants.

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 842, *Leases*, to increase transparency and comparability among entities by requiring the recognition of ROU assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Company adopted the standard effective January 1, 2022. There were no existing leases as of that date, and the lease entered into by the Company during 2022 qualified for an exemption due to its short-term nature. The adoption of ASC 842 did not have a material impact on the Company's financial statements.

Reclassifications

Certain prior period amounts have been reclassified to conform to current period presentation. Such reclassifications had no effect on the Company's results of operations.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The Company has evaluated subsequent events through the date of the independent auditors' report, which is the date these financial statements were available to be issued.

NOTE 3. MEMBERS' DEFICIT

Membership Rights and Capital Accounts

The Company's operating agreement authorizes it to issue two classes of membership interest, Class A (voting), and Class B (nonvoting). A member's capital account is increased by the amount of money the member contributes to the Company, the fair market value of property the member contributes to the Company, and an allocation of net profits, as defined in the operating agreement. A member's capital account is decreased by the amount of money the Company distributes to the member, the fair market value of property the Company distributes to the member, and allocations of net losses and nondeductible, noncapital expenditures, as defined in the operating agreement.

In April 2018, the Company was originally capitalized as follows: the contribution of $50,000 by its Class A member in return for a 90% membership interest in the form of 9,000 Class A membership units, and agreement of the Class B member to enter into a licensing arrangement with the Company (Note 4) in return for a 10% membership interest in the Company in the form of 1,000 Class B membership units.

In May 2018, the Company issued an additional 885.09 Class B membership units, representing an additional 7.12% ownership interest, to the Class B member in return for $150,000. In July 2018, the Class B member contributed an additional $50,000 to the Company in return for an additional 2.38% ownership as permitted by the operating agreement.

In February 2021, the Company's Class A member entered into an agreement with three independent contractors, two of whom are related parties (Note 4, "Professional Services"). The agreement provides these individuals the option to purchase a portion of the Class A member's units (equating to approximately 15% ownership interest in the Company overall) based on their years of service with the Company, retroactive to inception of the Company. Upon purchase, such units would be converted to Class B units. On March 31, 2021, the contractors elected to exercise options equating to approximately 9% ownership. In 2022, they exercised options equating to an additional 3% and exercised the remaining options in January 2023.

Other

The Company's operating agreement includes a provision for a preferred return of 10% on the Class A member's unreturned capital contributions, when and if declared by the Company. As of December 31, 2023, 2022, and 2021, the amount of preferred return amounted to $28,333, $23,333, and $18,333, respectively.

In addition, beginning in April 2020, the Class B member is entitled to minimum monthly distributions equal to the greater of 10% of available distributable cash or $2,500. During 2023, 2022, and 2021, the Class B member received $30,000, $30,000, and $38,352 in such distributions, respectively.

NOTE 4. RELATED PARTY TRANSACTIONS

Licensing Agreement

In April 2018, pursuant to the Starting Strength Intellectual Property and Trademark License Agreement (the "License Agreement"), the Company's Class B member agreed to license to the Company, on a nonexclusive basis, certain intellectual property, including but not limited to the *Starting Strength*® system, methods, and trademarks (the "*Starting Strength*® IP"). Also, pursuant to the License Agreement, the Class B member agreed to not newly license or operate businesses similar to those the Company intends to franchise using the *Starting Strength*® IP.

Professional Services

During 2023, 2022, and 2021, the brother and sister of the majority member of the Company provided information technology and franchisee location assistance and operations management services, respectively, to the Company. During 2021, these parties, as well as another provider of operations management services, became members of the Company (Note 3, "Other"). Furthermore, the majority member's brother's wife provided certain operations management services to the Company. During 2023, another member of the Company provided marketing and operations management services to the Company. These services are as follows:

	2023	2022	2021
Information technology services expense	$ 48,000	$ 48,000	$ 35,144
Franchise location assistance and support services payable	$ 139,819	$ 94,060	$ 79,362
Marketing and operations management services expense	$ 95,000	$ 65,993	$ 31,105

Included in credit card and accrued expenses payable as of December 31, 2023 and 2022 are amounts due to these individuals for their services, as follows:

	2023	2022
Information technology services payable	$ 4,000	$ 4,000
Franchise location assistance and support services payable	$ 13,075	$ 8,220
Operations management services payable	$ -	$ 6,010

Related Party Franchisee

A minority member of the Company who is also the sister of the majority member has owned a franchise location in Austin, Texas since December 2019. During 2023, this individual opened a second franchise location in Austin for which the Company did not charge an initial franchise fee. During 2023, 2022, and 2021, the Company earned approximately $47,000, $36,000, and $29,000, respectively, in royalty revenue from this related party franchisee.

NOTE 5. NOTES PAYABLE

Note Payable Under Paycheck Protection Program ("PPP"):

In June 2020, under the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") (Note 7), the Company received a Paycheck Protection Program ("PPP") loan from a bank. The PPP authorizes the Small Business Administration ("SBA") to guarantee low-interest rate loans to certain entities. The PPP loan may be partially or fully forgiven if, among other things, employees are retained and the funds are used for eligible expenses.

The terms of the loan, which were evidenced by an unsecured note payable in the amount of $3,541, included interest at 1.00% per annum and repayment in monthly installments of principal and interest in the approximate amount of $400 beginning fifteen months from initial disbursement, as extended under the Paycheck Protection Program Flexibility Act of 2020 (the "PPPF Act"), through May 2022. Additionally, the PPPF Act contains a provision allowing for lenders and existing borrowers to mutually agree to extend the maturity date to 5 years on existing PPP loans. The loan was fully forgiven on April 15, 2021. Income related to the forgiveness of the loan is included in other income on the accompanying 2021 statement of operations.

Note Payable to Small Business Administration:

Also in response to the COVID-19 pandemic, the SBA offered financing in the form of Economic Injury Disaster Loans ("EIDL") to certain qualifying small businesses. The EIDL program is designed to provide economic relief to businesses that experience a temporary loss of revenue due to the pandemic. On May 16, 2020, the Company obtained a loan from the SBA pursuant to the EIDL program in the amount of $36,000 with proceeds to be used for working capital purposes. The loan is evidenced by a note payable which bears interest at 3.75% per annum which is to be paid in 349 payments in the amount of $176 beginning in May 2021 and through May 2050. There have been no principal repayments through December 31, 2023. The note is secured by substantially all assets of the Company.

During 2021, the Company's EIDL was amended and the Company received additional funds in the amount of $164,000. As a result, the payment amount was increased to $995 per month and the payment start date was deferred another 12 months to May 2022, with 337 payments continuing through May 2050. Under the terms of the loan, payments will be applied first to accrued interest, with the balance, if any, applied to principal. During 2022, payments on the loan were again deferred until October 2022. Accrued interest on the EIDL as of December 31, 2023 and 2022 was $5,341 and $9,496, respectively, and is included in credit card and accrued expenses payable on the accompanying 2023 and 2022 balance sheets. The outstanding principal balance of the EIDL was $200,000 as of both December 31, 2023 and 2022.

In connection therewith, the Company received an advance of $9,000 during 2021, which does not have to be repaid, and which is presented as other income in the accompanying 2021 statement of operations.

NOTE 5. NOTES PAYABLE (Continued)

Maturities of the Company's note payable are as follows for the years ending December 31:

2024	$ -
2025	2,289
2026	4,604
2027	4,780
2028	4,943
Thereafter	183,384
	$ 200,000

NOTE 6. COMMITMENTS

Operating Lease

The Company leased office space in Boise, Idaho pursuant to an operating lease which expired in November 2023 and was not renewed. During 2023 and 2022, lease expense related to the operating lease was $9,928 and $903, respectively, and is included in other operating expenses on the accompanying 2023 and 2022 statements of operations. There was no lease expense in 2021.

NOTE 7. CARES ACT

On March 27, 2020, the President of the United States signed into law the CARES Act. The CARES Act, among other things, authorized the PPP (Note 5). The FASB has not issued specific guidance with respect to financial reporting of PPP loans, but has advised entities to consider guidance for similar transactions or circumstances as well as guidance from other, non-authoritative, sources. As further described in Note 5, in June 2020, the Company received a PPP loan from a bank, which was forgiven in April 2021, and recognized within other income at that time.

Exhibit D
To Franchise Disclosure Document

STATEMENT OF PROSPECTIVE FRANCHISEE

NOT FOR USE WITH FRANCHISEES OR FRANCHISES SUBJECT TO STATE FRANCHISE REGISTRATION/ DISCLOSURE LAWS IN CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, AND WISCONSIN. DO NOT COMPLETE AND SIGN THIS QUESTIONNAIRE IF YOU ARE LOCATED, OR YOUR FRANCHISED BUSINESS WILL BE LOCATED IN ONE OF THE ABOVE-MENTIONED STATES.

STARTING STRENGTH
STATEMENT OF PROSPECTIVE FRANCHISEE

[Note: Dates and Answers Must Be Completed in the Prospective Franchisee's Own Handwriting.]

Since the Prospective Franchisee (also called "me," "our," "us," "we" and/or "I" in this document) and Strength Train LLC ("Franchisor") both have an interest in making sure that no misunderstandings exist between them, and to verify that no violations of law might have occurred, and understanding that the Franchisor is relying on the statements I/we make in this document, I/we assure the Franchisor as follows:

A. The following dates and information are true and correct:

1.	_____, 20___ **Initials** _____	The date on which I/we received a Uniform Franchise Disclosure Document about a Franchise.
2.	_____, 20___ **Initials** _____	The date when I/we received a fully completed copy (other than signatures) of the Franchise Agreement and all other documents I/we later signed.
3.	_____, 20___ **Initials** _____	The earliest date on which I/we signed the Franchise Agreement or any other binding document (not including any Letter or other Acknowledgment of Receipt.)
4.	_____, 20___ **Initials** _____	The earliest date on which I/we delivered cash, check or other consideration to the Franchisor, or any other person or company.

B. Representations and Other Matters:

1. No oral, written, visual or other promises, agreements, commitments, representations, understandings, "side deals," options, rights-of-first-refusal or otherwise of any type (collectively, the "representations"), including, but not limited to, any which expanded upon or were inconsistent with the Disclosure Document, the Franchise Agreement, or any other written documents, have been made to or with me/us with respect to any matter (including, but not limited to, advertising, marketing, site location and/or development, operational, marketing or administrative assistance, exclusive rights or exclusive or protected territory or otherwise) nor have I/we relied in any way on any such representations, except as expressly set forth in the Franchise Agreement, or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows:

_____.
(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

Prospective Franchisee's Initials: _____

2. No oral, written, visual or other claim, guarantee or representation (including, but not limited to, charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise), which stated or suggested any specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, was made to me/us by Franchisor, its affiliates or agents/representatives, nor have I/we relied in any way on any such, except for information (if any) expressly set forth in Item 19 of the Franchisor's Disclosure Document (or an exhibit referred to therein), except as follows:

Prospective Franchisee's Initials: _____
(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

3. No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including, but not limited to, the Prospective Franchisee obtaining any financing, the Prospective Franchisee's selection, purchase, lease or otherwise of a location, any operational matters or otherwise) or the Prospective Franchisee fully performing any of the Prospective Franchisee's obligations, nor is the Prospective Franchisee relying on the Franchisor or any other entity to provide or arrange financing of any type, nor have I/we relied in any way on such, except as expressly set forth in the Franchise Agreement or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows:

_____.
(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

Prospective Franchisee's Initials: _____

4. The individuals signing for the "Prospective Franchisee" constitute all of the executive officers, partners, shareholders, investors and/or principals of the Prospective Franchisee and each of such individuals has received the Uniform Franchise Disclosure Document and all exhibits and carefully read, discussed, understands and agrees to the Franchise Agreement, each written Addendum and any Personal Guarantees.

Prospective Franchisee's Initials: _____

5. I/we have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and the Franchisor has strongly recommended that I/we obtain such independent professional advice. I/we have also been strongly advised by the Franchisor to discuss my/our proposed purchase of, or investment in, a Starting Strength Gym Franchise with existing Franchisees prior to signing any binding documents or paying any sums and I/we have been supplied with a list of existing Starting Strength Gym Franchisees.

Prospective Franchisee's Initials: _____

6. I confirm that, as advised, I've spoken with past and/or existing Starting Strength Gym Franchisees, and that I made the decision as to which, and how many, Starting Strength Gym Franchisees to speak with.

Prospective Franchisee's Initials: _____

7. I/we understand that: entry into any business venture necessarily involves some unavoidable risk of loss or failure.

Prospective Franchisee's Initials: _____

8. I/we understand and agree that the Franchisor does not furnish or endorse, or authorize its salespersons or others to furnish or endorse, any oral, written or other information concerning actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, that such information (if any) not expressly set forth in Item 19 of the Franchisor's Disclosure Document (or an exhibit referred to therein) and I/we agree to report any such unauthorized disclosure to the Franchisor.

Prospective Franchisee's Initials: _____

If there are any matters inconsistent with the statements in this document, or if anyone has suggested that I sign this document without all of its statements being true, correct and complete, I/we will (a) **immediately** inform the Franchisor's attorney (858-793-1094) and an officer of the Franchisor and (b) make a written statement regarding such next to my signature below so that the Franchisor may address and resolve any such issue(s) at this time and before either party goes forward.

I/we understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

Date: _____

PROSPECTIVE FRANCHISEE (Individual)

_____
Signature

_____
Printed Name

_____
Signature

_____
Printed Name

PROSPECTIVE FRANCHISEE (Corp., LLC or Partnership) [Must be accompanied by appropriate personal guarantee(s)]

_____
Legal Name of Entity

a _____
State of incorporation, formation, etc.

By: _____

Printed Name: _____

Title: _____

Exhibit E
To Franchise Disclosure Document

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STARTING STRENGTH OPERATIONS MANUAL
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Exhibit F
To Franchise Disclosure Document

GENERAL RELEASE OF ALL CLAIMS

GENERAL RELEASE OF ALL CLAIMS

_____**(FRANCHISEE**") and **_____, an individual** ("**GUARANTOR**") enter into this General Release on **_____**, with reference to the following facts:

1. On **_____, Strength Train LLC,** an Idaho limited liability company ("**FRANCHISOR**"), and FRANCHISEE entered into a Franchise Agreement (the "**Franchise Agreement**") to operate a Starting Strength Gym located at **_____** (the "**Premises**"). GUARANTOR guaranteed FRANCHISEE'S performance under the Franchise Agreement pursuant to a Guarantee and Assumption of Obligations (the "Guarantee"). In consideration of FRANCHISOR'S processing and approval of _____, the Franchise Agreement provides that FRANCHISEE must sign this General Release as a condition to such _____. All capitalized terms not otherwise defined in this General Release shall have the same meaning as in the Franchise Agreement and/or the Guarantee.

2. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, FRANCHISEE and GUARANTOR hereby release and forever discharge FRANCHISOR, its parents and subsidiaries and the directors, officers, employees, attorneys and agents of said corporations, and each of them, from any and all claims, obligations, liabilities, demands, costs, expenses, damages, actions and causes of action, of whatever nature, character or description, known or unknown (collectively "Damages"), which arose on or before the date of this General Release, including any Damages with respect to the Franchise Agreement, the Franchised Business, the Premises and the Guarantee. FRANCHISEE waives any right or benefit which FRANCHISEE or GUARANTOR may have under Section 1542 of the California Civil Code or any equivalent law or statute of any other state. Section 1542 of the California Civil Code reads as follows:

> "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

3. This General Release sets forth the entire agreement and understanding of the parties regarding the subject matter of this General Release and any agreement, representation or understanding, express or implied, heretofore made by any party or exchanged between the parties are hereby waived and canceled.

4. This Agreement shall be binding upon each of the parties to this General Release and their respective heirs, executors, administrators, personal representatives, successors and assigns.

[Signatures on Following Page]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year set forth above.

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

GUARANTOR:

By: _____**, an individual**

Print Name: _____

Exhibit G
To Franchise Disclosure Document

STATE-SPECIFIC ADDENDA

ADDITIONAL STATE DISCLOSURES

If the franchise is located in or if franchisee is a resident of any of the following states, then the designated provisions in the Uniform Franchise Disclosure Document ("Disclosure Document") and Franchise Agreement will be amended as follows:

No Waiver or Disclaimer in Certain States

The following provision applies only to franchisees and franchises that are subject to state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor, any franchise seller, or any other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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.

Our website, www.startingstrengthgyms.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 https://dfpi.ca.gov

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT 14 DAYS PRIOR TO EXECUTION OF THE AGREEMENT.

1. The following language is added to the end of Item 3 of the Disclosure Document:

> Neither Strength Train LLC, nor any person identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark 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, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.

2. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

> 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.

California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees 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. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600..

For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Ada County, Idaho, with the costs being borne by the non-prevailing party. The prevailing party shall be entitled to recover reasonable compensation for expenses, costs and fees in connection with arbitration, including reasonable attorney's fees. 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 contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

3. The following risks are added to the "**Special Risks to Consider About *This* Franchise**" page:

The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. Note: maximum price agreements are not per se violations of the Sherman Act.

4. 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.

5. 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.

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

7. The following statement is added to Item 6:

   The maximum interest rate allowed in California is 10% annually.

8. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

9. The following language is added to Item 5 of the Disclosure Document:

   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. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

CALIFORNIA

AMENDMENT TO FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

The Franchise Agreement and Area Development Agreement are specifically amended as follows:

Section 5.1, Initial Franchise Fee, of the Franchise Agreement and Section III, Development Fee, of the Area Development Agreement shall be supplemented by the following additional language:

"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. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Strength Train LLC	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date: _____	Date: _____

HAWAII

ADDENDUM TO DISCLOSURE DOCUMENT

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 an 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.

The following language is added to the end of Item 5 of the Disclosure Document:

"Despite the provisions in this Item 5, the State of Hawaii has required us to defer the receipt of initial franchise fees until we have met all of our pre-opening obligations and you have opened your franchise business."

HAWAII

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

Section 5.1, Initial Franchise Fee, shall be supplemented by the following additional language:

> "Despite the payment provisions noted in this Section 5.1, the State of Hawaii has required Franchisor to defer the receipt of initial franchise fees until Franchisor has met all of its pre-opening obligations and Franchisee has opened its franchise business."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Strength Train LLC	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date: _____	Date: _____

ILLINOIS

ADDENDUM TO DISCLOSURE DOCUMENT

1. The "**Summary**" section of Item 17(v), entitled **Choice of forum**, is deleted in its entirety.

2. The "**Summary**" section of Item 17(w), entitled **Choice of law**, is deleted and replaced with the following:

   Illinois law applies.

3. Illinois law governs the agreement(s) between the parties to this franchise.

4. Any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void, provided that arbitration may take place outside of Illinois. 815 ILCS 705/4 (West 2010)

5. Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void. 815 ILCS 705/41 (West 2010)

6. The following language is added to ITEM 5, INITIAL FEES, as the last paragraph:

   The payment of all initial franchise fees will be deferred until we have satisfied our pre-opening obligations to you and you have commenced doing business. The Illinois Attorney General's Office has imposed this deferral requirement due to our financial condition.

ILLINOIS

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987 (as amended), the parties to the attached Franchise Agreement ("**Agreement**") agree as follows:

1. Section 19, "**ENTIRE AGREEMENT"** is amended by adding the following:

   No other representation has induced Franchisee to execute this Agreement and there are no representations (except for those made in the Franchise Disclosure Document that Franchisee received from Franchisor), inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with reference to this Agreement or otherwise.

2. Section 17.3, "**GOVERNING LAW,**" is deleted in its entirety and replaced with the following:

   EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), THE FEDERAL ARBITRATION ACT, OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RIGHTS OF THE PARTIES HEREUNDER SHALL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF THE STATE OF ILLINOIS.

3. Section 16.2, "**CHOICE OF FORUM,**" is deleted in its entirety.

4. Under the law of Illinois, any condition, stipulation or provision that purports to bind a person acquiring a franchise to waive compliance with the Franchise Disclosure Act of Illinois is void. Accordingly, insofar as the Franchise Agreement requires you to waive your rights under the Illinois franchise law, these requirements are deleted from the Franchise Agreement. This provision will not prevent the franchisor from requiring you to sign a general release of claims as part of a negotiated settlement of a dispute or actual lawsuit filed under any of the provisions of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

5. Section 5.1, **"Initial Franchise Fee"** is amended by adding the following language as the last paragraph:

   The payment of all initial franchise fees will be deferred until Franchisor have satisfied its pre-opening obligations to Franchisee and Franchisee have commenced doing business. The Illinois Attorney General's Office has imposed this deferral requirement due to Franchisor's financial condition.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Strength Train LLC	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date: _____	Date: _____

ILLINOIS

AMENDMENT TO AREA DEVELOPMENT AGREEMENT

The Area Development Agreement is specifically amended as follows:

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987 (as amended), the parties to the attached Area Development Agreement ("**Agreement**") agree as follows:

1. Illinois law governs the agreements between the parties to this franchise.

2. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

3. 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.

4. Your rights upon termination and non-renewal of a franchise are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

5. Payment of Initial Development Fees will be deferred until Franchisor has met its initial obligations to Franchisee, and Franchisee has commenced doing business. This financial assurance requirement was imposed by the Illinois Attorney General's Office due to Franchisor's financial status.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Strength Train LLC	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date: _____	Date: _____

MARYLAND

ADDENDUM TO DISCLOSURE DOCUMENT

1. The "**Summary**" section of Item 17(c) entitled **Requirements for you to renew or extend**, and the "Summary" section of Item 17(m) entitled **Conditions for our approval of transfer**, is amended by adding the following:

> Any general release you sign shall not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law.

2. The "**Summary**" section of Item 17(h) entitled **"Cause" defined (defaults which cannot be cured)**, is amended by adding the following:

> The Franchise Agreement provides for termination upon your bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

3. The following are added to the end of the chart in Item 17:

> Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.
>
> A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. 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.

MARYLAND

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

Any provision requiring Franchisee to execute a general release of any and all claims against Franchisor shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

Termination upon bankruptcy of the Franchisee might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but Franchisor intends to enforce it to the extent enforceable.

Sections 17.3 and 17.4 shall be supplemented by the following additional language:

> PROVIDED, HOWEVER, THAT THIS LIMITATION OF CLAIMS SHALL NOT ACT TO REDUCE THE THREE (3) YEAR STATUTE OF LIMITATIONS AFFORDED FRANCHISEE FOR BRINGING A CLAIM UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Any provision of this Franchise Agreement which requires a prospective franchisee to disclaim the occurrence and/or non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase a franchise 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.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Strength Train LLC	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date: _____	Date: _____

MICHIGAN

ADDENDUM TO DISCLOSURE DOCUMENT

The following disclosures are required by the State of Michigan:

1. 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 related 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 protections provided in the Michigan Franchise Investment 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 this 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. The 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:

1) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

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

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

4) 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 a provision has been made for providing the required contractual services.

2. If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00 the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations 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.

3. THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENFORCEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be direct to:

State of Michigan
Consumer Protection Division
Attention: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, MI 48933
(517) 373-1160

Note: Despite paragraph F above, we intend to enforce fully the provisions of the arbitration section contained in the Franchise Agreement. We believe that paragraph F is unconstitutional and cannot preclude us from enforcing our arbitration section. You acknowledge that we will seek to enforce this section as well.

MINNESOTA

ADDENDUM TO DISCLOSURE DOCUMENT

In accordance with the requirements of the state of Minnesota the following disclosure should be read in conjunction with the Disclosure Document. Any inconsistency with the information contained in the Disclosure Document will be resolved in favor of this Minnesota Addendum.

1. Item 13 **Trademarks** is amended by adding the following:

   As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any of your costs incurred in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and are given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

2. Item 17 **Renewal, Termination, Transfer and Dispute Resolution** is amended by adding the following:

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

   B. **Choice of Forum**
   Nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

   C. **Releases**
   A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Section 80C.22.

3. 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.

4. 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 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 Disclosure Document, together with a copy of all proposed agreements relating to 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 an understanding of all rights and obligations of both the franchisor and the franchisee.

5. The Limitations of Claims section must comply with Minn. Stat. Section 80C.17, Subd. 5, which requires that no action may be commenced more than three years after the cause of action accrues.

6. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving rights to a jury trial; waiving rights to any procedure, forum or remedies provided by the laws of the jurisdiction; or consenting to liquidated damages, us obtaining injunctive relief, termination penalties or judgment notes. However, we and you will enforce these provisions in the Franchise Agreement and/or Area Development Agreement to the extent the law allows.

7. 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 with the franchise.

8. Item 5 **Initial Fees** and Item 7 **Estimated Initial Investment** are amended by adding the following:

"Despite the payment provisions noted in Items 5 and 7, the State of Minnesota has required us to defer the receipt of initial franchise fees until we have met all of our pre-opening obligations and you have opened your franchise business."

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

MINNESOTA

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et seq., the parties to the attached Franchise Agreement ("Agreement") agree as follows:

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

As required by Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), Franchisor will reimburse Franchisee for any costs incurred by Franchisee in the defense of Franchisee's right to use the Marks, so long as Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Section 80C.22.

The Limitations of Claims section must comply with Minn. Stat. Sec. 80C.17, Subd. 5, which requires that no action may be commenced more than three years after the cause of action accrues.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit Franchisor from requiring litigation to be conducted outside Minnesota. Those provisions also provide that nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minn. Rule Part 2860.4400J prohibits a Franchisee from waiving rights to a jury trial; waiving rights to any procedure, forum or remedies provided by the laws of the jurisdiction; waiving any bond required by a court; or consenting to liquidated damages, Franchisor obtaining injunctive relief, termination penalties or judgment notes. However, Franchisor and Franchisee will enforce these provisions in the Agreement to the extent the law allows.

Section 5.1, Initial Franchise Fee, shall be supplemented by the following additional language:

"Despite the payment provisions noted in this Section 5.1, the State of Minnesota has required Franchisor to defer the receipt of initial franchise fees until Franchisor has met all of its pre-opening obligations and Franchisee has opened its franchise business."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Strength Train LLC	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____
Date: _____	Date: _____

NEW YORK

ADDENDUM TO DISCLOSURE DOCUMENT

The Disclosure Document is amended as follows:

1. The following paragraphs are added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT B 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 DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK, 10271-0332.

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, WE 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 Item 4:

Neither we nor any of our affiliates, predecessors, officers, or general partners have, during the 10-year period immediately before the date of the Franchise Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of ours held this position in such company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. 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.

6. The following language replaces the "Summary" section of Items 17(d), titled "**Termination by franchisee"**:

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

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

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

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

NORTH DAKOTA

ADDENDUM TO DISCLOSURE DOCUMENT

1. The following language is added to the "Summary" section of Item 17(c) entitled **Requirements for you to renew or extend** and Item 17(m) entitled **Conditions for our approval of a transfer**:

The execution of a general release upon renewal, assignment or termination will be inapplicable to franchises operating under the North Dakota Franchise Investment Law.

2. The applicable portion of the "Summary" section of Item 17(i) entitled **Your obligations on termination/non-renewal** is amended to read as follows:

If we prevail in any enforcement action, you will pay all damages and costs we incur in enforcing the termination provisions of the Franchise Agreement.

Any requirement that Franchisee consent to termination penalties or liquidated damages may not be enforceable under North Dakota law.

The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.

3. The following is added to the "Summary" section of Item 17(u) entitled **Dispute resolution by arbitration or mediation**:

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law.

4. The following is added to the "Summary" section of Item 17(r) entitled **Non-competition covenants after the franchise is terminated or expires**:

Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

5. The following is added to the "Summary" section of Item 17(v) entitled **Choice of forum**:

However, to the extent allowed by the North Dakota Franchise Investment Law, you may commence any cause of action against us in any court of competent jurisdiction, including the state or federal courts of North Dakota.

6. The following is added to the "Summary" section of Item 17(w) entitled Choice of Law:

To the extent California law conflicts with North Dakota law, North Dakota law will control.

NORTH DAKOTA

AMENDMENT TO FRANCHISE AGREEMENT

1. The following is added to Section 3.2, **"RENEWAL"** and Section 14 "**TRANSFER OF INTEREST**":

   The execution of a general release upon renewal, assignment or termination will be inapplicable to franchises operating under the North Dakota Franchise Investment Law.

2. The following is added to Section 17.4, "**CHOICE OF FORUM**":

   However, to the extent allowed by the North Dakota Franchise investment Law, Franchisee may commence any cause of action against Franchisor in any court of competent jurisdiction, including the state or federal courts of North Dakota.

3. The following is added to Section 16.1, "**MANDATORY BINDING ARBITRATION"**

   To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which Franchisor and Franchisee mutually agree.

4. Section 18, "**ACKNOWLEDGMENTS**" is amended by the addition of the following language to the original language that appears therein to read as follows:

   Franchisee acknowledges that Franchisee received a copy of this Agreement, the attachments hereto, if any, and agreements relating thereto, if any, at least seven (7) days prior to the date on which this Agreement was executed.

5. Section 13.1 (regarding post-term restrictions) is amended by the addition of the following language to the original language that appears therein:

   Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

6. In Sections 13.3 and 15.5 B., any requirement that Franchisee consent to termination penalties or liquidated damages may not be enforceable under North Dakota law.

7. The following language is added at the end of Section 16.4, "**GOVERNING LAW**":

   To the extent Idaho law conflicts with North Dakota law, North Dakota law will control.

8. The following is added to Section 16.5 (iv):

   The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law.

9. The following is added to Section 16, "**RESOLUTION OF DISPUTES**":

   The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Strength Train LLC	Franchisee:_____
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

RHODE ISLAND

ADDENDUM TO DISCLOSURE DOCUMENT

The following language is added to Item 17(v) entitled **Choice of forum**:

, except as otherwise required by the Rhode Island Franchise Investment Act

RHODE ISLAND

AMENDMENT TO FRANCHISE AGREEMENT

In recognition of the requirements of the Rhode Island Franchise Investment Act (Section 19-28.1-14), the parties to the attached Franchise Agreement agree as follows:

Section 17.4, "**CHOICE OF FORUM"** is amended by adding the following:

> §19-24.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Strength Train LLC	Franchisee:_____
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

SOUTH DAKOTA

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

The following provisions shall apply and supersede any provision in the Franchise Agreement to the contrary:

1. Franchise registration, employment, covenants not to compete and other matters of local concern will be governed by the laws of the State of South Dakota. As to contractual and all other matters, the Franchise Agreement will be and remain subject to the construction, enforcement and interpretation of the laws of the State specified in Article 16 of this Agreement. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the franchisee to agree to jurisdiction or venue, in a forum outside of South Dakota, is deleted from any Franchise Agreement issued in the State of South Dakota.

2. Any provision that provides that the parties waive their right to claim punitive, exemplary, incidental, indirect, or consequential damages or any provision that provides that parties' waive their right to a jury trial may not be enforceable under South Dakota law.

3. No release language set forth in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of South Dakota.

4. Termination provisions covering breach of the Franchise Agreement, failure to meet performance and quality standards, and failure to make Royalty payments contained in the Franchise Agreement shall afford you thirty (30) days written notice with an opportunity to cure the default before termination.

5. To the extent this Amendment is inconsistent with any terms or conditions of the Franchise Agreement, schedules or attachments thereto, or the Disclosure Document, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Strength Train LLC	Franchisee:_____
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

VIRGINIA

ADDENDUM TO DISCLOSURE DOCUMENT

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

1. The following statement is added to Item 17.h:

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

2. The following paragraph is added at the end of Item 5, Initial Fees:

> "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."

VIRGINIA

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

The following language is added as the last paragraph in Section 5.1, Initial Franchise Fee, of 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.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Strength Train LLC	Franchisee:_____
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

VIRGINIA

AMENDMENT TO AREA DEVELOPMENT AGREEMENT

The Area Development Agreement is specifically amended as follows:

The following language is added at the end of Section III (b) of the Area Development 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.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Strength Train LLC	Franchisee:_____
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

WASHINGTON

ADDENDUM TO DISCLOSURE DOCUMENT

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with Strength Train LLC 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 Strength Train LLC 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.

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

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

Transfer fees are collectable to the extent that they reflect Strength Train LLC'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.

The following disclosure is added to Item 1 of the Disclosure Document, as the last paragraph under the subheading, "Franchisee Referral Program":

"Franchisees who receive financial incentives to refer franchise prospects to Franchisors may be required to register as franchise brokers under the laws of Washington State. At this time, we do not pay any referral fees or award any type of incentive for referrals by existing franchisees in the state of Washington."

The following paragraph is added at the end of Item 5:

As a condition of registration, the Department of Financial Institutions of the State of Washington has imposed a deferral of your payment of all initial fees until the Franchisor has provided all of its pre-opening obligations under the Franchise Agreement and you are open for business. The Development Fee under an Area Development Agreement will be collected proportionally with respect to each franchised business after each is opened, rather than collected in full after you open your first franchised business.

Liquidated damages in the amount of $8,000 for compromising the secure access to the Manual, as disclosed in Item 6 and Item 11 of the Disclosure Document, will not be charged to franchisees located in the State of Washington.

WASHINGTON

AMENDMENT TO FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

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.

Franchisees who receive financial incentives to refer franchise prospects to Franchisors may be required to register as franchise brokers under the laws of Washington State.

The following language is added as the last paragraph in Section 5.1 of the Franchise Agreement and Section III of the Area Development Agreement:

> "As a condition of registration, the Department of Financial Institutions of the State of Washington has imposed a deferral of Franchisee's payment of all initial fees until Franchisor

has provided all of its pre-opening obligations under the Franchise Agreement and Franchisee is open for business. The Development Fee under an Area Development Agreement will be collected proportionally with respect to each franchised business after each is opened, rather than collected in full after you open your first franchised business."

The following language, which pertains to liquidated damages, is deleted from Section 6.4 "Operations Manual" of the Franchise Agreement:

"If Franchisee in any way compromises the secure access to the online version of the Manual, including, but not limited to, allowing unauthorized users access to the Manual and its confidential contents, Franchisee will be required to pay Franchisor liquidated damages in the amount of $8,000 for each such unauthorized access or disclosure, to compensate Franchisor for the breach and related damage to the Franchise Program."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Strength Train LLC	Franchisee:_____
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

Exhibit H
To Franchise Disclosure Document

LIST OF FRANCHISEES AND THEIR OUTLETS

LIST OF FRANCHISEES AND THEIR OUTLETS AT OUR FISCAL YEAR END 2023

FRANCHISEE	CONTACT	STREET ADDRESS	CITY	STATE	ZIP	PHONE
Denver Strength Company, LLC	Jay Livsey	6583 W Colfax Ave.	Lakewood	CO	80214	(720) 545-9853
CFL Strength LLC	Scott Seidl	437 S Orlando Ave.	Maitland	FL	32751	(407) 676-5238
H&R Running LLC	Tyler Perkins	2528 S Falkenburg Rd	Tampa	FL	33619	(772) 485-2141
Hard Things, LLC	Jacob Mulvey	9775 Medlock Bridge Rd Suite K	Johns Creek	GA	30097	(470) 944-7715
Stronger is Better LLC	Travis Hunt	13601 W. McMillan Rd. Suite A105	Boise	ID	83713	(208) 219-5015
Chicago Barbell Club LLC	Jon Fraser	2550 W Addison St, Suite A-18	Chicago	IL	60618	(312) 448-6548
Magnetite Strength Training LLC	Andrew Lewis	8510 E 96th St, Suite G	Fishers	IN	46038	(463) 240-6286
Multum Group LLC	Arthur Frontczak	993 Watertown St.	West Newton	MA	02465	(617) 209-9796
ACME Strength LLC	Pete Yeh	6083 Parkcenter Cir.	Dublin	OH	43017	(614) 961-8889
Strength for the People LLC	Luke Schroeder	7844-A Kingland Dr.	West Chester Township	OH	45069	(513) 201-7510
Edmond Strength Systems LLC	Colby Iliff	14101 N May Ave, Suite 112	Oklahoma City	OK	73134	(405) 591-5109
OKC Strength Systems LLC	Colby Iliff	12301 S. Western Ave. Suite B3	Oklahoma City	OK	73170	(405) 237-9380
Iron Strength Co. LLC	David Heon	9168 S. Yale Ave. Suite 130	Tulsa	OK	74137	(512) 815-1263
Northwest Strength LLC	Derrick Smith	4655 SW Griffith Dr. Suite 125	Beaverton	OR	97005	(360) 207-1664
Mid-South Strength, LLC	John Haun	7850 Poplar Ave. Suite 50-28	Germantown	TN	38138	(901) 209-9662
Ore to Steel LLC	Jen Gillenwater	2943 W Anderson Lane	Austin	TX	78757	(512) 766-4202
OTS TWO LLC	Jen Gillenwater	4970 US-290 W Suite 410	Austin	TX	78735	(512) 766-4202
Barbell Coaching Co., LLC	Brent Carter	6109-B Greenville Ave.	Dallas	TX	75206	(214) 466-1996
The Barbell Calling, LLC	JD Shipley	3701 S Shepherd Drive Suite B	Houston	TX	77098	(713) 364-2381
TBC Katy, LLC	JD Shipley	1230 N. Mason Rd, Suite 550	Katy	TX	77449	(713) 364-2381
Barbell Coaching Co.-Plano, LLC	Brent Carter	8240 Preston Rd., Suite 120	Plano	TX	75204	(469) 731-8687

FRANCHISEE	CONTACT	STREET ADDRESS	CITY	STATE	ZIP	PHONE
Barbell Coaching Co.- San Antonio, LLC	Brent Carter	19739 IH-10 West, Suite 104	San Antonio	TX	78256	(210) 806-7311

FRANCHISE AGREEMENTS SIGNED, BUT OUTLETS NOT OPENED IN OUR FISCAL YEAR 2023

FRANCHISEE	CONTACT	STREET ADDRESS	CITY	STATE	ZIP	PHONE
The Magic City Strength Company, LLC	Brandon Martin	To be determined.	Birmingham	AL		(256) 510-4732
Denver Strength Company, LLC	Jay Livsey	8214 S Holly St	Centennial	CO	80122	(720) 545-9853
5th Principle Strength and Fitness, LLC	JD Thomason	7587 N Academy Blvd, Suite 110	Colorado Springs	CO	80920	(719) 888-3532
Kratos Strength, LLC	Keith Wiessner	8400 S Dixie Hwy, Suite 102	Miami	FL	33143	(410) 688-1017
Stronger is Better II LLC	Travis Hunt	135 S Broadway Ave	Boise	ID	83702	(208) 219-5015
Production of Force, LLC	Brandon Brendel	2506 Highway K	O'Fallon	MO	63366	(314) 742-9922
Practical Strength, LLC	Aaron Frederick	539 N 155th Plaza	Omaha	NE	68154	(402) 769-3030
Lemsuh Ventures, LLC	Jason Suh	To be determined.	Philadelphia	PA		(215) 826-3266
Mid-South Strength, LLC	John Haun	To be determined.	Nashville	TN		(901) 209-9662
The Barbell Calling, LLC	JD Shipley	To be determined.	Houston	TX		(713) 364-2381
James Johnson	James Johnson	To be determined.	Salt Lake City	UT		(385) 290-4155

Exhibit I
To Franchise Disclosure Document

LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS
UNDER THE FRANCHISE AGREEMENT

LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT

No franchisee had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

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

Exhibit J
To Franchise Disclosure Document

AREA DEVELOPMENT AGREEMENT

STRENGTH TRAIN LLC

AREA DEVELOPMENT AGREEMENT

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EXHIBITS

A. DESCRIPTION OF TERRITORY

B. DEVELOPMENT SCHEDULE

C. GUARANTY AND ASSUMPTION OF OBLIGATIONS

STRENGTH TRAIN LLC

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this "Agreement") is made effective as of the Effective Date, by and between STRENGTH TRAIN LLC, an Idaho limited liability company, ("Franchisor) and _____ _____, a/an _____ ("Developer"). The "Effective Date" is the date Franchisor signs this Agreement as shown beneath its signature hereto.

RECITALS

A. **WHEREAS**, the Aasgaard Company, a Texas partnership, ("Licensor") owns and has developed and administers a system, including various strength training techniques and methods focused on barbell exercises that involve the body's muscle mass, and the related trade secrets, copyrights, confidential and proprietary information and other intellectual property rights, including articles, videos, podcasts, training logs, reports, forums, on-line and in-person coaching, certifications, seminars and events, motivational materials, a mobile phone app and an online store (collectively, the "System") identified by the "Starting Strength" trade name and other trademarks and service marks, including those which may be developed in the future, licensed hereunder (the "Marks").

B. **WHEREAS**, pursuant to an agreement that became effective April 8, 2018 (the "License Agreement"), Licensor has granted Franchisor the non-exclusive rights to use the System and Marks in connection with Franchisor's franchise program for the establishment and operation of strength training gyms, which are uniform in appearance and design, and contain an open room with weight racks (the "Starting Strength Gyms").

C. **WHEREAS**, the Starting Strength franchise program (the "Franchise Program") includes the System and Marks, trade secrets, proprietary methods and information and procedures for the establishment and operation of the Starting Strength Gyms, including, without limitation, confidential manuals (collectively, the "Manual"), training methods, weight-lifting and strength-training equipment, furniture and fixtures, marketing, advertising and sales promotions, cost controls, accounting and reporting procedures, personnel management, distinctive interior design and display procedures, and color scheme and décor (the "Trade Dress").

D. **WHEREAS**, Franchisor grants to qualified persons who are willing to undertake the required investment and effort, a franchise to own and operate a Starting Strength Gym ("Gym") offering the products and services Franchisor authorizes utilizing the System and Marks.

E. **WHEREAS**, Developer has applied for an option to obtain franchises to own and operate multiple Gyms and such application has been approved by Franchisor in reliance upon all of the representations made therein.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other set forth in this Agreement, hereby agree as follows:

I. GRANT

(a) Franchisor hereby grants to Developer, pursuant to the terms and conditions of this

Agreement, options to obtain franchises to own and operate _____ (__) Gyms within the territory described in Exhibit A attached hereto and incorporated herein by this reference ("Designated Territory").

(b) Developer shall be bound by the Development Schedule ("Development Schedule") set forth in Exhibit B. Time is of the essence to this Agreement. Each Gym shall be established and operated pursuant to a separate franchise agreement ("Franchise Agreement") to be entered into by Developer and Franchisor. Each Franchise Agreement shall be in Franchisor's then-current form of the Franchise Agreement. Developer acknowledges and agrees that all Franchise Agreements entered into in connection with the Gyms within the Designated Territory are independent of this Agreement. The continued existence of such Franchise Agreement shall not depend on the continuing existence of this Agreement.

(c) This Agreement is not a Franchise Agreement, and Developer shall have no right to use the Marks in any manner by virtue hereof or to engage in the business of offering, selling or distributing goods or services under the Marks or the System in any manner.

(d) Developer shall have no right under this Agreement to license others to operate a business or use the System or the Marks.

II. TERRITORIAL RIGHTS

(a) So long as Developer is in good standing and in compliance with this Agreement, Franchisor will not establish or license another to establish a Gym in the Designated Territory.

(b) During the term of this Agreement, Franchisor reserves the right to:

(i) establish and operate, and allow others to establish and operate, a Gym using the Marks and the System, at any location outside the Designated Territory, on such terms and conditions Franchisor deems appropriate;

(ii) establish and operate, and allow others to establish and operate, Competitive Businesses that may offer products and services which are identical or similar to products and services offered by the Gyms, under trade names, trademarks, service marks and commercial symbols different from the Marks;

(iii) establish, and allow others to establish, other businesses and distribution channels (including, but not limited to, the Internet), wherever located or operating and regardless of the nature or location of the customers with whom such other businesses and distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from the Starting Strength Gyms, and that sell products and/or services that are identical or similar to, and/or competitive with, those that the Starting Strength Gyms customarily sell;

(iv) solicit, and allow others to solicit, prospective members located anywhere, including those members who live or work within the Designated Territory;

(v) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at the Starting Strength Gyms, and franchising, licensing

or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Designated Territory);

(vi) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at the Starting Strength Gyms, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Designated Territory; and

(vii) engage in all other activities not expressly prohibited by this Agreement.

III. DEVELOPMENT FEE

(a) As consideration for the rights and options granted herein, Developer shall pay to Franchisor a development fee ("Development Fee") in the amount according to the following applicable formula:

Development Fee for 2 Gyms = (Initial Franchise Fee x 2) - 20% Discount = $63,920.
Development Fee for 3 Gyms = (Initial Franchise Fee x 3) - 30% Discount = $83,895.
Development Fee for 4 Gyms = (Initial Franchise Fee x 4) - 40% Discount = $95,880.
Development Fee for 5 Gyms = (Initial Franchise Fee x 5) - 50% Discount = $99,875.

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(b) The Development Fee is to be paid simultaneously with the execution of this Agreement. The Development Fee is non-refundable, notwithstanding any provision to the contrary contained herein or in any Franchise Agreement.

(c) Notwithstanding anything to the contrary contained in the Franchise Agreement, the Initial Franchise Fee for each Gym developed hereunder shall be reduced by 20% if Franchisee agrees to develop 2 Gyms; 30% if Franchisee agrees to develop 3 Gyms; 40% if Franchisee agrees to develop 4 Gyms; and 50% if Franchisee agrees to develop 5 Gyms.

(d) The Development Fee shall be credited to the Initial Franchise Fee due for each of the Gyms developed under this Agreement, such that no further amount is due and owing by Developer/Franchisee to Franchisor in connection with any or all of the Gyms listed on the Development Schedule attached hereto.

(e) Developer shall submit separate site information for each Gym to be established within the Designated Territory by Developer. Upon approval of the site of the Gym by Franchisor, a separate Franchise Agreement shall be executed for each such Gym. Upon the execution of each Franchise Agreement, the terms and conditions of such Franchise Agreement shall control the establishment and operation of such Gym.

IV. DEVELOPMENT SCHEDULE AND MANNER OF EXERCISING OPTIONS

(a) Developer agrees to have open and in operation at the end of each Development Period, as defined in the Development Schedule, the cumulative number of Gyms set forth on the Development Schedule. During each Development Period, Developer shall exercise options by entering into Franchise Agreements with Franchisor pursuant to this Agreement for the number of Gyms described under the Development Schedule and have such number of Gyms open for business.

Developer shall at all times after the expiration of each of the Development Periods continuously maintain in operation pursuant to each Franchise Agreement at least the number of Gyms set forth on the Development Schedule, provided however that such obligation does not apply to Gyms that are transferred in accordance with the provisions of the Franchise Agreement, or are closed due to force majeure.

(b) Developer shall exercise each option granted herein only as follows:

(i) By giving Franchisor written notice of Developer's intention to exercise such option at least thirty (30) days before the execution of the Franchise Agreement for the applicable business; and

(ii) By executing the then-current form of the Franchise Agreement for the applicable Gym and complying with its terms, including, without limitation, the payment of the unpaid balance of the applicable Initial Franchise Fee.

(c) Franchisor shall execute the Franchise Agreement only if (i) Developer is in compliance with all requirements and obligations of this Agreement and all other agreements between Franchisor and Developer, and (ii) Developer is in strict compliance with all of Developer's respective obligations under each Franchise Agreement, including, without limitation, its financial obligations and obligation to operate each Gym in compliance with the System. In order to meet the Development Schedule, the Franchise Agreement must be executed by Developer/Franchisee and Franchisor and the Gym to be operated under such Franchise Agreement must be open for business within the applicable Development Period. Developer must comply with all of the terms and conditions of each Franchise Agreement.

V. TERM

Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all rights granted hereunder to Developer shall expire 90 days from the opening date set for the last Gym to be opened by Developer on the Development Schedule attached hereto.

VI. DEVELOPER'S DUTIES

Developer shall perform the following obligations:

(a) Developer shall comply with all terms and conditions set forth in this Agreement.

(b) Developer shall comply with all of the terms and conditions of each Franchise Agreement, including, without limitation, the operating requirements specified in each Franchise Agreement. However, Developer will not be required to attend the initial franchisee training conducted by Franchisor in connection with the second or any subsequent Gym.

(c) At Franchisor's option, at any time during this Agreement, Franchisor may require Developer to engage a district manager to oversee the development and operation of Developer's Gyms. Such district manager shall be in addition to, not in lieu of, the managers responsible for the day to day operations of the Gyms, as required under the Franchise Agreements.

(d) Developer shall at all times preserve in confidence any and all materials and information furnished or disclosed to Developer by Franchisor, and Developer shall disclose such information or materials only to such of Developer's employees or agents who must have access to it in connection with their employment. All of Developer's employees or agents who must have access to such information or materials shall be required to execute nondisclosure agreements in the form acceptable to Franchisor. Developer shall not at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

(e) Developer shall comply with all requirements of federal, state and local laws, rules and regulations.

(f) Developer shall return to Franchisor all manuals and other confidential information that Developer received from Franchisor in the course of operating the Gyms when Developer leaves the System.

VII. PROPRIETARY MARKS/CONFIDENTIALITY

Notwithstanding any provision to the contrary under this Agreement, it is understood and agreed that this Agreement does not grant Developer any right to use the Marks or to use any of Franchisor's confidential information. Further, it is understood and agreed that this Agreement does not grant Developer, and Developer does not have any right to, any copyright or patent which Franchisor now owns or may hereinafter own. Rights to the Marks, confidential information or copyrights are granted only under the Franchise Agreements to be executed by Franchisor and Developer/Franchisee.

VIII. DEFAULT AND TERMINATION

(a) The options granted to Developer in this Agreement have been granted in reliance on Developer's representations and warranties, and strictly on the conditions set forth in this Agreement, including, without limitation, the condition that Developer strictly complies with the Development Schedule.

(b) Developer shall be deemed in default under this Agreement, and all rights granted herein to Developer shall automatically terminate without notice: (i) if Developer is adjudicated bankrupt, becomes insolvent, commits any affirmative action of insolvency or files any action or petition of insolvency, or if a receiver (permanent or temporary) of Developer's property or any part thereof is appointed by a court of competent authority or if Developer makes a general assignment for the benefit of Developer's creditors; (ii) if a final judgment remains unsatisfied of record for thirty (30) days or longer (unless supersedeas bond is filed); (iii) if execution is levied against Developer's business or property, or; (iv) if suit to foreclose any lien or mortgage against Developer's premises or equipment is instituted against Developer and not dismissed within thirty (30) days, or is not in the process of being dismissed; provided, however, that Franchisor reserves the right to be named as trustee or receiver in any voluntary petition for bankruptcy or insolvency filed by Developer.

(c) If Developer (i) fails to exercise options and enter into Franchise Agreements with Franchisor pursuant to this Agreement for the Gyms within any Options Period, as set forth on the Development Schedule; (ii) fails to comply with any other term or condition of this Agreement; (iii) makes or attempts to make a transfer or assignment in violation of this Agreement; (iv) fails to

comply with or meet any operational standards, including, but not limited to, the System Standards and Performance Standards in any individual Franchise Agreement with Franchisor; or (v) if Developer fails to comply with the terms and conditions of any individual Franchise Agreement with Franchisor or of any other agreement to which Developer and Franchisor are parties, any such event shall constitute a default under this Agreement. Upon any such default, Franchisor, in Franchisor's discretion, may do any one or more of the following:

(i) Terminate this Agreement and all rights granted hereunder to Developer without affording Developer any opportunity to cure the default effective immediately upon receipt by Developer of written notice from Franchisor;

(ii) Reduce the number of Gyms, without refunding any of the Development Fee, which are subject to options granted to Developer pursuant to this Agreement; or

(iii) Exercise any other rights and remedies that Franchisor may have.

(d) Upon termination of this Agreement, all remaining options granted Developer to establish Gyms under this Agreement shall automatically be null and void. Developer shall have no right to establish or operate any Gym for which a Franchise Agreement has not been executed by Franchisor. Notwithstanding the above, the terms and conditions of each Franchise Agreement must be complied with by Developer thereunder and shall control in determining whether any default exists under such Franchise Agreement.

(e) No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or equity.

(f) If Developer is in substantial compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure or remedy such breach within thirty (30) days after written notice thereof delivered from Developer, Developer may terminate this Agreement and/or seek relief in equity or at law.

IX. TRANSFERABILITY

(a) Developer acknowledges that Franchisor maintains a staff to manage and operate the franchise system and that staff members can change as employees come and go. Developer represents that Developer has not signed this Agreement in reliance on any particular owners, directors, officers or employees remaining with Franchisor in that capacity. Franchisor may change Franchisor's ownership or form and/or assign this Agreement and any other agreement to a third party without restriction.

(b) Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer and are granted in reliance upon Developer's personal qualifications. Developer has represented and hereby represents to Franchisor that Developer is entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the developmental or option rights hereunder.

(c) Neither Developer, nor any of Developer's partners (if Developer is a partnership), members (if Developer is a limited liability company) or shareholders (if Developer is a corporation), without Franchisor's prior written consent, by operation of law or otherwise, shall sell, assign, transfer,

convey, give away or encumber to any person, firm or corporation, all or any part of Developer's interest in this Agreement or Developer's interest in the rights granted hereby or Developer's interest in any proprietorship, partnership, limited liability company, corporation or other entity which owns any interest in such rights, nor offer, permit or suffer the same to be sold, assigned, transferred, conveyed, given away or encumbered in any way to any person, firm or corporation. Developer may not, without Franchisor's prior written consent, fractionalize any of Developer's rights granted pursuant to this Agreement. Any purported assignment of any of Developer's or any of Developer's partner's, member's or shareholder's rights herein not having the aforesaid consent shall be null and void and shall constitute a material default hereunder. Any assignment or transfer may only be made if the proposed assignees or transferees: (i) are of good moral character and have sufficient business experience, aptitude and financial resources, (ii) otherwise meet Franchisor's then applicable standards for developers, (iii) are willing to assume all of Developer's obligations hereunder and to execute and be bound by all provisions of Franchisor's then-current form of the Area Development Agreement for a term equal to the remaining term hereof; and (iv) are willing to assume all of Developer's obligations under each and every Franchise Agreement Developer entered with Franchisor. As a condition to granting Franchisor's approval of any such assignment or transfer, Franchisor may require Developer or the assignee or transferee to pay to Franchisor, Franchisor's then-current assignment fee to defray expenses incurred by Franchisor in connection with the assignment or transfer, legal and accounting fees, credit and other investigation charges and evaluation of the assignee or transferee and the terms of the assignment or transfer. Franchisor shall have the right to require Developer and Developer's owners to execute a general release of Franchisor and Franchisor's owners, directors, officers, successors and assigns, in form and content satisfactory to Franchisor as a condition to Franchisor's approval of the assignment of this Agreement or ownership of Developer.

(d) This Agreement may be assigned to a partnership, limited liability company or corporation which conducts no business other than the business contemplated hereunder and the operation of the Gyms, which is actively managed by Developer and in which Developer owns and controls, and continues to own throughout the term of this Agreement, not less than fifty-one percent (51%) of the general partnership interest, limited liability company interest or the corporate equity and voting power, provided that all partners, members or shareholders shall execute an assignment agreement in a form approved by Franchisor undertaking to be bound jointly and severally by all provisions of this Agreement and all issued and outstanding stock certificates of such corporation or other evidence of ownership interest in a partnership or limited liability company shall bear a legend reflecting or referring to the restrictions of this Agreement as designated by Franchisor.

(e) If Developer or Developer's owners shall at any time determine to sell the rights under this Agreement or any of Developer's respective ownership interests in Developer or any of Developer's assets (except in the ordinary course of business), Developer or Developer's owners shall obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to Franchisor, which shall, for a period of fifteen (15) days from the date of delivery of such offer, have the right, exercisable by written notice to Developer or Developer's owners, to purchase such rights under this Agreement or such ownership interests for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute cash for any form of payment proposed in such offer and that Franchisor shall have not less than sixty (60) days to prepare for closing. If Franchisor does not exercise this right of first refusal, Developer or Developer's owners, as applicable, may complete the sale of such interest in this Agreement or such ownership interest, subject to Franchisor's approval of the purchaser as provided in this Section IX, provided that if such sale is not

completed within ninety (90) days after delivery of such offer to Franchisor, Franchisor shall again have the right of first refusal provided herein.

(f) Developer must give Franchisor ninety (90) days' written notice prior to any sale or assignment of a full or partial interest in Developer by Developer or any of Developer's owners. The purpose of this Subsection is to enable Franchisor to comply with any applicable state or federal franchise disclosure laws. Developer agrees to indemnify and hold Franchisor harmless for Developer's failure to comply with this Subsection.

(g) Developer must, within fifteen (15) days of receipt of an offer to buy, give Franchisor written notice whenever Developer or any of Developer's owners have received an offer to buy Developer's or such owner's interest in this Agreement or an interest in Developer itself or any options pursuant to this Agreement. Developer must also give Franchisor written notice simultaneously with an offer to sell any interest in this Agreement or an interest in Developer or any options pursuant to this Agreement, made by, for or on behalf of Developer or any of Developer's owners.

(h) No sale, assignment, transfer, conveyance, encumbrance or gift of any interest in this Agreement or in the options granted thereby, shall relieve Developer and the shareholders, members or partners participating in any transfer, of the obligations of the covenants not to compete with Franchisor contained in this Agreement except where Franchisor shall expressly authorize in writing.

X. COVENANTS

(a) Developer acknowledges that Franchisor has granted Developer the rights under this Agreement in consideration of and reliance upon Developer's agreement to deal exclusively with Franchisor. Developer therefore agrees that, during this Agreement's term, neither Developer, any of Developer's owners, nor any of Developer's or Developer's owners' immediate family members will:

(i) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Subsection);

(ii) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(iii) divert or attempt to divert any actual or potential business or customer of a Starting Strength Gym to a Competitive Business; or

(iv) engage in any other activity which might injure the goodwill of the Marks and/or the System.

The term "Competitive Business" means any business (other than a Starting Strength Gym) principally offering products and services substantially similar to the products and services then being offered by the majority of Starting Strength Gyms.

(b) Developer covenants that, except as otherwise approved in writing by Franchisor, Developer shall not, for a period of two (2) years after the expiration or termination of this Agreement,

regardless of the cause of termination, either directly or indirectly, for itself, or through, on behalf of or in conjunction with any person, persons, partnership, limited liability company or corporation, own, maintain, engage in, consult with or have any interest in any Competitive Business within the Designated Territory or within a one (1) mile radius in dense urban environments and within a five (5) mile radius in suburban environments of any Starting Strength brand Gym in operation or under construction on the later of the effective date of termination or expiration of this Agreement or on the date on which all persons restricted by this Subsection begin to comply with this Subsection.

(c) 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 Section X is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Developer expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section X.

(d) Developer understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Section X(a) or X(b) of this Agreement, or any portion thereof, without Developer's consent, effective immediately upon receipt by Developer of written notice thereof, and Developer agrees that Developer shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section XVI hereof.

(e) Franchisor shall have the right to require all of Developer's personnel performing managerial or supervisory functions and all personnel receiving special training from Franchisor to execute similar covenants in a form satisfactory to Franchisor.

(f) In addition to the foregoing covenants, Developer shall be bound by and comply with the covenants contained in each Franchise Agreement executed by Franchisor and Developer.

XI. NOTICES

(a) All notices which the parties hereto may be required or permitted to give under this Agreement shall be in writing and shall be given by any of the following methods: (1) personally delivered; (2) mailed by certified or registered mail, return receipt requested, postage paid; (3) by reliable overnight delivery service; or (4) by electronic transmission, including email and facsimile.

The addresses for the parties are as follows:

If to Franchisor:

Strength Train LLC
2976 E. State St., Suite 120, #2062
Eagle, Idaho 83616
Attention: Nick Delgadillo
Email: nick@startingstrengthgyms.com

If to Developer:

_____
_____
_____
Attention: _____
Email: _____

(b) The above addresses given for notices may be changed at any time by either party by giving ten (10) calendar days prior written notice to the other party, as herein provided. Notices delivered by certified or registered mail shall be deemed to have been given three (3) business days after postmark by United States Postal Service, or the next business day after deposit with reliable overnight delivery service or when delivered by hand. Notices sent by electronic transmission shall be deemed to have been given on the next business day after being sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email or facsimile has not been delivered.

XII. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

(a) It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

(b) Developer shall hold itself out to the public to be an independent contractor operating pursuant to this Agreement. Developer agrees to take such actions as shall be necessary to that end.

(c) Developer understands and agrees that nothing in this Agreement authorizes Developer to make any contract, agreement, warranty or representation on Franchisor's behalf or to incur any debt or other obligation in Franchisor's name and that Franchisor assumes no liability for, nor shall Franchisor be deemed liable by reason of, any act or omission of Developer in Developer's conduct of any Gym or any claim or judgment arising therefrom. Developer shall indemnify and hold Franchisor harmless against any and all such claims directly or indirectly from, as a result of or in connection with Developer's operations hereunder or under any Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

(d) Developer acknowledges that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at Franchisor's sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any developer based upon the peculiarities of the particular location or circumstance, business potential, population of trade area, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of Developer's business under any Franchise Agreement. Developer shall not be entitled to require Franchisor to disclose or grant to Developer a like or similar variation hereunder to that which may be accorded to any other developer.

XIII. APPROVALS

(a) Whenever this Agreement requires Franchisor's prior approval or consent, Developer shall make a timely written request to Franchisor therefor, and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing.

(b) Franchisor makes no warranties or guarantees upon which Developer may rely and assumes no liability or obligation to Developer or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Developer in connection with this Agreement or by reason of any neglect, delay or denial of any request therefor.

XIV. NON-WAIVER

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

XV. SEVERABILITY AND CONSTRUCTION

(a) Each provision of this Agreement shall be deemed severable from the others.

(b) Nothing in this Agreement shall confer upon any person or legal entity other than the parties hereto and such of their respective successors and assigns as may be contemplated by Section IX hereof, any rights or remedies under or by reason of this Agreement.

(c) All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

(d) All references herein to gender and number shall be construed to include such other gender and number as the context may require and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by Developer shall be deemed jointly and severally undertaken by all the parties hereto which execute this Agreement on Developer's behalf.

(e) This Agreement may be executed in duplicate and each copy so executed shall be deemed an original.

(f) Nothing contained herein shall be deemed a waiver of any rights Developer may have to rely on information contained in the franchise disclosure document.

XVI. ENTIRE AGREEMENT

This Agreement constitutes the entire, full and complete agreement between the parties hereto concerning the subject matter hereof, and supersedes all prior agreements. However, nothing

contained herein shall be deemed a waiver of any rights Developer may have to rely on information contained in the franchise disclosure document. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by themselves or their authorized officers or agents in writing.

XVII. SUPERIORITY OF FRANCHISE AGREEMENT

For each Gym developed in the Designated Territory, a separate Franchise Agreement shall be executed and any individual franchise fee as prescribed by Franchisor shall be paid to Franchisor. It is understood and agreed by Developer that any and all Franchise Agreements executed in connection with the Gyms within the Designated Territory are independent of this Agreement. The continued existence of any such Franchise Agreement shall not depend on the continuing existence of this Agreement. If any conflict shall arise in connection with this Agreement and any Franchise Agreement executed within the Designated Territory, the latter shall have precedence and superiority over the former.

XVIII. ENFORCEMENT

No right or remedy conferred upon or reserved to Franchisor or Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause Franchisor, the Marks and/or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions (subject to Franchisor's obligation to arbitrate the underlying claim if required by Section XIX). Developer agrees that Franchisor may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. Developer agrees that Franchisor will not be required to post a bond to obtain injunctive relief and that Developer's only remedy if an injunction is entered against Developer will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

XIX. DISPUTE RESOLUTION

For the purposes of this Section XIX, "Developer" shall be deemed to include its owners, affiliates and its respective employees, and "Franchisor" shall be deemed to include Franchisor, its parent, and its affiliates.

(a) MEDIATION AND MANDATORY BINDING ARBITRATION

Developer and Franchisor believe that it is important to resolve any disputes amicably, quickly, cost effectively and professionally and to return to business as soon as possible. Developer and Franchisor have agreed that the provisions of this Section XIX support these mutual objectives and, therefore, agree as follows:

(1) **Claim Process**. Any litigation, claim, dispute, suit, action, controversy, or proceeding of any type whatsoever, including any claim for equitable relief and/or where Developer is

acting as a "private attorney general," suing pursuant to a statutory claim or otherwise, between or involving Developer and Franchisor on whatever theory and/or facts based, and whether or not arising out of this Agreement, ("Claim") will be processed in the following manner:

(i) First, the Claim will be discussed in a face-to-face meeting held in the county where Franchisor's then-current headquarters is located, within thirty (30) days after either Developer or Franchisor gives written notice to the other proposing such a meeting.

(ii) Second, if the Claim is not resolved, from the face-to-face meeting, it shall be submitted to non-binding mediation in the county where Franchisor's then-current headquarters is located. Developer and Franchisor will split the costs and each will bear their own expenses of any mediation. Any mediation/arbitration will be conducted by a mediator/arbitrator experienced in franchising. Any party may be represented by counsel and may, with permission of the mediator, bring persons appropriate to the proceeding. If both Developer and Franchisor do not want to participate in mediation, then they may proceed to arbitration as provided below.

(iii) Third, the Claim shall be submitted to and finally resolved by binding arbitration before a single arbitrator in the county where Franchisor's then-current headquarters is located, and in accordance with the Commercial Arbitration Rules of the American Arbitration Association or its successor. On election by any party, arbitration and/or any other remedy allowed by this Agreement may proceed forward at the same time as mediation. Judgment on any preliminary or final arbitration award will be final and binding, and may be entered in any court having jurisdiction. Any dispute arising out of or in connection with this arbitration provision, including any question regarding its existence, validity, scope, or termination shall be referred to and finally resolved by arbitration. Notwithstanding any allocation made by the arbitral body or the arbitrators, Franchisor and Developer agree that, subject to the final award, each party will contribute equally to all charges or assessments of an arbitrator's compensation, administrative expenses or fees of the arbitral body and deposits with respect thereto. In the event a party defaults in timely payment, the other party shall have the option of paying the full amount of such charge, assessment or fee and proceeding with the arbitration or of voiding this arbitration agreement and proceeding in a court of law in the seat of the arbitration with the defaulting party hereby submitting to the jurisdiction of said courts and the service of process by courier or ordinary mail at the address where notices are to be sent under this Agreement.

(2) Developer and Franchisor each expressly waives all rights to any court proceeding, except as expressly provided in Section XIX.(d), below.

(3) In the Claim Process, Developer and Franchisor agree that each may bring claims against the other only in the Developer's or Franchisor's individual capacity and not as a plaintiff or class member in any class or representative action or any multiple plaintiff or consolidated proceeding. Unless both Developer and Franchisor agree, no arbitrator may consolidate more than one person's claims or otherwise preside over any form of representative, class, multiple plaintiff or consolidated proceeding.

(b) **Confidentiality**. The parties to any meeting/mediation/arbitration will sign confidentiality agreements. However, the parties will be permitted to make public disclosures and filings as are required by law and will be permitted to speak to individuals reasonably necessary to prepare for mediation or arbitration, including but not limited to percipient witnesses and expert witnesses.

(c) **Fees and Costs**. In the event of any arbitration or litigation (also including appeals, petitions for confirmation, modification, or vacation of an award) arising out of or relating to a Claim, this Agreement, the breach of this Agreement, or the relationship of the parties to this Agreement, the prevailing party will be reimbursed by the other party for all costs and expenses incurred in connection with such arbitration or litigation, including, without limitation, reasonable attorneys' fees.

(d) **Disputes Not Subject to the Mediation/Arbitration Process**. Claims or disputes seeking (a) injunctive relief as to the validity of the Marks and/or any intellectual property licensed to Developer and use of the Marks or other intellectual property licensed to the Developer, (b) injunctive relief for health and safety issues and violations, or (c) injunctive relief as to the validity and enforcement of the covenants not to compete, may be submitted to Court, provided that only the portion of any such claim or dispute requesting injunctive relief shall be subject to Court action, and any portion of such claim or dispute seeking monetary damages or other relief will be subject to the Claim Process outlined above in paragraph 16.1.A.

(e) **Class Action Waiver.** To the extent any party brings any claim for relief, cause of action, or proceeding in court, Developer and Franchisor also agree that each may only bring such claims for relief, causes of action, or proceedings against the other in the Developer's or Franchisor's individual capacity and not as a plaintiff or class member in any class or representative action or any multiple plaintiff or consolidated proceeding. Unless both Developer and Franchisor agree, no court may consolidate more than one person's claims for relief, causes of action, or proceeding, or otherwise preside over any form of representative, class, multiple plaintiff, or consolidated proceeding.

(f) **Venue.** Without in any way limiting or otherwise affecting the obligations of Developer and Franchisor under Section XIX.(a) above, Developer and Franchisor agree that any litigation will be brought in a court of competent jurisdiction in Ada County, Idaho.

(g) **Limitations on Claims.** Neither party may make claims for emotional distress, whether negligent or intentional, nor punitive damages.

(h) **Severability of Provisions.** Each provision of this Agreement, and any portion of any provision, is severable (including, but not limited to, any provision related to dispute resolution).

(i) **Choice of Laws.** Developer and Franchisor agree on the practical business importance of certainty as to the law applicable to their relationship and its possible effect on the development and competitive position of the System. Therefore, Developer and Franchisor also agree that, except with respect to the applicability of the Federal Arbitration Act, 9 U.S.C. § 1 et seq. and the effect of federal pre-emption of state law by such Act, and except to the extent governed by the United States Trademark Act and other federal laws and as otherwise expressly provided in this Agreement, this Agreement and all other matters, including, but not limited to respective rights and obligations, concerning Developer and Franchisor, will be governed by, and construed and enforced in accordance with, the laws of Idaho; except that the provisions of any law of that state regarding franchises (including, without limitation, registration, disclosure, and/or relationship laws) shall not apply unless that state's jurisdictional, definitional and other requirements are met independently of, and without reference to, this Section XIX.(i). Developer and Franchisor agree that this provision shall be enforced without regard to the laws of Idaho relating to conflicts of laws or choice of law.

XX. "DEVELOPER" DEFINED AND GUARANTY

If two or more persons are at any time parties to this Agreement, whether as partners or joint venturers, their obligations and liabilities to Franchisor will be joint and several. References to "owner" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in Developer (or a transferee of this Agreement or an ownership interest in Developer), including, without limitation, any person who has a direct or indirect interest in Developer (or a transferee) or this Agreement and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets. References to a "controlling ownership interest" in Developer or one of Developer's owners (if an entity) mean the percentage of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in Developer or one of Developer's owners, the determination of whether a "controlling ownership interest" is involved must be made as of both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer). "Person" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

XXI. ELECTRONIC MAIL

Developer acknowledges and agrees that exchanging information with Franchisor by e-mail is efficient and desirable for day-to-day communications and that Franchisor and Developer may utilize e-mail for such communications. Developer authorizes the transmission of e-mail by Franchisor and Franchisor's employees, vendors, and affiliates ("Official Senders") to Developer during the term of this Agreement. Developer further agrees that: (a) Official Senders are authorized to send e-mails to those of Developer's employees as Developer may occasionally authorize for the purpose of communicating with Franchisor; (b) Developer will cause Developer's officers, directors and employees to give their consent to Official Senders' transmission of e-mails to them; (c) Developer will require such persons not to opt out or otherwise ask to no longer receive e-mails from Official Senders during the time that such person works for or is affiliated with Developer; and (d) Developer will not opt out or otherwise ask to no longer receive e-mails from Official Senders during the term of this Agreement.

This consent given in this Section shall not apply to the provision of notice by either party under this Agreement pursuant to Section XI unless Franchisor and Developer otherwise agree in a written document manually signed by both parties.

XXII. ACKNOWLEDGMENTS

Developer acknowledges:

(a) That Developer has independently investigated this franchise opportunity and recognizes that, like any other business, the nature of the business a Starting Strength Gym conducts may, and probably will, evolve and change over time.

(b) That an investment in a Gym involves business risks that could result in the loss of a significant portion or all of Developer's investment.

(c) That Developer's business abilities and efforts are vital to Developer's success and the success of Developer's business.

(d) That Developer has not received from Franchisor, and is not relying upon, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a Gym, that any information Developer has acquired from other Starting Strength Developers/Franchisees regarding their sales, profits, or cash flows was not information obtained from Franchisor, and that Franchisor makes no representation about that information's accuracy.

(e) That in all of their dealings with Developer, Franchisor's officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between Developer and them as a result of this Agreement are deemed to be only between Developer and Franchisor.

(f) That Developer has represented to Franchisor, to induce Franchisor's entry into this Agreement, that all statements Developer has made and all materials Developer has given Franchisor are accurate and complete and that Developer has made no misrepresentations or material omissions in obtaining the franchise.

(g) That Developer has read this Agreement and Franchisor's franchise disclosure document and understands and accepts that this Agreement's terms and covenants are reasonably necessary for Franchisor to maintain Franchisor's high standards of quality and service, as well as the uniformity of those standards at each Gym, and to protect and preserve the goodwill of the Marks.

(h) That Franchisor has not made any representation, warranty, or other claim regarding this franchise opportunity, other than those made in this Agreement and Franchisor's franchise disclosure document, and that Developer has independently evaluated this opportunity, including by using Developer's business professionals and advisors, and has relied solely upon those evaluations in deciding to enter into this Agreement.

(i) That Developer has been afforded an opportunity to ask any questions Developer has and to review any materials of interest to Developer concerning this franchise opportunity.

(j) That Developer has been afforded an opportunity, and has been encouraged by Franchisor, to have this Agreement and all other agreements and materials Franchisor has given or made available to Developer reviewed by an attorney and has either done so or elected not to do so.

(k) That Developer has a net worth which is sufficient to make the investment in the franchise opportunity represented by this Agreement, and Developer will have sufficient funds to meet all of Developer's obligations under this Agreement.

XXIII. NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

(a) The following provision applies only to franchisees and franchises that are subject to state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor, any franchise seller, or any other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the dates set forth below to be effective upon execution by Franchisor.

STRENGTH TRAIN LLC
an Idaho limited liability company

By:_____

Print Name: _____

Title:_____

Effective Date:_____

DEVELOPER

(IF DEVELOPER IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Name]

By:_____

Print Name: _____

Title:_____

Date:_____

(IF DEVELOPER IS AN INDIVIDUAL AND NOT A LEGAL ENTITY):

By:_____

Print Name: _____

Date:_____

By:_____

Print Name: _____

Date:_____

EXHIBIT A TO THE AREA DEVELOPMENT AGREEMENT

DESCRIPTION OF DESIGNATED TERRITORY

_____

_____

_____

_____

_____

STRENGTH TRAIN LLC
an Idaho limited liability company

By:_____

Print Name: _____

Title:_____

Effective Date:_____

DEVELOPER

(IF DEVELOPER IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Name]

By:_____

Print Name: _____

Title:_____

Date:_____

(IF DEVELOPER IS AN INDIVIDUAL AND NOT A LEGAL ENTITY):

By:_____

Print Name: _____

Date:_____

By:_____

Print Name: _____

Date:_____

EXHIBIT B TO AREA DEVELOPMENT AGREEMENT

DEVELOPMENT SCHEDULE

At the dates set forth below, Developer is obligated by Section IV of the Area Development Agreement to have open and in operation the number of Gyms indicated below:

	Date by which Indicated Gym Must be Open for Business	Cumulative Number of Gyms to be Open and in Operation
First Gym	_____, 20__	_____
Second Gym	_____, 20__	_____
Third Gym	_____, 20__	_____
Fourth Gym	_____, 20__	_____
Fifth Gym	_____, 20__	_____

STRENGTH TRAIN LLC
an Idaho limited liability company

By:_____

Print Name: _____

Title:_____

Effective Date:_____

DEVELOPER

(IF DEVELOPER IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Name]

By:_____

Print Name: _____

Title:_____

Date:_____

(IF DEVELOPER IS AN INDIVIDUAL AND NOT A LEGAL ENTITY):

By:_____

Print Name: _____

Date:_____

By:_____

Print Name: _____

Date:_____

EXHIBIT C TO THE AREA DEVELOPMENT AGREEMENT

GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGEMENT

For value received, and in consideration for, and as an inducement to Strength Train LLC (the "Franchisor") to execute the Starting Strength Area Development Agreement (the "Area Development Agreement"), of even date herewith, by and between Franchisor and _____ or his assignee, if a partnership, corporation or limited liability company is later formed (the "Developer"), _____ (the "Guarantor(s)"), jointly and severally, hereby unconditionally guarantees to Franchisor and its successors and assigns the full and timely performance by Developer of each obligation undertaken by Developer under the terms of the Area Development Agreement, including all of Developer's monetary obligations arising under or by virtue of the Area Development Agreement.

Upon demand by Franchisor, Guarantor(s) will immediately make each payment required of Developer under the Area Development Agreement. Guarantor(s) hereby waives any right to require Franchisor to: (a) proceed against Developer for any payment required under the Area Development Agreement; (b) proceed against or exhaust any security from Developer; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Developer. Without affecting the obligations of Guarantor(s) under this Guarantee, Indemnification and Acknowledgment, Franchisor may, without notice to Guarantor(s), extend, modify, or release any indebtedness or obligation of Developer, or settle, adjust or compromise any claims against Developer.

Guarantor(s) waives notice of amendment of the Area Development Agreement and notice of demand for payment by Developer, and agrees to be bound by any and all such amendments and changes to the Area Development Agreement.

Guarantor(s) hereby agrees to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, without limitation, reasonable attorney's fees, reasonable costs of investigations, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Developer to perform any obligation of Developer under the Area Development Agreement, any amendment, or any other agreement executed by Developer referred to therein.

Guarantor(s) hereby acknowledges and agrees to be individually bound by all covenants contained in the Area Development Agreement and all terms and conditions of the Area Development Agreement requiring Developer not to disclose confidential information.

This Guarantee shall terminate upon the expiration or termination of the Area Development Agreement, except that all obligations and liabilities of Guarantor(s) that arise from events that occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by Guarantor(s), and all covenants that by their terms continue in force after termination or expiration of the Area Development Agreement shall remain in force according to their terms. Upon the death of an individual Guarantor, the estate of such Guarantor will be bound by this Guarantee, but only for defaults and obligations existing at the time of death, and the obligations of the other Guarantor(s) will continue in full force and effect.

The validity of this Guarantee and the obligations of Guarantor(s) hereunder shall in no way be terminated, restricted, diminished, affected or impaired by reason of any action that Franchisor might take or be forced to take against Developer, or by reason of any waiver or failure to enforce any of the rights or remedies reserved to Franchisor in the Area Development Agreement or otherwise.

The use of the singular herein shall include the plural. Each term used in this Guarantee, unless otherwise defined herein, shall have the same meaning as when used in the Area Development Agreement.

This Guarantee is to be performed in Ada County, Idaho and shall be governed by and construed in accordance with the laws of the State of Idaho. Guarantor(s) specifically agrees that the state and federal courts situated in Ada County, Idaho shall have exclusive jurisdiction over Guarantor(s) and this Guarantee. In connection therewith, each of the undersigned hereby appoints the Secretary of State for the State of Idaho as his/her agent for service of process to receive summons issued by the court in connection with any such litigation. Notwithstanding the foregoing, Franchisor and Guarantor(s) agree that any dispute under this Guarantee shall be resolved by arbitration pursuant to Article 16 of the Area Development Agreement (except as otherwise provided in Article 16 of the Area Development Agreement).

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Area Development Agreement.

GUARANTOR

By: _____

Print Name: _____

SS #: _____

DOB: _____

Driver's License No. _____

GUARANTOR

By: _____

Print Name: _____

SS #: _____

DOB: _____

Driver's License No: _____

The undersigned, as the spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty.

_____
Name of Guarantor

_____
Name of Guarantor's Spouse

_____
Signature of Guarantor's Spouse

_____
Name of Guarantor

_____
Name of Guarantor's Spouse

_____
Signature of Guarantor's Spouse

Exhibit K
To Franchise Disclosure Document

STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Documents 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	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Exhibit L
To Franchise Disclosure Document

RECEIPTS

ITEM 23
RECEIPT

This Disclosure Document summarizes provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Strength Train LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Oklahoma require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement, or other agreement, or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon and Wisconsin require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise agreement, or other agreement, or the payment of any consideration, whichever comes first.

If Strength Train 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 and state law may have occurred and should be reported to The Federal Trade Commission, Washington D.C. 20580 and the appropriate State Agency identified on Exhibit B.

The franchisor is Strength Train LLC, located at 2976 E. State Street, Suite 120, #2062, Eagle, Idaho 83616. The name, principal business address, and telephone number of each Franchise Seller offering the Franchise are: Ben Gillenwater, at 2976 E. State Street, Suite 120, #2062, Eagle, Idaho 83616/ Ph: (949) 281-6452; Nicholas Delgadillo, at 719 Scott Ave., Suite 410, Wichita Falls, Texas 76301/ Ph: (940) 613-4765; and John Haun, at 2311 Cordes Road, Germantown, Tennessee 38139/ Ph: (901) 497-9994.

Issuance Date: June 17, 2024. Strength Train LLC authorizes the agents listed in Exhibit B to receive service of process for it.

I have received a Franchise Disclosure Document dated June 17, 2024. This Disclosure Document included the following Exhibits:

A. FRANCHISE AGREEMENT AND EXHIBITS
B. LIST OF STATE AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS
C. FINANCIAL STATEMENTS
D. STATEMENT OF PROSPECTIVE FRANCHISEE
E. TABLE OF CONTENTS OF THE OPERATIONS MANUAL
F. GENERAL RELEASE OF ALL CLAIMS
G. STATE-SPECIFIC ADDENDA
H. LIST OF FRANCHISEES AND THEIR OUTLETS
I. LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT
J. AREA DEVELOPMENT AGREEMENT
K. STATE EFFECTIVE DATES
L. RECEIPTS

Print Name:_____ Signature: _____

Date: _____

Keep this copy for your records.

ITEM 23
RECEIPT

This Disclosure Document summarizes provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Strength Train LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Oklahoma require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement, or other agreement, or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon and Wisconsin require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise agreement, or other agreement, or the payment of any consideration, whichever comes first.

If Strength Train 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 and state law may have occurred and should be reported to The Federal Trade Commission, Washington D.C. 20580 and the appropriate State Agency identified on Exhibit B.

The franchisor is Strength Train LLC, located at 2976 E. State Street, Suite 120, #2062, Eagle, Idaho 83616. The name, principal business address, and telephone number of each Franchise Seller offering the Franchise are: Ben Gillenwater, at 2976 E. State Street, Suite 120, #2062, Eagle, Idaho 83616/ Ph: (949) 281-6452; Nicholas Delgadillo, at 719 Scott Ave., Suite 410, Wichita Falls, Texas 76301/ Ph: (940) 613-4765; and John Haun, at 2311 Cordes Road, Germantown, Tennessee 38139/ Ph: (901) 497-9994.

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J. AREA DEVELOPMENT AGREEMENT
K. STATE EFFECTIVE DATES
L. RECEIPTS

Print Name:_____ Signature: _____

Date: _____

Please sign this copy of the receipt, date your signature, and return it to:
Strength Train LLC located at 2976 E. State Street, Suite 120, #2062, Eagle, Idaho 83616.