FRANCHISE DISCLOSURE DOCUMENT

Supplement Superstores Franchising, L.L.C.
(Missouri Limited Liability Company)
620 Assembly Parkway
Fenton, Missouri 63026
314-482-7601
www.supplementsuperstores.com
S2franchises@supplementsuperstores.com

The franchise offered is for the operation of a retail sports nutrition store offering a variety of nutritional and dietary supplements, vitamins, minerals and other nutritional products, including those that are proprietary to franchisor's affiliate.

The total investment necessary to begin operation of an S2 retail sports nutrition franchise is $239,500 to $502,000. This includes $115,000 to $205,000 that must be paid to the franchisor or its affiliates.

The total investment necessary to begin operation of an S2 retail sports nutrition franchise under a Development Agreement is $239,500 to $502,000, except that the Initial Franchise Fee you pay will be the then-current Initial Franchise Fee. You will also pay a Development Fee of $12,000 multiplied by the number of stores you agree to develop under the Development Agreement.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Tyler Fox at 314-482-7601 or the address above.

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. 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 25, 2025

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 Exhibit H.
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 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 franchisee?	Item 20 or Exhibit H 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 A.

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 Addend (if any).

See the Table of Contents for the location of the State Specific Addenda.

Special Risk(s) 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 Development Agreement require you to resolve disputes with the franchisor by mediation at a location chosen by the mediator, and litigation in Missouri. Out-of-state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate at a location chosen by the mediator, and litigate with the franchisor in Missouri, than in your own state.

2. **Supplier Control**. You must purchase all or nearly all of the inventory & supplies necessary to operate your business from Franchisor, its affiliates, or from suppliers that Franchisor designates at prices that the Franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.

3. **Financial Condition**. The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

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

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor is Supplement Superstores Franchising, L.L.C., a limited liability company organized under the laws of the State of Missouri. To simplify the language in this Disclosure Document, Supplement Superstores Franchising, L.L.C. is referred to as “we,” “us,” “our” or “S2 Franchising”. We refer to the person or entity that buys the franchise as “you” or “your” throughout the Disclosure Document. If you are a corporation, a limited liability company, or a partnership, your owners must sign a personal guaranty agreeing to comply with all provisions of the agreements you enter into with us or any affiliate of ours.

Our founders conceived the S2 retail sports nutrition store concept in 1999. Since that time, our founders have been strategically opening stores in Kansas, Missouri and Illinois, refining the concept to its current state. As originally conceived, these S2 retail sports nutrition stores catered to weightlifters and bodybuilders. The store offerings have expanded to include not only products for weightlifters and bodybuilders but also endurance athletes, recreational athletes and non-athletes seeking a healthier lifestyle. S2 retail sports nutrition stores are known for the high quality of the in-store customer experience. This is accomplished by requiring intensive training and certification for purposes of obtaining knowledge related to health and nutrition generally and the use of supplements, vitamins and other health products specifically. In March 2023, we introduced a smoothie bar in our stores. The smoothie bar is staffed and provides customers with a healthy beverage alternative. Although we recommend that our franchisees include our S2 Smoothie Bar concept in their stores it is currently optional. But we do have the right to approve your operation of an S2 Smoothie Bar at your store.

S2 Franchising was formed in February 2011 to offer franchises for S2 retail sports nutrition stores. We offered these franchises from March 2021 through April 2021 and then recommenced franchise sales activities in Spring, 2022. We do business under our corporate name and under the Supplement Superstores name. Although our affiliate Buff Enterprises, L.L.C. operated 15 stores as of December 31, 2024, we do not operate businesses of the type being franchised, nor do we have any other business activities, or any parent companies. Our principal business address is 620 Assembly Parkway, Fenton, MO 63026. Buff Enterprises would be considered a predecessor of ours. Buff’s address is P.O. Box 771881, St. Louis, Missouri 63177. Buff began operating stores in December 1999. Buff has never offered franchises in any line of business. Buff also sells products and other items to our franchisees.

In addition to unit franchises, we offer qualified prospects the opportunity to enter into a Development Agreement with us for the development of S2 retail sports nutrition stores in a “Market Area.” Attached as Exhibit F to this Disclosure Document is the Development Agreement. If you sign a Development Agreement, you must develop an agreed-upon number of S2 retail sports nutrition stores (minimum of 2) within a certain period of time. At the time you sign the Development Agreement, you must also sign your first Franchise Agreement. Attached as Exhibit D to this Disclosure Document is the Franchise Agreement. As you identify a site for each store you want to open under the Development Agreement, you must sign a separate then-current Franchise Agreement for that store, which may differ from the current Franchise Agreement included in this Disclosure Document.

We do not currently have any affiliates that offer franchises in any line of business.

Your customers will be anyone who uses nutritional or dietary supplements, vitamins, minerals or other health-related products. Typically, your customers will be athletes ranging from high school athletes to recreational athletes. Approximately 55% of our affiliate's customers are men and 45% are women.

You will have several competitors. These competitors include other supplement stores, both franchised and independent. Additional competitors include web-based suppliers of vitamins and supplements and both national and local retail stores that sell supplements. Many of these competitors may have substantial financial, marketing and other resources and may be well established in your Market Area.

All businesses are subject to governmental regulations, and you should check with state and local authorities concerning regulations that will affect your business in your state. You should check with your attorney to determine the laws that will apply to your business. The sale of many products in your store will be subject to the rules and regulations of the Federal Food and Drug Administration, Consumer Products Safety Commission as well as local health departments. You must comply with all applicable requirements contained in the Federal Food, Drug and Cosmetic Act, the Dietary Supplement Health and Education Act of 1994 and any similar laws concerning the sale of foods and other goods and services offered from your store. If you will operate an Smoothie Bar in your store you will need to obtain a food seller permit and comply with local food safety laws. If these or similar laws have been enacted in the state or municipality in which you intend to operate your store, you must comply with these laws, and we urge you to become familiar with them.

Disclosed in Exhibit A are our agents for service of process.

ITEM 2

BUSINESS EXPERIENCE

Andrew Frisella: Chief Executive Officer and Chairman

Mr. Frisella has been our CEO and Chairman since our inception in February 2011. Since October 1999, Mr. Frisella has also served as the CEO and Chairman of our affiliate Buff Enterprises, L.L.C., the owner of the Supplement Superstores located in Missouri. Since June 2008, Mr. Frisella has served as the CEO and Chairman of 1st Phorm International, LLC, an affiliate of ours located in St. Louis, Missouri that manufactures supplements and other health products. Since May 2011, Mr. Frisella has served as the CEO and Chairman of Paradise Sports Products, L.L.C., a company located in St. Louis, Missouri that distributes supplements and other health products.

Christopher Klein: Chief Operating Officer and President

Mr. Klein has been our COO and President since February 2011. Since October 1999, Mr. Klein has also served as the COO and President of our affiliate Buff Enterprises, L.L.C. Since June 2008, Mr. Klein has served as the COO and President of 1st Phorm International, LLC, and since May 2011, Mr. Klein has served as the COO and President of Paradise Sports Products, L.L.C.

William Jason Caine: Vice President of Operations

Mr. Caine has been our Vice President of Operations since our inception in February 2011. Since August 2006, Mr. Caine has also served as the Vice President of Operations for Buff Enterprises, L.L.C.

Tyler Fox: Director of Operations

Mr. Fox has worked as our Director of Operations since April 2019. Mr. Fox has also worked for Buff Enterprises, L.L.C. located in Fenton, Missouri since December 2009.

Ian Hutchinson: Director of Franchising

Mr. Hutchinson has served as our Director of Franchising since January 2025. He has worked for Buff Enterprises, L.L.C. since 2013, serving as its President since January 2020.

Andrew Lynn: Training and Education Manager

Mr. Lynn has served as our Training and Education Manager since January 2025. He has worked for Buff Enterprises, L.L.C. since 2015, serving as its Director of Education since January 2021.

ITEM 3

LITIGATION

Catherine Bauer v. 1st Phorm International, LLC, Supplement Superstore, Jordan P., and Buff Enterprises, LLC (Case No. 13L390, 20th Judicial District, St. Claire County, Illinois, filed July 26, 2013). Catherine Bauer filed a complaint against our affiliate 1st Phorm International, LLC, our predecessor Buff Enterprises, LLC and various other parties alleging that supplements she purchased from the Supplement Superstore located in Shiloh, Illinois caused her to have a stroke. Bauer has made claims for strict products liability, negligence, breach of implied warranties, and violations of the Illinois Consumer Fraud Act. She is seeking compensatory damages in excess of $50,000, attorneys' fees and other relief, including damages for disfigurement, reimbursement for medical expenses she incurred allegedly in connection with the stroke, compensation for permanent bodily injury, and other actual damages. On June 27, 2014, Bauer filed an amended complaint. The case was settled on January 26, 2018 by Defendants payment of $130,000 to Plaintiff.

Other than disclosed above, no litigation must be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcies must be disclosed in this Item.

ITEM 5

INITIAL FEES

The Initial Franchise Fee for a single retail sports nutrition store is $35,000. However, if you are a current employee of a company-owned retail sports nutrition store at the time you sign the Franchise Agreement for your initial store, and you meet our requirements, we will reduce the Initial Franchise Fee by $5,000 for each full year you have been employed in one of our stores, up to a total reduction of $25,000. The Initial Franchise Fee is payable in full when you sign the Franchise Agreement. It is non-refundable. We charged an Initial Franchise fee of $35,000 in 2024.

When you sign a Development Agreement, you must pay us a Development Fee of $12,000 multiplied by the number of stores to be developed under your Development Agreement, with a minimum of at least 2 stores. We will then apply $12,000 of this fee toward payment of the then-current Initial Franchise Fee for each store you open under the Development Agreement (but this portion of your Initial Franchise Fee is not subject to refund under any circumstances). The Development Fee is payable in full when you sign the Development Agreement and it is nonrefundable.

Before you open your retail sports nutrition store, you must also purchase from our affiliate an initial order of products for resale from the store and cups for a Smoothie Bar if you will operate one in your Store. The amount of product you must purchase will depend upon the size of your store, but will generally range from $80,000 to $170,000 (which includes an initial order of cups). This payment is not refundable and must be paid at or before our affiliate provides you with the items.

ITEM 6

OTHER FEES

Type of Fee (Note 1)	Amount (Note 2)	Due Date	Remarks
Royalty	5% of weekly Gross Revenues (Note 3)	Friday of each week for prior week	Gross Revenues include all revenues and other fees received from all business activities taking place at or through your retail sports nutrition store, including all amounts received from your sale of products, except sales tax and customer refunds.
Brand Fund Contribution	2% of weekly Gross Revenues	Friday of each week for prior week	
Local Advertising	6% of annual Gross Revenues	On Demand	You must spend 6% of your yearly Gross Revenues on local advertising we approve. If you do not spend this amount, you must pay us the difference between this amount and what you spent.
Product Inventory	Currently, $1.00 to $140 per product depending on the product purchased and quantity	Within 10 days of invoice date	You will purchase these products from our affiliate at its then-current prices.
POS Software License Fee	Currently, $152 per month per store for 2 to 3 point-of-sale systems	Within 10 days of invoice date	We pay this amount to the vendor of your point-of-sale systems and you reimburse us for it.
Review Fee	$1,000 per product or supplier	Within 10 days of invoice date	You only pay this fee if you would like us to investigate for approval an unapproved product or supplier.

Type of Fee (Note 1)	Amount (Note 2)	Due Date	Remarks
Marketing Materials	$.10 to $300 per item depending on the item and the quantity purchased	Within 10 days of the invoice date	We may sell you various advertising or marketing materials you can use in your business.
Additional Training	$500 per person per day, plus reimbursement of our expenses	Within 10 days of the invoice date but before the training	You only pay this fee if you request additional training and we agree to provide the training or we require you to attend remedial training due to your failure to follow our standards.
Convention Fee	$700	Within 10 days of the invoice date	You must pay this fee even if you do not attend the convention. But if you attend the convention, we will repay this fee to you.
Late Charges	1 1/2% per month on unpaid balances or the maximum amount permitted by law	Immediately after notice from us	This fee is only due when you do not pay other fees you owe on time.
Transfer Fee	Between $5,000 and $12,000 (Note 4)	Before completing a transfer of the Franchise or Development Agreement	This fee is only due if you transfer control of the Franchise Agreement, the franchise or the store.
Renewal Fee	The greater of 25% of our then-current initial franchise fee for a single unit retail sports nutrition store or $8,750	At the time you sign a new franchise agreement	This fee is only due if you decide to renew your franchise.

Type of Fee (Note 1)	Amount (Note 2)	Due Date	Remarks
Store Relocation Fee	Greater of $5,000 or the cost to reimburse us for our costs associated with the relocation of your store	At the time we approve the relocation	This fee is only due if we approve the relocation of your store.
Audit Expenses	Will vary under circumstances	Within 10 days after receipt of audit report	Payable only if you understate your Gross Revenues by 2% or more.
Costs and Attorneys' Fees	Will vary under circumstances	Within 10 days after notice	If we are successful in any arbitration or legal action we bring against you or in defending any arbitration or legal action you bring against us.
Indemnification	Will vary under circumstances	As incurred	If we are sued or held liable for claims arising out of your business operations you must reimburse us.
Technology Fee	$50 per month	Upon demand	You must pay this fee to us in support of system technology initiatives. (Note 5)

1. All fees are paid to us, except as disclosed. All fees are nonrefundable. None of these fees are imposed by a cooperative and we intend to uniformly impose all of these fees. During the term of your Franchise Agreement, we will not change the Royalty Fee, Brand Fund Contribution, and Local Advertising. We can change any other fees, charges or other amounts we or our affiliate charge to you on 30 days' notice to you. However, we will not raise the Additional Training fee, Convention Fee, Transfer Fee, Renewal Fee, Store Relocation Fee, or Technology Fee, more than once per calendar year, and we will not increase any of these fees or charges by more than 10% of the amount of the then-current fee or charge, except as disclosed below. Adjustments are compounded annually and cumulative including increases in any given year of greater than 10% to adjust for prior years when no increase, or an increase of less than 10%, was implemented. The limitations discussed above do not apply to any fee or other amount that is not specifically listed above. This would also include any "optional" fee (a fee or other amount charged by us or an

affiliate for a service or product that you are not required to purchase under your Franchise Agreement), fees, charges or other amounts that we or our affiliates are collecting on behalf of a third-party supplier or where we are passing through amounts charged to us by third party suppliers, circumstances where we are responsible for collecting amounts charged by supplier to the franchisees, and situations where we have contracted with a third party supplier for a service that we are providing to our franchisees, and we are only passing along the costs charged to us by that third party supplier for the service.

2. You must pay fees and other amounts due to us via electronic funds transfer direct debit or other similar means. You must comply with our procedures and perform all acts and deliver and sign all documents, including authorizations (in the form attached to this Disclosure Document as Exhibit J or such other form that we may require) for direct debits from your business bank operating account, which may be necessary to assist in or accomplish payment by this method. Under this procedure you authorize us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest that may be owing. You will make the funds available to us for withdrawal no later than the payment due date. If you have not timely reported Gross Revenues to us for any reporting period, or you withhold our access to accounting or financial systems or data we need to determine Gross Revenues, or otherwise fail to pay amounts due to us we can, at our option, and not in limitation of any other rights or remedies we may have, debit your account for Royalties, Brand Fund Contributions and any other amounts payable to us, in an amount equal to 120% of the amount debited from your account for the last reporting period for which a report of Gross Revenues was provided to us or $5,000, whichever is greater.

3. If your state, or any governmental body in your state, charges a tax on the fees we receive from you, then you must pay an additional fee equal to the amount of this tax. This does not apply to any federal or Missouri income taxes we have to pay.

4. If the transfer is to another franchisee of ours who has been a franchisee for at least 3 years and who is in full compliance with all of its agreements with us and our affiliates at the time of the transfer, or the transfer is made to your immediate family member, the transfer fee is $5,000. In all other cases, it is $12,000.

5. The technology environment is rapidly changing and it is difficult to anticipate the future cost of developing, acquiring, implementing and licensing technologies, including mobile applications, related to our franchise system. This fee is intended to offset the cost to us to research, develop, implement, service and operate any technology used in any manner related to the franchise system. We may implement technology initiatives as we determine. You must participate in these initiatives and pay any charges related to these initiatives, including the Technology Fee.

For additional information as to your initial investment, see Item 7.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure (Note 1)	Estimated Low-High Single Store	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (Note 2)	$35,000	Lump Sum	When You Sign Your Franchise Agreement	Us
Initial Inventory (Note 3)	$80,000 - $170,000	Lump Sum	Before opening	Affiliate
Real Estate/Tenant Improvements (Note 4)	$24,000 - $90,000	As Incurred	Before opening	Suppliers
Furnishings/ Equipment (Note 5)	$13,000 - $50,000	As Incurred	Before opening	Suppliers
Signage (Note 6)	$10,000 - $25,000	Lump Sum	Before opening	Supplier
Computer, Electronics, POS System (Note 7)	$9,000 - $16,000	Lump Sum	Before opening	Suppliers
Grand Opening Advertising (Note 8)	$8,000 - $24,000	As Incurred	Before opening	Suppliers
Travel and Living Expenses While Training (Note 9)	$5,000 - $7,000	As Incurred	Before and During Training	Airlines, Hotels and Restaurants
Misc. Opening Costs (Note 10)	$20,000 - $35,000	As Incurred	Before and After Opening	Suppliers
Additional Funds - Three Months (Note 11)	$35,500 - $50,000	As Incurred	As Incurred	Various Parties, Including Suppliers, Utilities
Total (Note 12)	$239,500 - $502,000			

1. None of these payments are refundable. The high estimates assume you include a Smoothie Bar in your store.

2. If you are a current employee of a company-owned retail sports nutrition store at the time you sign the Franchise Agreement for your initial store, and you meet our

requirements, we will reduce the Initial Franchise Fee by $5,000 for each full year you have been employed in one of these stores, up to a total reduction of $20,000.

If you sign a Development Agreement to open and operate at least 2 stores, you will pay us a Development Fee determined by multiplying $12,000 by the number of stores that you will be opening under your Development Agreement. We will credit $12,000 of the Development Fee against the $35,000 Initial Franchise Fee for each store you open and you will pay us the remainder of the Initial Franchise Fee.

3. An opening inventory will include all products, cleaning products and packaging necessary for the opening of the store. The low range assumes your S^2 retail sports nutrition store is approximately 1,200 square feet. The high range assumes it is approximately 3,000 square feet and includes an initial order of cups and food for your Smoothie Bar.

4. We have not projected any cost for the purchase of any land or building because we do not recommend you purchase a building for your business. Instead, we recommend that you lease a site for your store in a retail space, preferably a strip mall. The space should be between 1,200 and 3,000 square feet. If you will be including an S^2 Smoothie Bar in your store we require your store to have at least 2,000 square feet. We have assumed a rental cost of approximately $25 per square foot. This is standard pricing in or near St. Louis, Missouri, and will vary in other markets. These estimates also assume the location has been prepped with heating/cooling delivery systems, lighting, electrical switches and outlets, lavatories, finished ceilings, walls that are prepped for painting, etc. The high estimate assumes additional tenant improvements for a Smoothie Bar. Your landlord may provide you with a monetary allowance for materials or work, or rent credits during the time of construction. Your costs may be less or more than these estimates, depending upon where you are planning to open your store, or if you received the premises in any other condition than what we have assumed. We recommend that you interview several contractors and check their references before engaging a contractor.

   Your site must meet our requirements. These requirements include that the site be located in an anchored strip mall or lifestyle center, the site have high visibility to potential customers, adequate ingress and egress and ample parking.

5. These estimates include the purchase of equipment that we recommend for your store. They also cover the purchase of furniture, racks and displays and various items of décor that will be installed at your store. We have also included the purchase of small tools as well as other items that would not be considered on their own as major equipment purchases, and employee uniforms. The high estimate also includes the cost to purchase equipment for the S^2 Smoothie Bar, which includes 2 televisions for digital menu boards, casework for the Smoothie Bar and appliances.

6. This is an estimate of the cost to obtain signage for the inside and outside of the store. The low estimate covers the fabrication of standard signage, with an individually lighted channel letter configuration, while the high estimate takes into account a larger sign fabrication, and an additional second sign in the back of the store.

7. The low estimate covers the purchase of two point-of-sale systems, a computer system, surveillance system, LED television screens and music system that we will specify. The high estimate also includes the cost of an additional point-of-sale system for use at the S^2 Smoothie Bar.

8. These estimates contemplate expenditures for activities and media promoting the store before and within the first 3 months of opening the business. The low estimates are the minimum amount we recommend you spend on this advertising. We encourage you to spend more than these estimated amounts, but the amount you spend is your decision.

9. You are responsible for all costs associated with attendance at training. The costs will vary, depending on your point of origin, method of travel, class of accommodation and living expenses. These estimates cover the costs of any transportation, accommodation and meals incurred during the training period. These estimates may be different, based on the class of travel and accommodations chosen by you and could be higher or lower than what is estimated.

10. This estimate includes insurance deposits, utility deposits, business licenses, attorneys' fees, POS software license fees for 2 point-of-sale systems, architect and engineer fees, permits, prepaid expenses, training of hourly employees and prepayment of 3 months of rent at $25 per square foot. The architect and engineering fees assume you have engaged the services of a professional, licensed architect to produce blueprint drawings for your location. We have assumed between $4,000 and $5,000 for the expenses you will incur in the training of hourly employees. The range may be higher or lower based on the costs of labor in your area, the amount that you pay your staff, benefits you offer, and the number of employees you hire. The insurance estimate is only for the deposit cost to obtain the minimum required insurance. You will need to check with your local carrier for actual premium quotes and costs, as well as the actual cost of the deposit. The high estimate includes POS software license fees for an additional point-of-sale system for use at the S^2 Smoothie Bar.

11. This is an estimate of your initial start-up expenses for your store during the initial 3 months. The estimate includes items like professional and accounting fees, additional advertising, insurance, rent, repairs and maintenance, bank charges, initial staff recruiting expenses, state tax and license fees, deposits and prepaid expenses. The expenses you incur during the initial start-up period will depend on factors like the time of year you open, local economic and market conditions, your experience and business acumen, competition and sales levels you reach during this initial period. In putting together these estimates, we relied on our affiliate's experience in opening S^2 retail sports nutrition stores in Missouri.

12. Your actual investment could be different from our estimates, particularly if you lease rental space in a location that is more expensive than we recommend. Neither we nor our affiliates offer financing for any part of the initial investment. The availability and terms of financing will depend on factors like the availability of financing generally, your creditworthiness, your relationship with local banks, and any additional collateral you may offer to a lender to secure the loan. Our estimates do not include any finance charges, interest or debt service obligations. You should have additional funds available to you to fund your operations. Your actual expenses of establishing and operating your store could

vary significantly from these estimates. You should review these figures carefully with a business and legal advisor before making any decision to purchase the franchise.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

All equipment, insurance, products, supplies, food, recipes, food stuffs, signage, computer hardware and software you purchase for use in your business must meet our specifications. Those specifications may include minimum standards for delivery, performance, design, appearance and quality. We will issue some specifications to you before you begin operating. As we develop additional specifications, we will separately deliver them to you. We may modify any of these specifications at any time. We may include these specifications and any modifications in our policy manual that we loan to you, place them on our website, deliver them electronically, or issue them separately. While we do not have specifications for local advertising you create to promote your business, you must obtain our approval before using any advertising materials to market your store. However, you may not advertise or post about you, your Store, us, the franchise system or our brand on the Internet, including social media, without our permission. We intend to control all Internet advertising, including social media and will be the sole party to perform it. You may not maintain a presence on the Internet, including any website, application, online directory, hashtag, profile account or other online presence unless we otherwise approve it. We intend to control and maintain any online presence, whether for the franchise system, our brand or the stores, on the Internet.

Since most of the items you will purchase to begin operating your business must meet our specifications, you can expect that the items you purchase that must meet our specifications will represent more than 95% of the total purchases you will make to begin operating your business. Once you begin operating, we expect these items to represent approximately 65% of your total annual expenses.

We will also suggest approved suppliers for many of the items you will need to purchase. We will give you lists of approved suppliers in the same manner as the lists of specifications we give you. We and our affiliates may be approved suppliers for certain items you purchase for use in your business. We and our affiliates may also be the sole suppliers for some items. For example, you must purchase from our affiliate all products you sell in your Store. If you are operating an S^2 Smoothie Bar our affiliate will be the sole supplier for the cups for the smoothies and we have a sole third party supplier for food for your Smoothie Bar. You must also purchase your point-of-sale system and any software related to the system from a supplier we approve. We have approved one supplier from whom you must purchase this system and the ancillary software. We do not intend to approve another source of supply for any of these items. Your employees must also complete certain health and nutritional training, including any recertifications related to this training, taught by you or a trainer that we have approved.

We and our affiliates expect to earn a profit on any products or services we or our affiliates sell to you. Except for certain of our officers' ownership in our affiliate, no officer of ours owns an interest in any approved supplier.

If you would like to purchase a product or service that we or a third party are not the sole supplier for, from a supplier that we have not approved, you must request our approval before doing so. Before giving our approval to a new supplier or product you propose, we may ask the supplier to provide samples of materials they wish to provide to you, and we may investigate the ability of the supplier to provide materials that meet our specifications. The criteria we use for approving suppliers and products is not available to franchisees. We charge a $1,000 fee per product and supplier for conducting this investigation. We will usually be able to tell you within 30 days whether we approve the product or supplier, but the time period will depend on the cooperation we receive from the supplier in responding to our questions. We may revoke approval of a product or supplier at any time. We will notify you in writing if we revoke approval of a previously approved product or supplier. (We may revoke our approval for any number of reasons, including the inability of a supplier to meet our standards or specifications.)

We may negotiate special pricing arrangements for discounts with some of our suppliers. We hope the arrangements will include special contract pricing, volume discounts and specific discounts from regular wholesale prices. We plan to pass these discounts on to our franchisees although we may change our mind in the future. We do not provide any other special benefits to franchisees based on their use of any approved supplier. Although we have one approved supplier who provides our affiliate with services at cost neither we nor any of our affiliates receive rebates, other discounts or free services from these suppliers, but reserve the right to do so in the future. We and our affiliates will retain any rebates we receive. Rebates may be in the form of cash, credit, or discounted or free products. Our affiliate received $65,888 in product discounts from a supplier based on franchisee purchases from this supplier.

In 2024, we received revenue of $36,531 from required franchisee required purchases or leases which constitutes 2.9% of our total revenue of $1,285,941. In 2024, our affiliate received $8,652,646 in revenue from the sale of products to our franchisees. This information was taken from our audited financial statements and internal records and our affiliate’s internal financial records.

We have not arranged any purchasing cooperatives among our franchisees.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise and Development Agreement. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

Obligation	Section in Franchise Agreement	Article or Section in Development Agreement	Article or Item in Disclosure Document
a. Site selection and acquisition/lease	Section 3(a)-(c), and (f)	Article 3	Items 7 and 11
b. Pre-opening purchases/leases	Section 8(a). and 8(p)	None	Items 7 and 8
c. Site development and other pre-opening requirements	Sections 3(b), 8(a) and (f)	Article 3	Items 7 and 11
d. Initial and ongoing training	Sections 7(a)-(c)	Article 4	Items 6, 7 and 11
e. Opening	Sections 3(h) and (l)	Article 3	Item 11
f. Fees	Sections 2(b), 3(e), 4, 5(a), 6, 7(f), (k), and 14(c)	Article 3	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	Sections 2(b), 3(b), (g), (h), (k), 5(c), 7(d) and 8	Article 3	Items 8, 11 and 16
h. Trademarks and proprietary information	Sections 9, 12, and 13	None	Items 13 and 14
i. Restrictions on products/services offered	Sections 8(a) and 8(e)	None	Items 8, 11 and 16
j. Warranty and customer service requirements	Section 8(c) and (e)	None	Item 16

Obligation	**Section in Franchise Agreement**	**Article or Section in Development Agreement**	**Article or Item in Disclosure Document**
k. Territorial development and sales quotas	None	Article 3	Item 12
l. Ongoing product/service purchases	Section 8(e) and (f)	None	None
m. Maintenance, appearance and remodeling requirements	Sections 2(b), 3(d), (g), (h), (k), 8(c), (f), (g), and (i)	None	Item 11
n. Insurance	Section 11	None	Items 7 and 8
o. Advertising	Section 5	None	Items 7, 8 and 11
p. Indemnification	Sections 3(i) and 19(c)	Article 7	Item 6
q. Owner's participation/ management/staffing	Section 8(b)	Article 8	Item 15
r. Records/reports	Sections 8(j), 8(k), and 10	None	Not applicable
s. Inspections/audits	Section 3(c), 6(2), 8(d), and 10(c)	None	Item 6
t. Transfer	Section 14	Article 8	Items 6 and 17
u. Renewal	Section 2(b)	Article 2	Items 6 and 17
v. Post-termination obligations	Sections 12(a), 13(a), 17(d), and 17(e)	Article 5	Item 17

Obligation	Section in Franchise Agreement	Article or Section in Development Agreement	Article or Item in Disclosure Document
w. Non-competition covenants	Section 13	Article 10	Item 17
x. Dispute resolution	Section 18	Article 10	Item 17
y. Other: Guarantee of Franchisee Obligations	Section 14(c)	Article 8	Item 22

ITEM 10

FINANCING

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

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Before you begin operating your business, we will:

(a) If you are opening a single S^2 retail sports nutrition store and you have not secured a site for that store at the time you sign your Franchise Agreement, we will grant you a non-exclusive search area in which the store must be located (Franchise Agreement – Section 3(a)). At the time we approve your site, we will designate an area under your Franchise Agreement in which we will not grant to anyone else a franchise to operate, and will not operate a business under the S^2 mark that is physically located in the territory that sells at retail primarily nutritional and dietary supplements, vitamins and other health related products. (Franchise Agreement – Section 3(d)).

(b) If you are operating under a Development Agreement, designate a Market Area under your Development Agreement in which you will locate S^2 retail sports nutrition stores. We will not grant to anyone else a franchise to operate and will not operate any business that is physically located in the Market Area that sells at retail primarily nutritional and dietary supplements, vitamins and other health related products (Development Agreement – Section 1.2).

(c) Provide you with criteria for the approval of a site for a S^2 retail sports nutrition store (Franchise Agreement – Section 3(b)).

(d) Visit the area to review proposed locations for your S^2 retail sports nutrition store (Franchise Agreement – Section 3(b)). It is your obligation to select sites for your store. We do not locate sites for you or negotiate the purchase or lease of sites for your store.

(e) Review any request for inclusion of a S^2 Smoothie Bar at your store and either approve or deny your request within 30 days after you provide us with all information we request related to the proposed Smoothie Bar (Franchise Agreement – Section 3(m)).

(f) Provide you with a sample layout for the interior of a typical S^2 retail sports nutrition store and with a set of typical preliminary plans and décor and specifications, and review your plans and specifications for the store and either approve those specifications or provide you with comments (Franchise Agreement – Section 3(g)).

(g) Make available to you and your manager, if different then you, our Initial Training Program at no charge to you (Franchise Agreement – Section 7(a)). However, we do not hire or otherwise train your employees.

(h) If you are operating under a Development Agreement, before opening the second S^2 retail sports nutrition store under that Agreement, provide you with multi-store management training (Development Agreement – Article 4).

(i) Loan to you one or more manuals addressing the methods of promotion and system of operation we and our affiliates have developed (Franchise Agreement – Section 7(d)). Attached as Exhibit B is the Table of Contents of our Operations Manual as of the issuance date of this Disclosure Document. There are 367 pages in the Manual.

(j) Provide you with a template for a web page on our or our affiliate's website for advertisement of your store on the Internet as well as an email address for your use in operating the business (Franchise Agreement – Section 7(e)).

(k) Provide to you specifications for equipment, products, supplies, signage, insurance and other items you will use in your business (Franchise Agreement – Sections 8(f) and (g)). We will provide you specifications for some or all of the items and may in some cases provide you with the names of approved suppliers for some or all of these items.

(l) Cause our affiliates to sell to you an initial order of retail products for you to sell in your S^2 retail sports nutrition store and cups if you will be operating a Smoothie Bar (Franchise Agreement – Section 8(a)).

(m) Provide you a Market Introduction Plan for the initial marketing of your store. We will also provide you with basic market introduction materials and make available to you for purchase promotional materials such as t-shirts, water bottles and other items (Franchise Agreement – Section 7(h)). We will also provide you with up to 7 days of grand opening assistance within 30 days of the opening of your store (Franchise Agreement – Section 7(h)).

During the operation of your business, we will:

(a) Cause our affiliates to sell to you products for resale at your store and cups if you will be operating a Smoothie Bar (Franchise Agreement – Section 8(e)).

(b) Maintain the Supplement Superstores System Brand Fund (Franchise Agreement – Section 5(b)). See below for additional information related to this Fund.

(c) Review for approval any advertising you submit to us (Franchise Agreement – Section 5(c)).

The following are optional services that we may provide to you:

(a) We may make available to you for purchase advertising materials (Franchise Agreement – Section 5(f)).

(b) We may provide you with additional training on topics you request if you pay our fees for this training (Franchise Agreement – 7(c)).

(c) We may conduct a periodic or annual convention. If we hold the convention, you must attend and regardless of whether you attend, you must pay the convention registration fee (Franchise Agreement – Section 7(f)).

We have no obligation to establish or provide you with the use of administrative, bookkeeping, accounting or inventory control procedures nor do we have any obligation to resolve operating problems you may encounter. Although we may establish pricing increases, we have no obligation to establish prices for your store.

<u>Site Selection</u> -

Other than as described above, we do not provide you with any site selection assistance or any assistance regarding the construction, remodeling, furnishing or decoration of any stores. We do not conform the premises to local ordinances or building codes or obtain any required permits for you. We do not negotiate the purchase or lease of sites for you, plus we do not own premises and lease them to you.

As you find sites for a store, whether to be opened under a Franchise Agreement or pursuant to a Development Agreement, we will either approve or disapprove your site within 10 days after you provide us with all information we request about your site. The sites you select must meet our then-current site criteria. Our criteria includes requirements that the site be located in an anchored strip mall or lifestyle center and that the site have high visibility to potential customers, adequate ingress and egress and ample parking. We will analyze parking availability, access, visibility, market demand and surrounding area commercial activity within proximity to your store (Franchise Agreement – Section 3(b)). We can terminate your Franchise Agreement and retain any amounts you have paid us or our affiliates if we do not approve a site for your store within 30 days after the date you sign the Franchise Agreement (Franchise Agreement - Section 3(c)).

If you are opening stores under a Development Agreement, you must sign a Franchise Agreement for each of those stores following the first, within 60 days from the date of the opening of the previous store. (Development Agreement – Section 3.3). Unless we otherwise approve, you must enter into a lease or sublease for the premises of the store that contains the provisions in your Franchise Agreement. You must provide us with a copy of your lease or sublease immediately before signing so that we can confirm it meets our requirements and then with a fully signed copy once it is signed by you and the landlord. This must occur within 90 days from the date of your Franchise Agreement and you must open the store within 120 days from the date we approve your lease or sublease for the store. If you miss any of these deadlines, we can terminate your Franchise Agreement (Franchise Agreement – Section 3(l)) and any Development Agreement that we may have with you (Development Agreement – Article 5).

We expect the typical length of time between the signing of the Franchise Agreement and the opening of your store to be approximately 180 days. Factors that may affect the time period include how quickly you can begin our Initial Training Program, how quickly you can obtain financing, and how quickly you can find sites.

Computers and Computer Software -

You will need to purchase a business computer and 2-3 point-of-sale systems depending upon whether you are operating a S^2 Smoothie Bar at your store (2 for a store and an additional one for a Smoothie Bar). The computer will be used to operate and manage your business and to access our intranet and the Operations Manual. The cost to purchase the computer is between $1,000 and $2,000. You will use your point-of-sale systems to record sales, perform inventory management including re-ordering, collect customer data, stamp timecards and operate a rewards system for customers of your store. The cost for the point-of-sale systems ranges from $4,000 to $6,000. The high estimate includes the cost for a third point-of-sale system for a Smoothie Bar. You must also license software for use with these point-of-sale systems. The annual cost to license the software is $1,824 per store. We pay this amount to the vendor of your point-of-sale systems and you reimburse us for it. This charge entitles you to any upgrades to the software. You must also pay a Technology Fee of $50 per month.

Neither we, nor any affiliate, nor any third party has any obligation to provide ongoing maintenance, repairs, upgrades or updates to you for your computers or this software. We may require you to upgrade or update your computer system and/or software during the term of your Franchise Agreement and there are no contractual limitations on the frequency and cost of those obligations. Other than the monthly fee described above, there is no other annual cost of any optional or required maintenance, updating, upgrading, or support contracts, that we are aware of. We will have independent access to all information contained in your computer and point-of-sale systems. There are no contractual limits on our rights to access this information. We can use this information as we see fit without any compensation to you.

Training -

As described above, we provide an Initial Training Program (Franchise Agreement – Section 7(a)). As the owner of the franchise, you must attend this Training Program. We are not required to provide this training if the Franchise Agreement you are signing is for the operation of your second or a subsequent store. However, if a manager will be operating the store, the manager must be approved by us and must attend this Training Program. There is no charge for either of you to attend, but you are responsible for the compensation of your manager, and for all travel and living expenses you and your manager incur while attending the Program. The training is approximately three weeks in length. We provide this training periodically on an as-needed basis. We will provide this training at our corporate office in St. Louis, Missouri. The instructional materials for this Program are primarily our Manuals. You and your manager must begin the classroom portion of the Initial Training Program within 30 days of the date you sign the Franchise Agreement and complete the entire Program to our satisfaction within 60 days of the date you sign the Franchise Agreement, but in any event before your business opens. If you do not, we can terminate the Franchise Agreement. We provide this training in an effort to protect the goodwill of our brand and our trademarks not to control the day-to-day operation of your business.

If you retain new or additional managers, each manager must complete the classroom portion of the Initial Training Program before beginning to perform services for you. You, or a third party we approve, must provide health and nutrition training meeting our requirements to all of your personnel. You must certify to us that all of these individuals have successfully completed this training. Your personnel must also be recertified as we may require. If any personnel that perform services on your behalf are not certified, we can terminate your Franchise Agreement. You are responsible for all costs and expenses of your personnel, as well as all fees payable to any third party administering this training and certification.

Ian Hutchinson and Andrew Lynn will be in charge of our Initial Training Program. have been with us and have worked in the nutrition industry for over 10 years. All of the individuals performing our training will have at least 3 years' experience with us or our affiliate and 3 years' experience in the topics that they are teaching. The following table will give you additional information about the content of our Initial Training Program as of December 31, 2024:

TRAINING PROGRAM

Subject	**Approximate Number of Hours of Classroom Training**	**Approximate Number of Hours of On-the-Job Training**	**Location**
Store Operations	11 hours	N/A	St. Louis, Missouri
Customer Service	6 hours	N/A	St. Louis, Missouri
Products	6 hours	N/A	Video Conferencing/St. Louis, Missouri
Financial Operations	24 hours	N/A	Video Conferencing/St. Louis, Missouri
Marketing	6 hours	N/A	St. Louis, Missouri

Subject	Approximate Number of Hours of Classroom Training	Approximate Number of Hours of On-the-Job Training	Location
In-Store Operations, including Smoothie Bar, if applicable	N/A	40 hours	St. Louis, Missouri
Total	53 hours	40 hours	

If you are opening stores under a Development Agreement with us, before opening your second store you must complete our multi-store management training. This training consists of approximately 3 days of classroom training. There will be no charge for this training, but travel and living expenses incurred by you are your responsibility.

We may also hold an annual convention for all of our franchisees. If we choose to hold a convention, you must attend, or you must send a representative that we approve. You must also pay any convention registration fee that we establish but we may refund this fee to you if you attend the convention. You are responsible for all travel and living expenses that you or your representatives incur while attending the convention.

If you request us to provide you with additional training, we may if we can agree on the particulars of that training and you pay us our current fees and reimburse us for any expenses we incur to perform the training. If you fail to follow our standards we can require you to complete additional training, pay us our current fees for the training and reimburse us for any expenses we incur to perform the training. The cost for this training is $500 per person per day, plus reimbursement of our expenses.

Advertising -

As discussed above, we will maintain and administer the Supplement Superstores System Brand Fund (Franchise Agreement – Section 5(b)). You must contribute 2% of your Gross Revenues to this Fund. We intend that all franchisees will contribute at this amount to the Fund. We will account for these contributions separately from our other funds. The S^2 stores we or our affiliates own will not contribute to the Fund. The purpose of this Fund is to promote the Supplement Superstores brand. This means we may use money from the Fund for any purpose that promotes the brand including creating advertising materials or public relations campaigns, or to implement advertising, including advertising that may be Internet based. The media we use may be print media, electronic, or television or radio. The media coverage may be national, local or regional. We may use money from the Fund to pay for the salaries, administrative costs, direct expenses, and overhead we incur in activities related to the operation and administration of the Fund, including for creative or other services provided to the Fund by our or our affiliates' employees, and overhead allocated to these employees. We have no obligation to conduct marketing, and it is in our sole discretion to determine how funds are spent, if any. We do not have any advertising council that advises us on the use of funds in the Brand Fund. We will not use any of the Fund primarily to help us sell franchises, although we may use contributions to update our or our affiliate's website, which may also advertise for franchises. We are not required to spend monies from the Fund in proportion to contributions made by businesses in any particular geographic area, nor must we spend a certain amount in any given year. The Fund is not audited. We will provide you an annual statement of collections and expenditures upon your request. Contributions to the Fund not spent in one year are carried forward to the next year. We have no obligation to conduct any advertising.

During our fiscal year ended December 31, 2024 expenditures from the Brand Fund were as follows: 33% on advertising expenses, 46.9% on promotional items and 20.1% on administrative expenses.

We expect you to conduct your own local advertising to promote your business. We must approve all local advertising plans and materials before you implement or use them. But you are ultimately responsible for ensuring that your advertising complies with all applicable laws before using it. We may make available to you advertising materials that you can buy from us at scheduled prices. We will prepare these advertising materials in-house, and with help from local companies. You must spend at least 6% of your annual Gross Revenue on local advertising to promote your business. If you do not, you must pay us the balance of the funds required to be expended. We will then deposit those funds into the System Brand Fund to use as we see fit. You may not sell products or services over or through the Internet nor may you market your store via the Internet. (Franchise Agreement – Section 5(g)).

You may not advertise or post about you, your Store, us, the franchise system or our brand on the Internet, including social media, without our permission. We intend to control all Internet advertising, including social media, and will be the sole party to perform it. This prohibition also includes posting or blogging comments about you, us, the Store or the franchise system on social media. We consider social media to include personal blogs, common social networks like Facebook, Instagram, TikTok, X (formerly known as Twitter), Snapchat and Pinterest; professional networks, business profiles or online review or opinion sites like LinkedIn, Google Business Profile or Yelp; live-blogging tools like Twitter and Snapchat; virtual worlds, metaverses, file, audio and video-sharing sites, and other similar social networking or media sites or tools). You may not maintain a presence on the Internet, including any website, application, online directory, hashtag, profile or accounts relating to you, us, your Store, or to the franchise system. (Franchise Agreement – Section 5(g)).

We do not require you to participate in any local or regional advertising cooperative but we can. Other than the Supplement Superstores System Brand Fund and any future local cooperative, you do not have to participate in any other advertising fund. If we form a cooperative or advertising council, we will have the power to change or dissolve it at any time.

ITEM 12

TERRITORY

The Franchise Agreement gives you the right to operate your S^2 retail sports nutrition store from one location that we approve. Once this location is established, you may not relocate the store without our prior written consent. We will only consent to a relocation if the new site meets our then-current site standards and you pay the relocation fee. If you have not located a site for the store when you sign your Franchise Agreement with us, we will grant you a non-exclusive search area in which your store must be located. We will not grant you any exclusive rights in the search area and there may be other franchisees searching for sites in this search area.

Once we approve the location for your S^2 retail sports nutrition store we will denote this location in the Rider to your Franchise Agreement. At that time, we will also grant you a "Territory" within which this site is located. We will describe the Territory in this Rider. This Territory is usually a 5-mile area measured from the front entrance of your store. However, this area may be less depending upon the density of the population in your market. In any case, the ultimate size of your Territory will depend on many factors such as where your store is located in relation to other businesses, and the transportation routes surrounding your store.

As long as you are in compliance with your Franchise Agreement and any other agreements with us and our affiliates, we will not operate or grant a third party the right to operate a business physically located in your Territory that sells under the S^2 mark at retail primarily nutritional and dietary supplements, vitamins and other health-related products, but excluding soft-serv ice cream, smoothies, juices or other nutritional drinks. Other than this limitation there are no other prohibitions on us in your Territory. For example, we can operate or allow others to operate businesses inside the Territory under any of the Marks selling soft-serv ice cream, smoothies, juices or other nutritional drinks regardless of if you are operating an S^2 Smoothie Bar. We can also operate or allow others to operate similar or identical businesses within the Territory if these businesses do not operate under the S^2 mark, and outside of your Territory under any trademarks even if the businesses compete with your store. We can also operate or allow others to operate businesses inside the Territory under any of the Marks so long as the businesses are not selling at retail primarily nutritional and dietary supplements, vitamins or other health-related products. We and our affiliates can sell products and services provided to you for sale at your store to anyone, whether in or outside your Territory, so long as we are not selling the products or services from a store operated by us or an affiliate under the S^2 mark that is physically located in your Territory. We can also sell or grant third parties the right to sell goods or services similar to or competitive with those sold by your store under the Marks or otherwise through other distribution channels such as the Internet, catalog sales, telemarketing or other direct marketing, inside and outside of your Territory. We can acquire businesses in the Territory that are similar to your store or sell our business whether through a sale of assets or stock to anyone, regardless of whether they operate or franchise the operation of businesses similar to your store. Because of our rights above, you will not receive an exclusive territory under your Franchise Agreement. You may face competition from other S^2 franchisees, from outlets that we own, or from other channels of distribution or competitive businesses that we control.

If you are opening S^2 retail sports nutrition stores under a Development Agreement, we will grant you the right under that Development Agreement to locate your stores in a defined geographic area, which we refer to as the Market Area. The number of stores you must open in the Market Area will vary depending upon the population in that Market Area. But, we generally require our franchisees to open one store in a Market Area for every 200,000 in population in that Market Area. We will designate the area at the time you sign your Development Agreement. Each site for a store to be opened pursuant to a Development Agreement must meet our then-current site criteria and must be approved by us.

As long as your Development Agreement is in effect, we will not grant to anyone else a franchise to operate, and we will not operate, a business that is physically located in the Market Area that sells under the S^2 mark at retail primarily nutritional and dietary supplements, vitamins and other health related products. This restriction will continue until the termination of your Development Agreement, or the date on which you must open your last sports nutrition store under your Development Agreement, whichever occurs first. This is the only restriction on us in your Market Area. We can exercise any other rights in your Market Area as we can in your Territory. Because of our rights above, you will not receive an exclusive territory under your Development Agreement. You may face competition from other S^2 franchisees, from outlets that we own, or from other channels of distribution or competitive businesses that we control.

As long as your Development Agreement is in effect, except as discussed above, you will retain the rights we have initially given to you, even though the population of your Development Area may increase, but you must meet the development schedule contained in your Development Agreement. If you fail to meet this schedule or otherwise breach your Development Agreement, you will lose your right to continue to develop S^2 retail sports nutrition stores in your Market Area. Neither the Franchise Agreement nor the Development Agreement grant to you any options, rights of first refusal, or similar rights to acquire additional franchises in the Territory or Market Area or contiguous areas. You do not have the right to change your Territory or Market Area.

There are no restrictions on us or on any other franchisee from soliciting customers that are located in your Market Area or Territory. As discussed above, we have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your Market Area or Territory under the Supplement Superstores name or under any other name. We will not pay you any compensation for soliciting or making sales to customers located inside your Market Area or Territory. However, there are also no restrictions on you soliciting or accepting business from customers located outside of your Market Area or Territory except that you may not sell products or services over or through the Internet and you may not advertise or solicit customers or otherwise market your store over the Internet.

We have no current plans to operate or franchise a business under a trademark different from the S^2 trademark, which business would sell goods or services similar to those sold by you. However, we have the right to do so.

ITEM 13

TRADEMARKS

The Franchise Agreement gives you the right to operate an S^2 retail sports nutrition store under the trade names, trademarks, and service marks that we license to you. You must follow our standards when you use our marks. You cannot use any of our names or marks as part of an entity name or with modifying words, designs or symbols, except for those we license to you. You may not use any of our names or marks for the sale of any unauthorized product or service or in a manner we have not authorized in writing.

We consider the "S^2" design mark as our principal mark. Our affiliate Buff Enterprises, L.L.C. registered the S^2 design mark on the Principal Register of the United States Patent and Trademark Office ("USPTO") on June 10, 2008, Registration No. 3443519.

In many cases, we use the S^2 mark followed by the descriptive phrase "Supplement Superstores". We do not have a federal registration for the service mark "Supplement Superstores". Therefore, this service mark does not have many of the legal benefits and rights as a federally registered trademark. If our right to use this service mark is challenged, you may have to change to an alternative mark, which may increase your expenses.

We obtained the rights to use these marks and all other marks and logos used by Buff Enterprises in their business, and to license others to use these marks, under an Intellectual Property License Agreement dated December 31, 2011, between us and Buff Enterprises. Under the terms of that agreement, Buff Enterprises may continue to operate its own businesses under these marks, provided it does not do so within any Market Area granted to any of our franchisees. We are not restricted in any way in which we use these marks and the length of the agreement is unlimited. We therefore essentially have all the rights as the owner of the marks to license or franchise others to use these marks.

Buff Enterprises has filed all affidavits required to preserve and renew the S^2 design mark discussed above. There are no agreements that limit our right to use or license these marks for the operation of an S^2 retail sports nutrition store.

We are not aware of any infringing uses of the S^2 design mark that could materially affect your use of that mark. However, there are various parties using the word supplement and superstore in connection with the offer and sale of supplements. If you learn of an infringement of or challenge to your use of any of our marks, you must immediately notify us, and we will take the action we think is appropriate. We are not obligated, by the Franchise Agreement or otherwise, to protect your right to use any marks. However, we will protect you against claims of infringement or unfair competition from your use of marks we own or that are licensed to us if you are properly using them. We will have the right in this situation to take any action we think is appropriate to handle the claim.

There are no currently effective determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceedings, or any pending material litigation, involving these marks.

We reserve the right to adopt new marks at any time, or to change our marks. If we adopt new marks, or change the existing marks, you must use the new or modified marks, and discontinue the use of any marks we decide to change or discontinue, at your expense. You must pay for all expenses incurred by you related to the change or modification.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any rights to, or licenses in, any patents or registered copyright material to the franchise, nor do we have any pending patent applications.

We claim copyright protection for our manuals, advertising and promotional materials, including our affiliate's website, forms, and related materials that we produce, but neither we nor our affiliate have registered these materials with the Copyright Office of the Library of Congress. These materials are proprietary and confidential. You may use them only if you are a franchisee, and only as provided in your Franchise Agreement.

There are no currently effective determinations of the Copyright Office of the Library of Congress or any court regarding any of our copyrighted materials. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. We are not aware of any infringing uses of these materials that could materially affect your use of these materials. We are not required by any agreement to protect or defend our copyrights.

We will be disclosing to you certain information we believe to be confidential or proprietary information and trade secrets. This will include information contained in our manuals, and in materials separately provided to you. You may use these materials, in the manner we approve, in the operation of your store during the term of your Franchise Agreement. However, you may not use these materials in any other way for your own benefit, or communicate or disclose them to, or use them for the benefit of, any other person or entity. These materials include any trade secrets, knowledge or know-how, confidential information, advertising, marketing, designs, plans, or methods of operation. You may disclose this information to your employees and independent contractors, but only as necessary to operate the business, and then only while your Franchise Agreement is in effect. You may not use any of our confidential or proprietary information for the purpose of machine learning, augmented human intelligence development, training any artificial intelligence ("AI") model, algorithm improvement, or similar data aggregation activities, without our express written consent. These uses are prohibited. You are prohibited, without our prior written consent, from inputting any of our confidential or proprietary information, including the Operations Manual or any information contained in it, into any generative AI platform, or disclosing and of this information to any provider or source of generative AI services. You must opt out of allowing any provider or source of generative AI to utilize our confidential or proprietary information for training of any AI model or for other purposes.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Although we recommend you participate personally, on a full-time basis, in the operation of your business, you can have a manager operate each S^2 retail sports nutrition store you own if that manager has successfully completed our initial training program. The manager need not have any ownership interest in your business. All personnel working in your business must sign noncompetition and confidentiality agreements. We will not approve a manager to operate your development business under a Development Agreement.

If you transfer your Franchise Agreement or Development Agreement to a corporation, limited liability company or partnership, you and any other owners must sign a personal guaranty of all obligations under the Franchise Agreement and the Development Agreement and under any other agreement between us and you or between you and any of our affiliates, agreeing to be bound personally by all provisions of these agreements. Attached to the Franchise Agreement and the Development Agreement is a personal guaranty. If you have a partner, or transfer the Agreement to an entity you must name an operating principal who has the authority to make decisions on your behalf when dealing with us.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer the products we specify, and you may not sell other products or services in your business without our prior written approval. We can change these products at any time. We do not restrict or limit the customers you may serve and we expect you to market your store throughout a broad trade area. But you may not sell products or services over or through the Internet or market customers over or through the Internet. We can also implement pricing policies, such as minimum or maximum resale price policies, minimum advertised price policies and unilateral minimum price policies, and you must abide by these policies. You cannot operate other businesses from your store. If you accept the return of any products, you may not resell or give away those products and must destroy them immediately. All of your advertising and marketing must be approved by us.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	**Article/Section in Franchise Agreement and Development Agreement**	**Summary**
a. Length of franchise term	Franchise Agreement – Section 2(a) Development Agreement – Section 2.1	10 years. Expires on the date your last S^2 store must be open under the Development Agreement.

Provision	Article/Section in Franchise Agreement and Development Agreement	Summary
b. Renewal or extension of the term	Franchise Agreement – Section 2(b) Development Agreement – Section 2.2	If you have complied with all the terms and conditions of your Franchise Agreement, you may renew for an additional initial term of 5 years, with one additional 5-year renewal term. No renewal rights.
c. Requirements for you to renew or extend	Franchise Agreement – Section 2(b) Development Agreement – None	You must tell us at least 180 days in advance, sign a new agreement which may have materially different terms than those in your Franchise Agreement, pay a renewal fee, satisfy all obligations to us, our affiliates and our suppliers during the term of the Franchise Agreement, and make capital expenditures to renovate and modernize your store and its equipment to meet our then-current standards. No renewal rights.
d. Termination by you	Franchise Agreement – Section 17(a) Development Agreement – None	You may terminate upon 10 days' notice if we default and do not cure a default within 30 days after receiving notice from you. Not applicable.
e. Termination by us without cause	Franchise Agreement; Development Agreement – None	Not applicable.

Provision	Article/Section in Franchise Agreement and Development Agreement	Summary
f. Termination by us with cause	Franchise Agreement – Section 17(b); Development Agreement – Section 5.1	We may terminate only if you default. Termination of the Franchise Agreement does not terminate the Development Agreement. We may terminate only if you default. Termination of the Development Agreement does not terminate the Franchise Agreement.
g. "Cause" defined - curable defaults	Franchise Agreement – Section 17(b) Development Agreement – Sections 5.1-5.2	Most defaults can be cured within 30 days after notice/ 5 business days for monetary defaults (subject to applicable state law that may extend this time). Termination of the Franchise Agreement does not terminate the Development Agreement. Most defaults can be cured within 30 days after notice (subject to applicable state law that may extend this time). Termination of the Development Agreement does not terminate any Franchise Agreement.
h. "Cause" defined - defaults which cannot be cured	Franchise Agreement – Section 17(b) Development Agreement – Section 5.1	Defaults that materially affect our goodwill, repeated violations of the Agreement, unauthorized assignment, misrepresentation in applying for the franchise, failure to obtain site approval, sign a lease or open on time; you withhold our access to any computer systems, accounting or financial systems, or any data we need to determine Gross Revenues, you terminate your authorization for us to collect amounts payable to us or any affiliate by direct debit of your bank account or otherwise, or you initiate any stop payment against us or any affiliate. Termination of the Franchise Agreement does not terminate the Development Agreement. Defaults that materially affect our goodwill, abandonment, conviction of an offense related to the business, bankruptcy, repeated violations of health or safety laws, unauthorized assignment, failure to comply with any of the development timelines, misrepresentation applying for the franchise. Termination of the Development Agreement does not terminate any Franchise Agreement.

Provision	Article/Section in Franchise Agreement and Development Agreement	Summary
i. Your obligations on termination/ nonrenewal	Franchise Agreement – Section 17(d) Development Agreement – Article 6	Obligations include return of manuals, deidentification, payments of amounts owed, sale to us of proprietary products, if we request. You must comply with our purchase option, including our right to assume the existing lease or sublease for the store or enter into a lease. Obligations include return of manuals. No further right to develop Market Area.
j. Assignment of contract by us	Franchise Agreement – Section 14(a) Development Agreement – Section 8.1	No restriction on our right to assign. No restriction on our right to assign.
k. "Transfer" by you - definition	Franchise Agreement – Section 14(b) Development Agreement – Section 8.2	Includes transfer of contract, sale, transfer or lease of business, or transfer of control. Includes transfer of contract, sale, transfer of business, or transfer of control, termination of involvement by one principal if 2 or more principals are Franchisee.
l. Our approval of transfer by you	Franchise Agreement – Section 14(c) Development Agreement – Section 8.2	We have the right to approve all transfers. We have the right to approve all transfers.
m. Conditions for our approval of transfer	Franchise Agreement – Section 14(c) Development Agreement – Section 8.2	New franchisee must qualify and sign new agreements with us. Transfer fee required. You must also release any claims you have against us. You must transfer all of your rights under all Franchise Agreements for S^2 retail sports nutrition stores you operate in the Market Area and, therefore, the assignment, terms and conditions of all of your Franchise Agreements will apply.
n. Our right of first refusal to acquire your business	Franchise Agreement – Section 15 Development Agreement – None	We can match any offer for your store. Not applicable upon death or disability. Not applicable.

<u>**Provision**</u>	**Article/Section in Franchise Agreement and** <u>**Development Agreement**</u>	<u>**Summary**</u>
o. Our option to purchase your business	Franchise Agreement - Section 17(d) Development Agreement – None	If we require, upon termination or expiration of the Franchise Agreement you must sell us all new and unopened products, merchandise and other items that are proprietary to our affiliate at the price sold to you, less a restocking charge of 25% of the price. We also have the option to assume, or have an affiliate assume, the lease or sublease for your store premises or require you to assign it to another franchisee of ours or to enter into a lease for the store's premises after the Franchise Agreement ends. Not applicable.
p. Your death or disability	Franchise Agreement – Section 14(c) Development Agreement – Section 8.2	Your heirs can assume the business but they must meet the requirements for transfer. Your heirs can assume your rights, but they must meet the requirements for transfer. We will waive the transfer fee in this situation.
q. Noncompetition covenants during the term of the franchise	Franchise Agreement – Section 13(a) Development Agreement – Article 10	You may not own or be affiliated with a competitive business, or grant franchises or licenses for the operation of competitive businesses, or divert any customer to a competitor or operate any other business from the premises of your store. You may not interfere with our business activities or those of any affiliate of ours or a franchisee. A "competitive business" is a business that manufactures weight control products, nutritional, body building or dietary supplements or vitamins; or that derives 5% or more of its annual revenues from the distribution, marketing or sale of weight control products, nutritional, body building or dietary supplements or vitamins; or that is engaged primarily in the offer and sale of freshly made smoothies, freshly-squeezed juices, other freshly made nutritional drinks or soft-serv ice cream (this last clause is only applicable if you have operated an S^2 Smoothie Bar). Provisions of Franchise Agreement apply.

Provision	Article/Section in Franchise Agreement and Development Agreement	Summary
r. Noncompetition covenants after the franchise is terminated or expires	Franchise Agreement – Section 13(a)	For 2 years, you may not be involved with any competitive business that is located within the prohibited area. During this period, you may not be involved in a business that is granting franchises or licenses for competitive business and is located in or doing business in the prohibited area or that is granting franchises or licenses for competitive businesses that are located, or are to be located, in the prohibited area. You may not solicit or attempt to persuade any customer of your business to do business with a party other than us. You may not interfere with our business activities or those of any affiliate of ours or a franchisee. The "prohibited area" means the Territory, including the premises of the store, a radius of 5 miles from the Territory, and a radius of 5 miles from the location of any other S^2 retail sports nutrition store business If there is no Territory identified in the Franchise Agreement, but you are operating under a Development Agreement, the prohibited area will be the Market Area, a radius of 5 miles from the Market Area, and a radius of 5 miles from the location of any other S^2 retail sports nutrition stores business. Otherwise, if there is no Territory identified in the Franchise Agreement and you are not operating under a Development Agreement, the prohibited area will be the search area, a radius of 5 miles from the search area, and a radius of 5 miles from the location of any other S^2 retail sports nutrition store business. The search area is the area we grant you to search for a store location (see Item 12).
	Development Agreement – Article 10	Provisions of Franchise Agreement apply.
s. Modification of the Franchise/ Development Agreement	Franchise Agreement – Section 21(i)	No modifications without consent by all parties, but manuals are subject to change.
	Development Agreement – Article 10	No modifications without consent by all parties.

Provision	**Article/Section in Franchise Agreement and Development Agreement**	**Summary**
t. Integration/merger clause	Franchise Agreement – Section 21(c)	Only the terms of the Franchise Agreement are binding (subject to applicable state law). Any other promises or representations (other than representations in the Disclosure Document) may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in this Franchise Disclosure Document, its exhibits and amendments.
	Development Agreement – Article 10	Only the terms of the Development Agreement are binding (subject to applicable state law). Any other promises or representations (other than representations in the Disclosure Document) may not be enforceable.
u. Dispute resolution by arbitration or mediation	Franchise Agreement – Section 18	Except for certain claims, all disputes must be submitted to nonbinding mediation.
	Development Agreement – Article 10	Except for certain claims, all disputes must be submitted to nonbinding mediation.
v. Choice of forum	Franchise Agreement – Section 18(d)	Litigation must generally be in Missouri, subject to applicable state specific law.
	Development Agreement – Article 10	Litigation must generally be in Missouri, subject to applicable state law.
w. Choice of law	Franchise Agreement – Section 21(a)	Missouri law generally applies (subject to applicable state law).
	Development Agreement – Article 10	Missouri law generally applies (subject to applicable state law).

ITEM 18

PUBLIC FIGURES

Other than Andy Frisella, we do not use any public figures to promote our franchise. Mr. Frisella is not paid any compensation or other benefit arising from his activities on our behalf. However, Mr. Frisella does hold a 50% ownership interest in us.

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.

HISTORIC SALES INFORMATION

2024 Gross Sales Information

The following charts reflect the sales ranges in 2024 for the 14 company-owned stores and 14 franchised stores that were open and operating for the entire 12 month period as of December 31, 2024. This information was obtained from the internal financial statements of the company-owned stores and from information reported to us by franchisees for the franchised stores. There were no stores that closed during 2024 after being open for less than one year. The charts are broken down by company-owned and franchised stores and large market (the St. Louis metropolitan area, having a population of over 2,800,000 based on the 2020 U.S. Census), and small market (Springfield, MO, which had a population of approximately 170,000 based on the 2020 U.S. Census). Of the company-owned stores included, the earliest of these stores opened in 1999 and the latest in 2018. Of the franchised stores included, the earliest of these stores opened in 2015 and the latest in 2023.

COMPANY-OWNED STORES

Annual Sales Level – Range	**Large Market**	**Small Market**
Less than $1,200,000	1	1
$1,200,000-$1,350,000	2	
$1,350,000-$1,500,000	0	
$1,500,000-$1,750,000	4	
$1,750,000-	1	1
Over $2,000,000	4	

1. The average gross sales of the 12 company-owned stores in the large market was $1,678,307. 6 of the stores (50%) met or exceeded this average. The median gross sales of these 12 stores was $1,666,966. The highest gross sales was $2,262,841 and the lowest was $716,239.

2. The average gross sales of the 2 company-owned stores in the small market was $1,556,931. 1 of the stores (50%) met or exceeded this average. The median gross sales of these 2 stores was $1,556,931. The highest gross sales was $1,935,681 and the lowest was $1,182,181.

FRANCHISED STORES

Annual Sales Level – Range	Large Market	Small Market
Less than $1,200,000	2	5
$1,200,000-$1,350,000	1	1
$1,350,000-$1,500,000	1	0
$1,500,000-$1,750,000	3	0
$1,750,000-$2,000,000	1	0

1. The average gross sales of the 8 franchised stores in the large market was $1,442,173. 5 of the stores (62.5%) met or exceeded the average. The median gross sales of these stores was $1,506,151. The highest gross sales was $1,900,910 and the lowest was $910,192.

2. The average gross sales of the 6 franchised stores in the small market was $893,189. 4 of the stores (66.67%) met or exceeded the average. The median gross sales of these 6 stores was $1,004,279. The highest gross sales was $1,202,730 and the lowest was $392,405.

NOTES

1. These figures represent gross sales figures, which we refer to as Gross Revenues in the Franchise Agreement. This is the total amount of all revenues, receipts and other fees received from all business activities taking place by or through the stores, but they exclude refunds to customers and sales taxes. The dollar amounts above have been rounded to the nearest whole dollar.

2. Because these figures only represent gross sales, they do not include the costs of goods sold, or any of the operating expenses or other costs or expenses, including royalty and Brand Fund contributions, that must be deducted from gross sales to obtain a net income or net profit figure.

3. The actual sales of these stores (and any store you open) would be impacted by the general economic and local market conditions, visibility and signage, demographic make-up of the trade area, the amount of promotion done by the store, and the individual efforts and skills of the manager and the store's employees.

4. Because these stores were open for more than 1 year, their sales should not be considered the average or expected sales for a store in its first year of operation.

5. **Some stores have sold these amounts. Your individual results may differ. There is no assurance you'll sell as much.**

Written substantiation for this financial performance representation will be made available to you upon reasonable request.

We recommend a particular accounting method or system to you. This system is consistent with generally accepted accounting principles. To our knowledge, each of the stores included in this financial performance representation used that accounting method or system.

Substantially the same services were offered in the company-owned stores as in the franchised stores. All of these stores offered substantially the same products or services to the public as you are expected to offer. Although none of the franchised stores in 2023 included a S^2 Smoothie Bar, 2 of the company-owned stores included a S^2 Smoothie Bar in 2023. The first store opened its S^2 Smoothie Bar in March 2023 and the second store opened its S^2 Smoothie Bar in June 2023. Revenue from the S^2 Smoothie Bar for each of these stores was $84,285 and $44,043 respectively.

Other than the preceding financial performance representations, we do not make any financial performance representations to prospective franchisees. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Tyler Fox or Ian Hutchinson at Supplement Superstores Franchising, L.L.C., 620 Assembly Parkway, Fenton, MO 63026, telephone: (314) 482-7601, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary For Years 2022 to 2024[1]				
Outlet Type	**Year**	**Outlets at the Start of the Year**	**Outlets at the End of the Year**	**Net Change**
Franchised	2022	11	13	+2
	2023	13	14	+1
	2024	14	15	+1
Company-Owned	2022	14	14	0
	2023	14	14	0
	2024	14	15	+1
Total Outlets	2022	25	27	+2
	2023	27	28	+1
	2024	28	30	+2

1. The numbers for each year are as of December 31.

Table No. 2

Transfers of Outlets from Franchisee to New Owners (Other than the Company) for Years 2022 to 2024[1,2]		
State	**Year**	**Number of Transfers**
All States	2022	0
	2023	0
	2024	0
Totals	2022	0
	2023	0
	2024	0

1. The numbers are as of December 31 of each year.
2. Does not include transfers where beneficial ownership of less than 50% of the franchise did not change, circumstances where and individual transfers to an entity the individual owns or transfers to heirs.

Table No. 3

Status of Franchised Outlets for Years Ended 2022 to 2024[1]								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Terminations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations-Other Reason**	**Outlets at End of the Year**
Illinois	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Kansas	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Missouri	2022	7	1	0	0	0	0	8
	2023	8	1	0	0	0	0	9
	2024	9	0	0	0	0	0	9
Oklahoma	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Totals	2022	11	2	0	0	0	0	13
	2023	13	1	0	0	0	0	14
	2024	14	1	0	0	0	0	15

1. The numbers for each year are as of December 31.

Table No. 4

Status of Company-Owned Outlets For Years 2022 to 2024[1, 2]							
State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Illinois	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
Missouri	2022	12	0	0	0	0	12
	2023	12	0	0	0	0	12
	2024	12	1	0	0	0	13
Totals	2022	14	0	0	0	0	14
	2023	14	0	0	0	0	14
	2024	14	1	0	0	0	15

1. The numbers for each year are as of December 31.
2. These outlets are owned by an affiliate of ours.

Table No. 5

Projected Openings as of December 31, 2024[1]			
State	Franchise Agreements Signed But Outlet Not Opened as of December 31, 2024	Projected New Franchised Outlets In 2025	Projected New Company-Owned Outlets In 2025
Arkansas	0	0-1	0
Illinois	0	0-1	0
Indiana	0	1-3	0
Missouri	0	0	1-2
Oklahoma	0	1	1-2
Total	0	2-6	1-2

1. We plan on being very selective when it comes to markets we target in which to locate franchised outlets.

Exhibit H contains a list of the names, addresses and telephone numbers of all our franchisees as of December 31, 2024. A list of our affiliate-owned stores as of December 31, 2024 is also attached as Exhibit H. We had no franchisee who had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the fiscal year ended December 31, 2024, or that has not communicated with us within 10 weeks of the issuance date of this Disclosure Document**.** If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system. There is no trademark-specific franchisee organization associated with the Supplement Superstores franchise system.

ITEM 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit C is a copy of our audited financial statements as of December 31, 2022, December 31, 2023 and December 31, 2024.

ITEM 22

CONTRACTS

Attached to this Disclosure Document as Exhibit D is a copy of the Supplement Superstores Franchise Agreement, and a Guaranty to be signed by shareholders of a corporate franchisee, members of a limited liability company franchisee, or partners of a partnership franchisee, as a condition to your transfer of the Franchise Agreement to a corporation, limited liability company or partnership. Also attached is an example of a release you must sign if you want to sell, assign or transfer your Franchise Agreement to an unrelated third party or to an entity or partnership you do not own or control. Attached as Exhibit E is a Franchise Agreement Transfer form if you want to sell, assign or transfer your Franchise Agreement to a corporation, limited liability company, or partnership you own.

Attached to this Disclosure Document as Exhibit F is a copy of the Supplement Superstores Development Agreement, and a Guaranty to be signed by shareholders of a corporate franchisee, members of a limited liability company franchisee, or partners of a partnership franchisee, as a condition to your transfer of the Development Agreement to a corporation, limited liability company or partnership. Also attached is an example of a release you must sign if you want to sell, assign or transfer your Franchise Agreement to an unrelated third party or to an entity or partnership you do not own or control. Attached as Exhibit G is a Development Agreement Transfer Form if you want to sell, assign or transfer your Development Agreement to a corporation, limited liability company, or partnership you own.

ITEM 23

RECEIPTS

The last two pages of this Disclosure Document are detachable documents acknowledging receipt of this Disclosure Document. Please sign and date both receipts and return one to us.

EXHIBIT A

LIST OF STATE AGENCIES/AGENTS
FOR SERVICE OF PROCESS

CALIFORNIA
Agent: California Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
651 Bannon Street, Suite 300
Sacramento, CA 95811

(866) 275-2677 (toll free)
Ask.DFPI@dfpi.ca.gov

FLORIDA
Department of Agriculture and Consumer Services
Division of Consumer Services
407 South Calhoun Street
Tallahassee, Florida 32399-0800

HAWAII
Agent: Hawaii Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
King Kalakaua Building
335 Merchant Street, Rm. 205
Honolulu, Hawaii 96813

ILLINOIS
Office of the Attorney General
Franchise Division
500 South Second Street
Springfield, Illinois 62706

INDIANA
Administrator:
Indiana Secretary of State
Securities Division
302 West Washington, Room E-111
Indianapolis, Indiana 46204

Agent:
Indiana Secretary of State
201 Statehouse
200 West Washington Street
Indianapolis, Indiana 46204

MARYLAND
Administrator:
Office of Attorney General
Maryland Division of Securities
200 Saint Paul Place
Baltimore, Maryland 21202-2020
Agent:
Maryland Securities Commissioner
200 Saint Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN
Michigan Dept. of Attorney General
Consumer Protection
Franchise Section
525 W. Ottawa St.
G. Mennen Williams Bldg., 1st Floor
Lansing, Michigan 48913

MINNESOTA
Agent: Minnesota Commissioner of Commerce
Minnesota Department of Commerce
Registration and Licensing Division
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

NEBRASKA
Department of Banking and Finance
Bureau of Securities/Financial Institutions Division
1526 K Street, Suite 300
Lincoln, Nebraska 68508

NEW YORK
Administrator:
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
Agent:
New York Secretary of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, New York 12231

NORTH DAKOTA
Agent: North Dakota Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – Fourteenth Floor, Dept. 414
Bismarck, North Dakota 58505-0510

OREGON
Department of Consumer and Business Services
Division of Finance and Corporate Securities
State of Oregon
350 Winder St. NE, Rm. 410
Salem, Oregon 97310-3881

RHODE ISLAND
Agent: Director
Rhode Island Dept. of Business Regulation
Securities Division
1511 Pontiac Avenue
John O. Pastore Complex, Building 68-2
Cranston, RI 02920

SOUTH DAKOTA
Agent: Director
South Dakota Department of Labor and Regulation
Division of Insurance – Securities Regulation
124 S. Euclid Ave., Suite 104
Pierre, South Dakota 57501-3185

TEXAS
Secretary of State
Registrations Unit
P.O. Box 13193
Austin, Texas 78711

UTAH
Department of Commerce
Division of Consumer Protection
160 East 300 South
P.O. Box 45804
Salt Lake City, Utah 84145-0804

VIRGINIA
Administrator:
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
Agent:
Clerk of the State Corporation Commission
1300 East Main Street
Richmond, Virginia 23219

WASHINGTON
Administrator:
Washington Department of Financial Institutions
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Agent: Administrator
Department of Financial Institutions
Division of Securities
4822 Madison Yards Ways, North Tower
Madison, Wisconsin 53705

EXHIBIT B

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This Appendix contains examples of forms, reports and documents referenced in this Operations Manual.

EXHIBIT C

FINANCIAL STATEMENTS

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Helle
Condon
& Dodge, Inc.
CPAs & Advisors

Supplement Superstores
Franchising, LLC
Financial Statements
Years Ended
December 31, 2024, 2023, and 2022

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Diaby
Helle
Condon
& Dodge, Inc.

STEPHEN D. HELLE, CPA
MICHAEL J. CONDON, CPA
RACHEL A. PETERS, CPA, CFE
JOSEPH T. BERNDT, CPA

INDEPENDENT AUDITOR'S REPORT

Members and Board of Directors
Supplement Superstores Franchising, LLC
Fenton, Missouri

Opinion

We have audited the accompanying financial statements of Supplement Superstores Franchising, LLC (a Missouri Limited Liability Company) which comprise the Balance Sheets as of December 31, 2024, 2023, and 2022, and the related Statements of Income (Loss) and Members' Equity (Deficit), and Cash Flows for the years ended 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 Supplement Superstores Franchising, LLC as of December 31, 2024, 2023, and 2022, and the results of its operations and its cash flows for the years ended 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 Supplement Superstores Franchising, 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's 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 Supplement Superstores Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Minneapolis, Minnesota 55426
Phone 763 545 2353 I Fax 763 354 7059
www.tdhcd.com

Auditor's Responsibility 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 judgment 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 Supplement Superstores Franchising, 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 Supplement Superstores Franchising, 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.

Thoresen Digby Helle Condon & Dodge, Inc.

Minneapolis, Minnesota
January 23, 2025

FINANCIAL STATEMENTS

Supplement Superstores Franchising, LLC
Balance Sheets

	December 31 2024	December 31 2023	December 31 2022
Assets			
Current assets			
Cash	$ 45,265	$ 47,600	$ 3,784
Accounts receivable	4,685	22,966	23,645
Prepaid expenses	-	-	6,983
Due from related party	-	168,964	331,340
Total current assets	**49,950**	**239,530**	**365,752**
Property and equipment			
Software in progress	150,000	150,000	150,000
Equipment	13,544	10,229	-
Vehicle	116,813	116,813	116,813
Software	251,953	251,953	251,953
Total property and equipment	**532,310**	**528,995**	**518,766**
Less: accumulated depreciation and amortization	(427,318)	(312,705)	(203,482)
Net property and equipment	**104,992**	**216,290**	**315,284**
Other assets			
Due from related party	-	-	30,780
Operating lease right-of-use asset, net	257,875	254,474	-
Total other assets	**257,875**	**254,474**	**30,780**
Total assets	**$ 412,817**	**$ 710,294**	**$ 711,816**
Liabilities and Members' Equity (Deficit)			
Current liabilities			
Accounts payable	$ 3,609	$ 19,598	$ 143,206
Operating lease liability obligations, current	51,628	50,371	-
Deferred revenue - brand fund fee	-	29,816	133,412
Deferred revenue - franchise fee	24,500	21,000	21,000
Accrued liabilities	14,809	49,959	160,381
Total current liabilities	**94,546**	**170,744**	**457,999**
Long-term liabilities			
Operating lease liability obligations	206,247	204,103	-
Deferred revenue - franchise fee	127,750	119,583	140,583
	333,997	323,686	140,583
Total liabilities	**428,543**	**494,430**	**598,582**
Members' equity (deficit)	**(15,726)**	**215,864**	**113,234**
Total liabilities and members' equity (deficit)	**$ 412,817**	**$ 710,294**	**$ 711,816**

See Notes to Financial Statements

Supplement Superstores Franchising, LLC
Statements of Income (Loss) and Members' Equity (Deficit)

	Years Ended December 31					
	2024		2023		2022	
	Amount	Percent	Amount	Percent	Amount	Percent
Revenues						
Franchise and development fees	$ 23,333	1.8 %	$ 21,000	1.5 %	$ 18,958	1.7 %
Brand fund fees	371,604	28.9	455,662	32.8	269,481	24.0
Royalty fees	854,473	66.4	869,461	62.7	833,264	74.3
Technology fees	36,531	2.9	41,492	3.0	-	-
Total revenues	**1,285,941**	**100.0**	**1,387,615**	**100.0**	**1,121,703**	**100.0**
Operating expenses						
Advertising	216,106	16.8	54,265	3.9	129,880	11.6
Promotions expense	337,555	26.3	274,378	19.8	240,276	21.4
Automobile expense	104	-	-	-	31,435	2.8
Bank service charges	2,212	.2	5,405	.4	1,347	.1
Depreciation expense	114,613	8.9	109,223	7.9	107,347	9.6
Dues and membership fees	95	-	124	-	96	-
Freight and packaging	10,609	.8	12,869	.9	-	-
Gifts	-	-	2,263	.2	-	-
Miscellaneous expense	89,865	7.0	60,405	4.3	53,710	4.8
Office supplies	-	-	1,377	.1	4,270	.4
Payroll and related taxes	525,749	40.9	535,789	38.6	563,552	50.2
Phone expense	-	-	990	.1	-	-
Professional fees	34,632	2.7	54,290	3.9	9,871	.9
Lease expense	60,000	4.7	60,000	4.3	-	-
Software	109,702	8.5	110,324	8.0	80,901	7.2
Travel	344	-	2,501	.2	-	-
Website	15,950	1.2	-	-	-	-
Total operating expenses	**1,517,536**	**118.0**	**1,284,203**	**92.6**	**1,222,685**	**109.0**
Income (loss) from operations	**(231,595)**	**(18.0)**	**103,412**	**7.4**	**(100,982)**	**(9.0)**
Other income (expense)						
Miscellaneous income	5	-	2	-	284	-
Interest expense	-	-	(784)	-	(2,358)	(.2)
Total other income (expense)	**5**	**-**	**(782)**	**-**	**(2,074)**	(.2)
Net income (loss)	**(231,590)**	**(18.0) %**	**102,630**	**7.4 %**	**(103,056)**	**(9.2) %**
Members' equity (deficit)						
Beginning of year	215,864		113,234		216,290	
End of year	**$ (15,726)**		**$ 215,864**		**$ 113,234**	

See Notes to Financial Statements

Supplement Superstores Franchising, LLC
Statements of Cash Flows

	Years Ended December 31		
Cash flows from operating activities:	**2024**	**2023**	**2022**
Net income (loss)	$ (231,590)	$ 102,630	$ (103,056)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities			
Amortization of operating lease right-of-use asset	50,138	16,321	-
Depreciation and amortization expense	114,613	109,223	107,346
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	18,281	679	(10,315)
Prepaid expenses	-	6,983	33,017
Increase (decrease) in:			
Accounts payable	(15,989)	(123,608)	88,037
Deferred revenue - brand fund fee	(29,816)	(103,596)	64,107
Deferred revenue - franchise fee	11,667	(21,000)	16,041
Accrued liabilities	(35,150)	(110,422)	1,746
Operating lease liability obligations	(50,138)	(16,321)	-
Net cash provided (used) by operating activities	**(167,984)**	**(139,111)**	**196,923**
Cash flows from investing activities			
Purchase of property and equipment:	(3,315)	(10,229)	(25,000)
Net proceeds from related parties	168,964	193,156	-
Net cash provided (used) by investing activities	**165,649**	**182,927**	**(25,000)**
Cash flows from financing activities			
Net payments to related parties	-	-	(493,002)
Net cash used by financing activities	**-**	**-**	**(493,002)**
Net increase (decrease) in cash	**(2,335)**	**43,816**	**(321,079)**
Cash			
Beginning of year	47,600	3,784	324,863
End of year	**$ 45,265**	**$ 47,600**	**$ 3,784**
Supplemental disclosure of cash flow information			
Cash paid during the year for interest	**$ -**	**$ 784**	**$ 2,358**
Supplemental disclosures for noncash investing and financing activities			
Accrued expense related to software in progress	$ -	$ 20,000	$ 125,000
Operating lease liability arising from recognition of right of use asset	$ 53,539	$ 270,795	$ -

Supplement Superstores Franchising, LLC
Notes to Financial Statements (continued)
December 31, 2024, 2023, and 2022

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Business description

Supplement Superstores Franchising, LLC (the Company), located in Fenton, Missouri, is a limited liability company formed on February 4, 2011. The Company offers franchises for S2 retail sports nutrition stores. The Company is in the business of selling franchise licenses, or the right to franchise the Company's business model, as well as providing various support services to franchisees and existing non-franchised locations. The Company's activities are subject to significant risks and uncertainties, as the sports nutrition market is rapidly changing and very competitive.

Basis of presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as codified by the Financial Accounting Standards Board.

Franchising

The Company executes franchise agreements that set the terms of its arrangement with each franchisee. The agreements cover a ten-year period and require the franchisee to pay an initial, non-refundable initial franchise fee of $35,000. In addition to the franchise agreement the Company offers qualified prospects the option to enter into a development agreement to open multiple stores. Each development agreement requires a $12,000 fee for each store to be developed under the agreement with at least a two-store minimum. $12,000 of the development fee will be applied against the initial franchise fee for each store to be developed under the agreement.

Each franchisee is required to pay a weekly royalty fee of 5% of weekly gross revenue. Each franchisee is also required to pay a weekly brand fund contribution of 2% of weekly gross revenue. Each franchisee is currently required to pay a fee of $152 per month per store for use of the point-of-sale system and a technology fee of $50 per month. This is reported as service revenue on the Statements of Income (Loss) and Members Equity (Deficit). The company has also added the option for a franchisee to include a S2 Smoothie Bar at their store. Subject to the Company's approval and payment of a renewal fee totaling the greater of 25% of the then-current initial franchisee fee or $8,750 per store, a franchisee may generally renew its franchise for the operation of a store subject to satisfaction of certain conditions for up to two additional 5-year terms. Direct costs of sales and servicing of franchise agreements are charged to operating expenses as incurred.

Revenue recognition

The Company accounts for revenue in accordance with FASB ASU No. 2019-09, Revenue from contracts with Customers (Topic 606).

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the client and is the unit of accounting in Topic 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation based on the relative standalone selling price. The primary method used to estimate standalone selling price is the expected cost plus a margin approach, under which the Company forecasts their expected costs of satisfying a performance obligation and then add an appropriate margin for that distinct good or service based on margins for similar services sold on a standalone basis. While determining relative standalone selling price and identifying separate performance obligations require judgment, generally relative standalone selling prices and the separate performance obligations are readily identifiable as the Company sells those performance obligations unaccompanied by other performance obligations.

Franchise and development revenue

Franchise and development fees revenue consist of the initial franchise fee and renewal fees. The Company has identified the performance obligation in connection with the initial franchise fee is the Intellectual property license.

Each performance obligation is considered to be a series of distinct services transferred over time. While the underlying activities may vary from day to day, the nature of the commitments are the same each day, and the franchisee can independently benefit from each day's services.

Under ASC 606, the intellectual property license related to the initial and renewal fees, are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. Consideration received in advance of performing all significant services is included in deferred revenue and recorded as a liability. The remaining performance obligations included in franchise development revenue are recognized as revenue as the services are performed.

Revenue from brand fund fees is deferred and classified as a liability until earned. Brand fund fees are computed as a percentage of gross revenue earned by the franchisee.

Revenue from royalty fees is recognized in the period in which the franchisee earns the revenue upon which this fee is based. Royalties are computed as a percentage of gross revenue earned by the franchisee.

Revenue from technology fees is recognized in the period in which the franchisee earns the revenue upon which this fee is based.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Company did not hold any cash equivalents at December 31, 2024, 2023, and 2022. At times throughout the year, the Company's cash balances may exceed Federal Deposit Insurance Corporation (FDIC) limits. At December 31, 2024, 2023 and 2022 the Company did not have cash deposits in excess of the federally insured limit, respectively. The Company has not experienced any losses from such accounts.

Property and equipment

Property and equipment are presented at cost less accumulated depreciation. Software in process represents the cost of the purchase of a new software system underway but not completed as of year-end. Assets in progress are not depreciated until the underlying asset is completed and placed into service. Depreciation is calculated using the straight-line method over the estimated useful lives of the asset. The estimated lives of the vehicle, equipment, and the software are five, five and three years respectively. Expenditures for additions and improvements are capitalized, while repairs and maintenance are expensed as incurred. The cost and related accumulated depreciation of assets sold or disposed of are removed from the accounts and the resulting gain or loss is included in the Statements of Income (Loss) and Member's Equity (Deficit).

Accounts receivable

Accounts receivable evolve in the normal course of business. It is the policy of management to review the outstanding receivable balance at period end, as well as the bad debt write-offs experienced in the past, and establish an allowance for credit losses. The Company believes that an allowance for credit losses is not necessary at December 31, 2024, 2023, and 2022. Normal accounts receivable are due net 30 days from the invoice date. Extended terms may be offered on a per franchisee basis. The Company accrues interest on past due accounts based on terms on a per contract basis.

Discounts and allowances

The initial franchise fee for a single S2 sports nutrition store can be reduced if a franchise agreement is signed by a current employee and the employee meets certain requirements as outlined in the franchise disclosure document. The initial fee will be reduced by $5,000 for each full year the employee has been employed in one of the retail stores owned by Buff Enterprises, LLC (see note 5) but is limited to $20,000 per owner. Discounts and allowances totaled $0 for the years ended December 31, 2024, 2023, and 2022, respectively.

Income taxes

The Company is a Limited Liability Company taxed as a partnership in which all elements of income and deductions are included in the tax return of the members of the Company. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

Advertising Costs

Advertising and marketing costs are generally charged to operations in the year incurred and amounted to $216,106, $54,265, and $129,880 for the years ended December 31, 2024, 2023, and 2022, respectively.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Uncertain tax positions

Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax filings will not be challenged by the taxing authorities and that the Company or its members will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Company's tax filings remain open for three years. The Company has adopted the policy of expensing any interest or penalties related to uncertain tax positions in other income (expense) on the Statements of Income (Loss) and Members' Equity (Deficit). For the years ended December 31, 2024, 2023, and 2022, there were no such interest or penalty expenses.

Leases

ASC 842 requires a lessee to recognize a liability to make lease payments and an asset with respect to its right to use the underlying asset for the lease term.

Leases are to be classified as either finance or operating, with classification affecting the pattern of expense recognition in the Statements of Income (Loss) and Members' Equity (Deficit).

ASU 2016-02 defines a lease as a contract, or part of a contract, that conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. To determine whether a contract conveys the right to control the use of the identified asset for a period of time, the customer has to have both (1) the right to obtain substantially all of the economic benefits from the use of the identified asset and (2) the right to direct the use of the identified asset, a contract does not contain an identified asset if the supplier has a substantive right to substitute such asset ("the leasing criteria"). Management only reassesses its determination if the terms and conditions of the contract are changed.

Management determines if an arrangement is a lease at inception. Operating leases are included in right of use (ROU) assets, and lease liability obligations are included in the balance sheet, except for those that qualify for the short-term scope exception of 12 months or less. ROU assets represent the right to use an underlying asset for the lease term and lease liability obligations represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term.

The Company has a related party lease agreement (Note 5) with lease and non-lease components and account for such components as a single lease component. As the Company's lease does not provide an implicit rate, the Company estimated the incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The ROU asset also includes any lease payments made and excludes lease incentives and lease direct costs. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that it will exercise the option.

Subsequent events

The Company has evaluated subsequent events through January 23, 2025, the date which the financial statements were available to be issued.

Supplement Superstores Franchising, LLC
Notes to Financial Statements (continued)
December 31, 2024, 2023, and 2022

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments and credit losses

The financial instruments of the Company consist of accounts receivable, due from related party, deferred revenue, accounts payable, and operating lease liability. It is management's opinion that the Company is not exposed to significant interest rate or credit risks arising from these instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

On January 1, 2023, the Company adopted FASB ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, and all related subsequent amendments thereto. This ASU replaced the incurred loss method of measuring financial assets with an expected loss method, which is referred to as the current expected credit loss (CECL) method. CECL requires an estimate of credit losses over the life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts. For the Company, the ASU applies to the measurement of its accounts receivable. Accounts receivable are now presented by using an allowance for credit losses to reduce the receivables balances to the net amount expected to be collected over the lives of the receivables. The Company adopted the new standard using the modified retrospective approach. For the Company, there was no transition adjustment related to the adoption of CECL.

NOTE 2 – FRANCHISING

Franchise revenue consisted of the following:

	Year Ended December 31		
	2024	**2023**	**2022**
Franchise revenues:			
Franchise and development fees	$ 23,333	$ 21,000	$ 18,958
Brand fund fees	371,604	455,662	269,481
Royalty fees	854,473	869,461	833,264
Technology fees	36,531	41,492	-
Total franchise revenues	**$ 1,285,941**	**$ 1,387,615**	**$ 1,121,703**

Information about the number of franchised offices is as follows:

	Year Ended December 31		
	2024	**2023**	**2022**
Franchised offices:			
Opened	1	(0)	1
Closed	(0)	(0)	(0)
In operation as of December 31*	**15**	**14**	**14**

*Nine of the current locations are owned and operated by an affiliate of the Company as of December 31, 2024.

NOTE 3 – CONTRACT BALANCES

Contract liabilities are comprised of unamortized initial franchise fees received from franchisees, which are presented as deferred revenue – franchise fee on the accompanying Balance Sheets. A summary of significant changes in deferred revenue – franchise fee is as follows:

	December 31		
	2024	**2023**	**2022**
Deferred revenue – franchise fee– beginning of year	$ 140,583	$ 161,583	$ 145,542
Additions for initial franchise fees received	35,000	-	35,000
Revenue recognized during the year	(23,333)	(21,000)	(18,959)
Deferred revenue – franchise fee – end of year	**$ 152,250**	**$ 140,583**	**$ 161,583**

As of December 31, 2024, deferred revenue – franchise fees are expected to be recognized as revenue over the remaining term of the associated franchise agreements as follows:

Year ending December 31:	**Amount**
2025	$ 24,500
2026	24,500
2027	24,500
2028	24,500
2029	18,958
Thereafter	35,292
Total	**$ 152,250**

Deferred revenue – franchise fee consisted of the following:

	December 31		
	2024	**2023**	**2022**
Opened franchise units	$ 152,250	$ 140,583	$ 161,583
Total	**$ 152,250**	**$ 140,583**	**$ 161,583**

NOTE 4 – RETIREMENT PLANS

On January 1, 2022, the Company adopted a defined contribution plan (the Plan) covering all employees with at least 1 year of eligibility service. The Company contributes a match of 100% of employee contributions that do not exceed 3% of the participant's plan compensation, or a match of 50% of employee contributions that exceed 3%, but do not exceed 5% of the participant's plan compensation. Total expense for the years ended December 31, 2024, 2023, and 2022, was $13,230, $14,283, and $10,636, respectively.

NOTE 5 – RELATED PARTY TRANSACTIONS

Buff Enterprises, LLC

The Company entered into an intellectual property license agreement dated December 31, 2011 with Buff Enterprises, LLC and obtained the rights to use the S2 name and all other marks and logos used by Buff Enterprises, LLC and to license their marks. The Company and Buff Enterprises, LLC are affiliated by common ownership. The agreement shall remain in effect indefinitely until it is terminated in accordance with the provisions of the agreement.

NOTE 5 – RELATED PARTY TRANSACTIONS (continued)

Buff Enterprises, LLC (continued)

The Company contracted with Buff Enterprises, LLC for various services during the years ended December 31, 2024, 2023, and 2022. Total expenses incurred from Buff Enterprises, LLC during the years ended December 31, 2024, 2023 and 2022 were $292,665, $89,279, and $43,017, respectively, and related outstanding accounts payable totaled $0, $8,004, and $39,666 as of December 31, 2024, 2023, and 2022, respectively.

In December 2023, the Company entered into a $168,964 unsecured note receivable agreement with Buff Enterprises, LLC. The note bore interest at 3.65% and matured on December 31, 2024. This note was paid in full during the year ended December 31, 2024.

In December 2022, the Company entered into a $362,119 unsecured note receivable agreement with Buff Enterprises, LLC. The note bore interest at 3.65% and matured on January 1, 2024. This note was paid in full during the year ended December 31, 2023.

Rent

The Company has an agreement to lease office space from Buff Enterprises, LLC on a month-to-month basis with lease payments of $5,000 per month plus operating expenses. The Company determined it is reasonably certain to continue to rent the space for longer than one year. The renewal period that was determined to be reasonably certain was a period of five years from the date of the lease agreement. As a result, a lease term of 60 months was used to determine the right of use asset and liability. The lease agreement does not contain any material residual value guarantees or material restrictive covenants.

Summarized information

Below is a summary of the right-of-use assets and liabilities:

	December 31	
	2024	**2023**
Operating right-of-use assets, net	**$ 257,875**	**$ 254,474**
Operating lease liability obligations, current	$ 51,628	$ 50,371
Operating lease liability obligations, less current portion	206,247	204,103
Total lease liability obligations	**$ 257,875**	**$ 254,474**
Weighted-average remaining lease term	4.67 years	4.67 years
Weighted-average discount rate	3.65%	4.25%

NOTE 5 – RELATED PARTY TRANSACTIONS (continued)

Summarized information (continued)
The Company's future minimum operating lease payments required under the above-mentioned agreements are as follows:

December 31	Amount
2025	$ 60,000
2026	60,000
2027	60,000
2028	60,000
2029	40,000
Total operating lease payments	**280,000**
Less: amount representing interest	(22,125)
Present value of operating lease payments	**$ 257,875**

During the years ended December 31, 2024, 2023, and 2022, the Company recognized approximately $50,138, $16,321, and $0, in operating lease costs. Operating lease costs are recorded within lease expense in the Company's Statements of Income (Loss) and Members' Equity (Deficit).

EXHIBIT D

FRANCHISE AGREEMENT, GUARANTY AND RELEASE

SUPPLEMENT SUPERSTORES FRANCHISE AGREEMENT
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ATTACHMENTS

SUPPLEMENT SUPERSTORES FRANCHISE AGREEMENT

THIS AGREEMENT is made the _____ day of ______________, 20__, by and between SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C., a Missouri limited liability company (“Franchisor”), and ____ (“Franchisee”).

INTRODUCTION

Franchisor and its affiliates have developed certain policies, procedures and techniques for operating a retail sports nutrition store under the Names and Marks (as defined below) that offers various nutritional and dietary supplements, certain of which are proprietary to Franchisor’s affiliate, vitamins and other health related products, and smoothies and other items via a smoothie bar located in the store. Franchisor desires to grant to qualified persons franchises to use the concepts, programs and methods of promotion developed by Franchisor and its affiliates to open and operate a retail sports nutrition store under the Names and Marks.

Franchisee has made application to Franchisor for a Franchise, and the application has been approved by Franchisor in reliance upon all of the representations made in the application.

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1.) <u>CERTAIN DEFINITIONS</u>

The terms and phrases specified below shall have, for purposes of this Agreement, the following meanings:

(a) “<u>Competitive Business</u>” shall mean any business or other venture: (i) directly or indirectly engaged in the manufacture of weight control products, nutritional, body building or dietary supplements or vitamins; or (ii) that derives five percent (5%) or more of its annual revenues directly or indirectly from the distribution, marketing or sale of weight control products, nutritional, body building or dietary supplements or vitamins; or (iii) directly or indirectly engaged primarily in the offer and sale of freshly made smoothies, freshly squeezed juices or other freshly made nutritional drinks or soft-serv ice cream, provided, however this clause (iii) is only applicable if Franchisee has operated a Smoothie Bar at any time during the Term of the Franchise. For the avoidance of any doubt, any business operated by Franchisee under a valid franchise agreement with Franchisor shall not be considered a “Competitive Business”.

(b) “<u>Confidential Manual(s)</u>” shall have the meaning set forth in Section 7(d) of this Agreement.

(c) “<u>Franchise</u>” shall mean the right granted to Franchisee by Franchisor to use the System of Operation and to use the Names and Marks in the operation of a retail sports nutrition store offering various nutritional and dietary supplements, certain of which are proprietary to Franchisor's affiliate, vitamins and other health related products, and that also offers smoothies and other items via a Smoothie Bar approved by Franchisor.

(d) "Franchised Business" shall mean the business franchised under this Agreement to operate utilizing the System of Operation and the Names and Marks.

(e) "Franchised Store" shall mean the physical site located in the Territory at which the Franchised Business is located.

(f) "Gross Revenues" shall mean the total amount of revenues, income, receipts and other fees received from all business activities taking place by or through the Franchised Business, including, all amounts received from Franchisee's sale of all products and services whether made at or away from the Franchised Business, including products and other items sold from any Smoothie Bar at the Franchised Store. There shall be excluded from "Gross Revenues" customer refunds Franchisee actually makes and amounts collected by Franchisee and remitted by Franchisee to any governmental taxing authority in satisfaction of sales or occupation taxes.

(g) "Immediate Family Member" shall mean a spouse, sibling or child by blood, adoption or marriage, of an individual Franchisee.

(h) "Including" shall mean "including but not limited to."

(i) "Names and Marks" shall mean the commercial trade names, trademarks, service marks, domain names, and other commercial symbols, including associated logos, now or hereafter selected, used or promoted by Franchisor and licensed to Franchisee for use in connection with the System of Operation.

(j) "Restricted Area" shall mean the Territory, which for the avoidance of doubt shall include the premises of the Franchised Store, a radius of five (5) miles from the Territory, and a radius of five (5) miles from the location of any other business operated under the Names and Marks that is in existence at the time of termination or Transfer (as defined below) of the Franchise.

If the Franchised Store is to be opened and operated pursuant to a Development Agreement between Franchisee and Franchisor, and the location of the Franchised Store has not been approved as of the date of termination or Transfer of the Franchise, the Restricted Area shall mean the Market Area (as defined in the Development Agreement), a radius of five (5) miles from the Market Area, and a radius of five (5) miles from the location of any other business operated under the Names and Marks that is in existence at the time of termination or Transfer of the Franchise. Otherwise, if the location of the Franchised Store has not been approved as of the date of this Agreement, or has been approved but there is no Territory, and in either case Franchisee is not operating under a Development Agreement, the Restricted Area shall mean the Search Area, a radius of five (5) miles from the Search Area, and a radius of five (5) miles from the location of any other business operated under the Names and Marks that is in existence at the time of termination or Transfer of the Franchise.

(k) "Smoothie Bar" shall mean the area in the Franchised Store from which Franchisee offers and sells smoothies and other items.

(l) "System of Operation" shall mean the business plans and methods developed by Franchisor and its affiliates to be used in connection with the operation of a retail sports nutrition store that offers various nutritional and dietary supplements, certain of which are proprietary to Franchisor's affiliate, vitamins and other health related products. The "System of Operation" includes standards, specifications, methods, procedures, techniques, and management systems, all of which may be changed, improved and further developed from time to time by Franchisor, as well as other items which may be developed in the future and identified by Franchisor as part of the System of Operation. "System of Operation" shall also include plans and methods developed by Franchisor and its affiliates to be used in connection with the operation of a Smoothie Bar approved by Franchisor at the Franchised Store.

(m) "Territory" shall mean the area described as such in the Rider to this Franchise Agreement.

2.) GRANT OF FRANCHISE; RENEWAL

(a) Initial Term - Subject to the terms of this Agreement, Franchisor grants to Franchisee a Franchise to utilize the System of Operation and use the Names and Marks in the conduct of a retail sports nutrition store offering various nutritional and dietary supplements, vitamins and other health related products, certain of which are proprietary to Franchisor's affiliate. The term of the Franchise shall commence on the date of this Agreement and end on the ten (10) year anniversary date of the date of this Agreement (the "Term of the Franchise").

(b) Renewal - Franchisee shall have the option to renew the Franchise for an additional term of five (5) years if Franchisee has: (i) during the Term of the Franchise complied with all provisions of this Agreement, including compliance with the Confidential Manuals and any renovation requirements set forth herein, operated the Franchised Business utilizing and conforming to the System of Operation, and utilized exclusively the Names and Marks in the operation of the Franchised Business; (ii) as of the date of expiration of the Term of the Franchise satisfied Franchisor's then current standards for renewal including securing control of the premises of the Franchised Store for at least the renewal term, maintaining all licenses and permits necessary to operate the Franchised Business, and at all times during the Term of the Franchise, satisfying without default, all obligations to Franchisor, its affiliates and its suppliers; and (iii) as of the date of expiration of the Term of the Franchise, remodeled, redecorated and modernized the Franchised Store, including the update of any equipment and computer system to meet Franchisor's then current standards, and completion, to Franchisor's satisfaction, by Franchisee and its staff of any training and re-certification required by Franchisor.

(1) Franchisee recognizes that the terms of franchise agreements utilized by Franchisor upon expiration of the Term of the Franchise will be substantially different than the terms presently offered by Franchisor. To renew the Franchise,

Franchisee must execute Franchisor's then current form of franchise agreement offered to prospective new franchisees opening retail sports nutrition stores under the Names and Marks, and all other agreements and legal instruments and documents then customarily employed by Franchisor in the grant of Franchises to new franchisees. No initial fee shall be charged in connection with the renewal, but Franchisee must pay to Franchisor a renewal fee equal to twenty-five percent (25%) of the then current initial franchise fee charged by Franchisor for a single unit retail sports nutrition store to be operated under the Names and Marks, or Eight Thousand Seven Hundred Fifty Dollars ($8,750), whichever is greater.

(2) Franchisee shall give Franchisor at least one hundred eighty (180) days prior written notice of Franchisee's request to renew the Franchise, but such notice may not be given more than two hundred seventy (270) days prior to the expiration of the Term of the Franchise. Failure or refusal by Franchisee to execute all agreements and documents within thirty (30) days after delivery to Franchisee shall be deemed an election by Franchisee not to renew the Franchise.

(3) If Franchisee does not sign a new franchise agreement prior to expiration of the Term of the Franchise, and Franchisee continues to accept the benefits of this Agreement after the expiration of this Agreement, then at the option of Franchisor this Agreement shall be deemed to: (i) have expired as of the date of its stated expiration, with Franchisee then operating without a franchise to do so and in violation of Franchisor's rights; or (ii) be continuing on a month-to-month basis (the "Interim Period") until one party provides the other with written notice of such party's intention to terminate the Interim Period, in which case the Interim Period shall terminate (with no right to renew) thirty (30) days after receipt of the notice to terminate the Interim Period. Notwithstanding anything set forth herein to the contrary: (a) all obligations of Franchisee shall remain in full force and effect during the Interim Period as if the Term of the Franchise had not expired; and (b) all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

After the initial renewal, Franchisee shall have the right to renew the Franchise for one additional term of five (5) years, subject to satisfaction of all renewal requirements set forth in Franchisee's then-current Franchise Agreement. Franchisee shall have no further renewal rights thereafter.

3.) SEARCH AREA; SITE; DEADLINES

(a) Search Area - Franchisee shall have the right to operate the Franchised Store at one (1) location only in the Territory. The Franchised Store will be located at a site selected by Franchisee, and approved by Franchisor. If the Franchised Store is to be opened and operated pursuant to a Development Agreement between Franchisee and Franchisor (the "Development Agreement"), and the location of the Franchised Store has not been approved as of the date of this Agreement, the Franchised Store shall be located in the Market Area (as defined in the Development Agreement). Otherwise, if the location of the Franchised Store has not been approved as of the date of this Agreement, and Franchisee is not operating under a Development Agreement, it shall be located in the non-exclusive area (the "Search Area") described in the Rider to this Agreement.

Franchisee acknowledges Franchisor may grant others the right to seek sites within the Search Area, and that Franchisee acquires no exclusive or priority rights in the Search Area.

(b) Site Selection Assistance - Franchisee acknowledges that other than providing its criteria for approval of a site for the Franchised Store and performing one (1) site visit to the area to review potential sites for the Franchised Store, Franchisor is not required to provide any other site selection assistance. However, upon Franchisee's request, Franchisor's personnel may make additional visits to the area to review additional potential sites for the Franchised Store, so long as Franchisee pays all expenses of Franchisor's personnel associated with such additional site visits, plus any then current other charges for such visit. In any event, Franchisor will only make a site visit after Franchisee has identified at least two (2) potential sites in the area for the Franchised Store and provided Franchisor with all information requested by Franchisor related to such sites. Notwithstanding the foregoing, Franchisee shall be responsible to identify, and ultimately acquire an appropriate site for the operation of the Franchised Store.

(c) Site Approval - Franchisee will provide Franchisor any information Franchisor may request regarding any site submitted to Franchisor for approval. Franchisor will review criteria regarding such prospective site as Franchisor deems appropriate. Franchisor will either approve or disapprove the site within ten (10) days after Franchisee provides Franchisor with all information Franchisor has requested regarding the site. If Franchisor fails to approve a site within thirty (30) days of the date Franchisee signs this Agreement, Franchisor may terminate this Agreement.

(1) Franchisee acknowledges and agrees Franchisor shall not be responsible for Franchisee's results in operating at any particular site that may have been recommended, reviewed, or approved by Franchisor.

(2) Franchisee shall permit Franchisor and its representatives, whenever Franchisor reasonably may deem necessary, during normal business hours, to enter, remain on and inspect the premises of the Franchised Store. Such rights shall include the right to monitor services provided by Franchisee.

(3) Following Franchisor's approval of the site, Franchisor shall complete the Rider to this Agreement, indicating the approved location for the Franchised Store.

(d) Territory - If there is no Territory described in the Rider, Franchisee shall not be granted a Territory. If there is a Territory described in the Rider, during the term of this Agreement, and provided that Franchisee is not in default under this Agreement or any other agreement between Franchisor and Franchisee, Franchisor will not grant to anyone else a Franchise to operate, and will not itself operate, a business physically located in the

Territory that sells under the S^2 mark at retail primarily nutritional and dietary supplements, vitamins and other health-related products but specifically excluding soft-serv ice cream, smoothies, juices or other nutritional drinks. Franchisee acknowledges that the foregoing restrictions do not prevent Franchisor, its affiliates or designees from any activity not specifically set forth in such restrictions, including:

(1) Operating or allowing others to operate businesses inside the Territory under any of the Marks selling soft-serv ice cream, smoothies, juices or other nutritional drinks regardless of whether Franchisee is operating a Smoothie Bar;

(2) Operating, or allowing others to operate, similar or identical businesses within the Territory if such businesses do not operate under the S^2 mark or operating, or allowing others to operate, similar or identical businesses physically located outside the Territory, whether under the Names and Marks or other trade or service marks even if the businesses compete with the Franchised Store;

(3) Operating, or allowing others to operate, businesses inside the Territory under the Names and Marks that are not competitive with the Franchised Store;

(4) Selling goods or services, directly or through an affiliate, to parties located in or outside of the Territory, whether under the Names and Marks or otherwise, even if such goods or services are provided to Franchisee for sale in its Franchised Business, so long as such goods or services are not sold from a store operated by Franchisor or an affiliate under the S^2 mark that is physically located in the Territory;

(5) Selling goods or services, or granting others the right to sell goods or services, same as, similar to, or competitive with, those sold by the Franchised Store, whether using the Names and Marks or other trademarks or service marks, through other distribution channels (including, the Internet, catalog sales, telemarketing, or other direct marketing) both inside and outside the Territory;

(6) Acquiring businesses that are similar to the Franchised Business; and

(7) The sale of Franchisor or substantially all of its assets, to any third party regardless of whether such third party operates, or franchises the operation of, businesses similar to the Franchised Business.

Franchisee acknowledges: (a) that the restrictions set forth in this Section do not prevent Franchisor or its affiliates from any activity not specifically set forth in such restrictions; (b) Franchisor cannot prevent another franchisee from soliciting customers inside Franchisee's Territory; and (c) Franchisee is not prohibited from soliciting customers located outside of its Territory.

(e) <u>Relocation; Limits on Use</u> - Once established, the Franchised Store may not be moved without the prior written consent of Franchisor, which consent may be withheld by Franchisor in its sole discretion. In connection with any such approval, Franchisee must pay Franchisor a store relocation fee of the greater of Five Thousand Dollars

($5,000) or the cost to reimburse Franchisor for its costs associated with the relocation of the Franchised Business. Franchisee may not establish more than one (1) location from which the Franchised Business is operated. Franchisee shall not use the Franchised Store, or any portion thereof, to operate any business other than the Franchised Business. If Franchisee is operating a Smoothie Bar in the Franchised Store the Smoothie Bar may only be relocated if the Franchised Store is being relocated and then it must be relocated in the Franchised Store.

(f) Lease Terms - Unless otherwise approved by Franchisor, Franchisee shall be required to enter into a lease or sublease for the premises of the Franchised Store. Any lease or sublease for the Franchised Store must include the following:

(1) That the premises will be operated only under the Names and Marks;

(2) Upon termination of the Franchise for any reason whatsoever, the lessor will grant Franchisor an option, for thirty (30) days thereafter, to replace Franchisee as lessee and at any time thereafter to assign its interest to an affiliate or another franchisee of Franchisor who would then become the lessee with the approval of lessor, which approval may not be unreasonably withheld;

(3) Lessor shall furnish to Franchisor, contemporaneously with that to Franchisee, written notice of any default in the lease or sublease, as applicable, and the action required to cure such default. In the event of a monetary default, lessor shall allow Franchisor thirty (30) days after receipt of such notice to escrow the funds necessary to cure such default if Franchisee fails to do so. In the event of a non-monetary default, lessor shall allow Franchisor thirty (30) days after Franchisor's receipt of such written notice to provide lessor with a letter of undertaking to cure such default if Franchisee fails to do so. If Franchisee fails to cure either type of default, and Franchisor has escrowed the required funds, or provided the necessary undertaking, as the case may be, lessor shall take any action necessary to remove Franchisee from the premises and retake possession of the premises. Lessor shall then allow Franchisor to cure the default and take possession of the premises as lessee under the same lease or sublease, and at any time thereafter to assign Franchisor's interest in such lease or sublease, as applicable, to another franchisee of Franchisor;

(4) Lessor shall accept Franchisor or its franchisee as a substitute under the existing terms of the lease or sublease, as applicable, upon notice from Franchisor that it is exercising its option to replace Franchisee as lessee;

(5) Lessor shall accept Franchisor or its franchisee as a substitute under the existing terms of the lease or sublease, as applicable, upon notice from Franchisor that it is exercising its option to replace Franchisee as lessee;

(6) Lessor acknowledges that, in all cases, Franchisee is solely responsible for all obligations, payments and liabilities accruing under the lease or sublease

unless and until Franchisor exercises its option to become substitute lessee and actually takes possession of the premises; and

(7) Lessor consents to the Franchisee's use of the Names and Marks, décor items, color schemes and related components of the System of Operation that Franchisor prescribes for the Franchised Store from time to time;

(8) Lessor agrees to furnish Franchisor with copies of any and all correspondence and other notices sent to Franchisee pertaining to the lease or sublease and the Franchised Store at the same time the foregoing are sent to the Franchisee;

(9) That the Franchisor may enter the premises to make any modification or alteration necessary to protect the System of Operation and the Names and Marks or to cure any defaults under this Agreement or any Development Agreement between the Franchisor and the Franchisee or under the lease or sublease without being guilty of trespass or any other crime or tort;

(10) That the Franchisee may not assign or sublet the lease or sublease or renew or extend the lease or its terms without the prior written consent of the Franchisor;

(11) An acknowledgement that Franchisor is a third-party beneficiary to the lease or sublease between lessor and Franchisee, and as such, the lease for the premises may not be amended or cancelled so as to affect any of the above provisions, or the intent of the same, without the prior written approval of Franchisor.

Franchisee shall provide Franchisor a copy of the lease or sublease for the premises in which the Franchised Store will be operated prior to its execution so that Franchisor can satisfy itself that the foregoing provisions have been included in such lease or sublease. Franchisor shall have no other responsibility to review the lease or sublease or to make any recommendations regarding the terms thereof. Franchisee shall also provide Franchisor within five (5) days of execution or amendment, a copy of the lease or sublease and any amendments thereto.

(g) Design - Franchisor shall provide to Franchisee a sample layout for the interior of a typical retail sports nutrition store operated under the Names and Marks, and specifications for the foregoing, which will include a sample layout for a typical smoothie bar of Franchisor if Franchisee will be operating a Smoothie Bar from the Franchised Store. Franchisee shall, at its own expense, employ architects, engineers, or others as may be necessary to complete, adapt and modify, the sample layout and specifications to fit the Franchised Store. Franchisee shall obtain Franchisor's written approval of a complete set of final plans and specifications before commencing construction of any leasehold improvements to the Franchised Store. Franchisor shall review such plans and specifications and approve or provide comments to Franchisee on the plans and specifications.

(h) Construction Obligations of Franchisee - It shall be and remain the sole responsibility of Franchisee to diligently design, construct, equip, and otherwise ready and open the Franchised Store on a timely basis. Franchisee shall use a licensed general contractor reasonably satisfactory to Franchisor to perform construction work at the Franchised Store. Franchisor shall not be responsible for delays in the construction, equipping, or decoration of the Franchised Store or for any loss resulting from design or construction since Franchisor has no control over the landlord or developer and the numerous construction and/or related problems that could occur and delay the opening of the Franchised Store. Franchisor shall have access to the Franchised Store while work is in progress and may require such reasonable alterations or modifications of the construction as Franchisor deems necessary. Franchisee shall not open the Franchised Store, including the Smoothie Bar, if it does not conform to the plans and specifications approved by Franchisor, including changes thereof approved by Franchisor. Franchisee shall correct any unauthorized variance from the approved plans and specifications promptly.

(i) Indemnification of Franchisor - Franchisee is solely responsible for the acts or omissions of its contractors regarding compliance with all specifications and requirements provided for by Franchisor, and Franchisor shall have no responsibility for such acts or omissions. Franchisor shall not be liable for any loss or damage arising from the design or plan of the Franchised Store. In addition to any other indemnification obligations hereunder, Franchisee shall indemnify Franchisor for any loss, cost, or expense, including attorneys' fees, that may be sustained by Franchisor because of the acts or omissions of Franchisee's contractors or arising out of the design or construction of the Franchised Store.

(j) Signage - All signs used in the Franchised Store or that promote the Franchised Business, must be approved in writing by Franchisor prior to installation.

(k) Remodeling - In addition to the update and remodel required as a condition to renewal, upon the request of Franchisor, Franchisee must complete a remodeling, redecoration and modernization of the Franchised Store so that the Franchised Store, its equipment and furnishings reflect the then current image to be portrayed by the Franchisor. The foregoing must be completed by the Franchisee within ninety (90) days of the request of the Franchisor; provided, however, if any single modification or redesign exceeds Forty Thousand Dollars ($40,000), the Franchisee shall have one hundred eighty (180) days from Franchisor's request to comply with such modification or redesign requirement. All remodeling, modernization and redecoration must be done in accordance with the standards and specifications prescribed by Franchisor from time to time and with the prior written approval of Franchisor. All replacements must conform to Franchisor's then current quality standards and specifications and must be approved by Franchisor in writing. Any alternations or modifications to the interior or exterior of the Franchised Store must be approved by Franchisor prior to being made. Franchisor may inspect, but shall not be obligated to inspect, such work at any time to determine that the work is done in accordance with Franchisor's approved plans and specifications. Nothing in this Agreement limits the frequency or cost of future changes to the System of Operation that Franchisor may require. Franchisee understands and agrees that

Franchisor has no ability to identify with specificity the nature of these future general improvements or their expected cost and accepts the risk that future general improvements may be imposed that will require significant capital expenditures in an amount that is unknown on the Effective Date and that cannot be fully amortized over the period of time then remaining in the Term of the Franchise.

(l) <u>Lease/Opening Deadlines</u> - Franchisee must provide Franchisor with a fully-executed lease or sublease approved by Franchisor for a site for the Franchised Store within sixty (60) days from the date hereof and open the Franchised Store within ninety (90) days from the date hereof. Provided, however, the Franchised Store may not be opened unless and until Franchisee has received written approval from Franchisor that the Franchised Store meets all specifications and requirements of Franchisor for opening. Franchisor may immediately terminate this Agreement upon failure of Franchisee to meet any of these deadlines.

(m) <u>Smoothie Bar</u> - Franchisor shall have the right to approve the operation by Franchisee of a Smoothie Bar at the Franchised Store. Franchisor shall either approve or deny such request within thirty (30) days after Franchisee provides Franchisor with all information reasonably requested by Franchisor related to the Smoothie Bar. Any Smoothie Bar must be constructed and operated in accordance with the System of Operation and all applicable provisions of this Agreement.

4.) <u>INITIAL FRANCHISE FEE; ROYALTIES</u>

(a) <u>Initial Franchise Fee</u> - In consideration for the grant of the Franchise to Franchisee, Franchisee shall pay to Franchisor an initial franchise fee of Thirty Five Thousand Dollars ($35,000) (the "Initial Franchise Fee"). The Initial Franchise Fee shall be payable upon execution of this Agreement by Franchisee, and shall be deemed to have been earned by Franchisor at the time of execution of this Agreement by Franchisee. If this Agreement is for the opening and operation of a retail sports nutrition store to meet a minimum development requirement under the Development Agreement, Twelve Thousand Dollars ($12,000) of the Development Fee paid by Franchisee under the Development Agreement shall be credited toward payment of the Initial Franchise Fee.

(b) <u>Royalties</u> - On or before Friday of each week, Franchisee shall pay to Franchisor a nonrefundable royalty equal to five percent (5%) of the Gross Revenues of the Franchised Business for the preceding week (the "Royalty Fee").

5.) <u>MARKETING AND PROMOTION</u>

(a) <u>Brand Fund Contribution</u> - On or before Friday of each week for the prior week, Franchisee shall pay to Franchisor a weekly "Brand Fund Contribution" equal to two percent (2%) of the Gross Revenues of the Franchised Business for the preceding week. Brand Fund Contributions shall be deposited by Franchisor into a System Brand Fund.

(b) <u>Use of System Brand Fund</u> - Disbursements from the Supplement Superstore Brand Fund (the "System Brand Fund") shall be made for the payment of expenses incurred by Franchisor in connection with the general promotion of the Names and

Marks, including: (i) development and production of advertising and promotional materials; (ii) the cost of formulating, developing and implementing advertising campaigns, including Internet advertising and Internet search engine campaigns; (iii) the cost of formulating, developing and implementing promotional and public relations programs; (iv) market research; and (v) the cost of administering the System Brand Fund, including accounting expenses, the cost of salaries and fringe benefits paid to Franchisor's or its affiliates; employees engaged in the operation and administration of the System Brand Fund, including those providing creative or other services to the System Brand Fund, and overhead allocated to such individuals. All interest, if any, earned by the System Brand Fund shall be used for the payment of the foregoing expenses in connection with promotion of the Names and Marks, before application of any principal to those expenses. Notwithstanding the foregoing, Franchisor has no obligation to conduct marketing and Franchisor has sole discretion to determine how, if any, monies in the System Brand Fund will be spent. Franchisor is not required to use monies in the System Brand Fund to benefit any individual market or franchisee. Methods, media employed, contents of advertising, and terms and conditions of advertising campaigns and promotional programs shall be within the sole discretion of Franchisor. Franchisor reserves the right to engage the professional services of an advertising agency owned by, or affiliated with, Franchisor or any of its principals, to assist in developing and/or placing advertising, and to compensate that agency based on standard industry fees and charges. Disbursements from the System Brand Fund shall not be made for the production or placement of advertising that is principally for the purpose of marketing franchise licenses. Franchisor reserves the right to dissolve the System Brand Fund but will not do so until all the monies in the System Brand Fund have been expended or until monies have been rebated to the then-existing retail sports nutrition store unit franchisees operating locations under the Names and Marks on a pro-rata basis based upon their contributions to the System Brand Fund.

(c) Local Advertising - At its own expense, Franchisee shall conduct local advertising campaigns and promotional programs designed primarily to promote the Franchised Business ("Local Advertising"). Prior to implementing any advertising plan or any Local Advertising, Franchisee shall submit to Franchisor for approval all advertising and promotional materials proposed to be used in connection with the Local Advertising. If Franchisor does not provide written approval of any plan or Local Advertising within ten (10) days after Franchisee submits the plan or advertising to Franchisor, the plan or advertising, as applicable, shall be deemed not approved and may not be used by Franchisee. All Local Advertising shall be completely factual and conform to the highest standards of ethical advertising.

(d) Minimum Local Advertising Requirements - Franchisee shall expend not less than six percent (6%) of its Gross Revenues each calendar year on Local Advertising approved by Franchisor. To that end, Franchisee must continually advertise its Franchised Store. Within twenty (20) days of the end of each calendar year, Franchisee shall report to Franchisor, in the form approved by Franchisor, all advertising expenditures during the preceding calendar year. If the full amount of the required advertising expenditures have not been incurred for Local Advertising, Franchisee shall remit with the report the balance of the funds required to be expended, which balance shall be deposited by Franchisor into the System Brand Fund.

(e) Advertising Cooperative - At such time as Franchisor in its sole discretion may determine, Franchisee shall join an advertising cooperative made up of other franchisees operating under the Names and Marks (the “Local Cooperative”), as determined by Franchisor. In such event, Franchisee shall be required to participate in the Local Cooperative on the terms and conditions required by Franchisor. Franchisor shall have the right to modify or dissolve any Local Cooperative at any time. Any contributions made to the Local Cooperative shall count toward Franchisee’s satisfaction of the minimum Local Advertising requirement set forth in Section 5(d) above.

(f) Marketing Supplies and Materials - Franchisee acknowledges that Franchisor has no obligation to create marketing materials for use by Franchisee in advertising its Franchised Business, and that Franchisee is solely responsible for advertising its Franchised Business. However, Franchisor may from time to time make such materials available to Franchisee to purchase at such prices as are set by Franchisor from time to time. Any alterations, other than the insertion of the name and address of the Franchised Business, and the prices charged by Franchisee, must be approved by Franchisor prior to use. Ownership and rights, whether in the nature of copyrights or otherwise, in and to any altered or modified marketing materials, reproductions of Franchisor’s marketing materials, or additional marketing or promotional materials developed or made by Franchisee, shall vest in Franchisor and Franchisor shall be free to use and to offer other franchisees the use of any of the foregoing materials without restriction.

(g) Internet Presence - Except pursuant to Section 7(e) below, Franchisee shall not be authorized to establish or maintain, or have established or maintained on its behalf, either alone or in concert with others, any digital or electronic medium or method of communication, including a website, email address, home page, HTML document, Internet site, online directory, online business profile, web page, review or opinion page or site, social media or social networking sites like Facebook, Instagram, TikTok, X (formerly known as Twitter), Snapchat and Pinterest; professional networks, business profiles or online review or opinion sites like LinkedIn, Google Business Profile or Yelp; live-blogging tools like Twitter and Snapchat; virtual worlds, metaverses, file, audio and video-sharing sites, and other similar social networking or media sites or tools; business networking site, profile, avatar, hashtag, account or username, or application, whether web based or otherwise, relating to or making reference to Franchisor, the Franchised Business including the Franchised Store, or any other Names and Marks (an “Internet Presence”). Franchisee may not offer, promote or sell any products or services or make use of any of Franchisor’s Names and Marks, the Franchised Store or the System of Operation, via any Internet Presence without Franchisor’s prior written approval. Franchisee may not use all or part of any of the Names and Marks, or any similar name, word, symbol or variant thereof, in an Internet Presence, except as specifically approved by Franchisor. Further, Franchisee may not make any sales of products or services or otherwise market its Franchised Store over or through the Internet.

(h) Photos of the Franchised Store - Franchisor shall have the right to photograph the Franchised Store's exterior and interior, and to use these photographs in any advertising or promotional material. Franchisor shall not be obligated to compensate Franchisee in any way for use of the Franchised Store in any advertising or other promotional material. Franchisee shall cooperate in securing photographs and the consent of persons photographed.

6.) METHOD OF PAYMENT OF FEES/LATE PAYMENT CHARGES

(a) Electronic Funds Transfer/Direct Debit - Franchisee shall remit Royalty Fees, Brand Fund Contributions and other amounts due to Franchisor or its affiliates via electronic-funds transfer direct debit or other similar means specified by Franchisor. Franchisee shall comply with all procedures specified by Franchisor in this Section and the Confidential Manual(s), and deliver and execute such documents as may be necessary to facilitate or accomplish payment by the method described in this Section.

(1) Franchisor shall have the right to access Franchisee's computer system, including point-of-sale system, and software, for any purpose including, but not limited to, determining Franchisee's Gross Revenues for any period of time. Franchisee shall fully cooperate with Franchisor, including, but not limited to, providing Franchisor with online access to all electronic systems used by Franchisee and all then current passwords for such systems. Franchisee shall also give Franchisor authorization, in the form prescribed by Franchisor, for direct debit from Franchisee's business bank operating account for the Royalty Fees, Brand Fund Contributions, Technology Fees, and all other amounts payable to Franchisor or its affiliates. Franchisee shall authorize Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of Royalty Fees, Brand Fund Contributions, Technology Fees, and any other amounts payable to Franchisor and its affiliates. Franchisee shall make the funds available to Franchisor for withdrawal by electronic transfer no later than the day and time specified by Franchisor from time-to-time.

(2) Notwithstanding the foregoing, Franchisor reserves the right, without notice to Franchisee, to independently access the Franchised Business' accounting and financial systems and data or any accounting or financial systems used or required by Franchisor for the System of Operation to determine Gross Revenue and fees due to Franchisor under this Agreement, and Franchisee shall grant Franchisor access to all such accounting and financial systems and data. The Royalty Fees and Brand Fund Contribution amount actually transferred from Franchisee's accounts shall be based upon the Gross Revenues indicated on Franchisee's reports to Franchisor as required hereunder. Any other amounts transferred shall be based upon the amount owed by Franchisee to Franchisor or its affiliates. If Franchisee has not reported Gross Revenues to Franchisor for any reporting period as required by Franchisor, or Franchisee withholds Franchisor's access to accounting or financial systems, or data, it needs to determine Gross Revenues, or otherwise fails to pay amounts due to Franchisor, then Franchisor shall be authorized to debit Franchisee's account for an amount equal to one

hundred twenty percent (120%) of the amount transferred from Franchisee's account for such items for the last reporting period for which a report of Gross Revenues was provided to Franchisor or Five Thousand Dollars ($5,000), whichever is greater. At Franchisor's option, Franchisee agrees that Franchisor may base the amount of such debit on information retrieved from Franchisee's computer system, if any.

(3) If, at any time, Franchisor determines that Franchisee has under-reported its Gross Revenues, or underpaid Royalty Fees, Brand Fund Contributions, or other amounts due hereunder, Franchisor shall be authorized to initiate immediately a debit to Franchisee's account in the appropriate amount in accordance with the foregoing procedure, plus late payment charges as provided for in this Agreement. Any overpayment shall be credited to Franchisee's account through a credit effective as of the first reporting date after Franchisee and Franchisor determine that such credit is due. If the amount debited is less than the actual amount owed, Franchisee shall pay the remaining amount owing, plus a late payment charge thereon as set forth in this Section 6. If Franchisor is unable for any reason to debit the full amount permitted under this Agreement, Franchisee shall remit the remaining amount owing within five (5) business days from notice by Franchisor, plus a late payment charge thereon as set forth in this Section 6.

(b) Taxes - If any sales, excise, use or privilege tax is imposed or levied by any government or governmental agency on account of any fee or other amount charged by Franchisor or an affiliate to Franchisee, Franchisee shall pay to Franchisor as an additional fee, a sum equal to the amount of such tax (but this provision shall not apply to any federal or Missouri income taxes imposed upon Franchisor).

(c) Late Payment Charges - All amounts owed by Franchisee to Franchisor or an affiliate of Franchisor not received when due shall be subject to the imposition of late payment charges equal to the maximum rate permitted by law, not to exceed one and one-half percent (1 1/2%) per month.

(d) Setoff/Offset - Franchisee shall not withhold or escrow any amounts due to Franchisor, or set off any such amounts against any amounts claimed to be due to Franchisee. Franchisor shall have the right to offset any amounts it owes Franchisee by any amounts owed by Franchisee to Franchisor or an affiliate of Franchisor.

(e) Timing of Payment - Unless specifically set forth herein to the contrary, all amounts owed to Franchisor or its affiliate shall be due and payable to Franchisor within ten (10) days following Franchisee's receipt of an invoice therefor. Royalty Fees and Brand Fund Contributions shall be due and payable as set forth in this Agreement.

7.) FRANCHISOR TRAINING AND ONGOING ASSISTANCE

(a) Initial Training - Franchisor shall provide an initial training program, which shall be held at a location designated by Franchisor, and portions of which may be held by video conferencing (the "Initial Training Program"). There will be no charge for this training, but travel and living expenses, if any, incurred by Franchisee and any others in connection with the Initial Training Program shall be the responsibility of Franchisee. Franchisor shall provide the Initial Training Program to Franchisee and Franchisee's designated manager, if different than Franchisee. If Franchisee successfully completed the Initial Training Program in connection with the opening and operation of a retail sports nutrition store under the Names and Marks under another franchise agreement with Franchisor, Franchisor is not required to provide the Initial Training Program under this Agreement, but may require the Franchisee to complete the Initial Training Program.

(1) Franchisee and its designated manager must begin the classroom portion of the Initial Training Program within thirty (30) days after Franchisee signs this Agreement and complete to Franchisor's satisfaction, the entire Initial Training Program within sixty (60) days of Franchisee's execution of this Agreement, but in any event before Franchisee opens the Franchised Store hereunder.

(2) If Franchisee retains a new or additional managers, each manager must complete the classroom portion of the Initial Training Program before beginning to perform services for Franchisee. Franchisor has the right to charge for this training.

(b) <u>Certification</u> - All personnel must successfully complete, to Franchisor's satisfaction, certain health and nutrition training conducted by Franchisee, or a third party approved by Franchisor. Such personnel will be required to be re-certified from time to time as required by Franchisor. The initial certification and any re-certification must occur within the timeframe required by Franchisor. Franchisee will be in material breach of this Agreement if any personnel are performing services on behalf of Franchisee when such personnel are not currently certified. Franchisee shall pay all costs and expenses of its personnel as well as all fees to the third party administering this training and certification.

(c) <u>Additional Training</u> - Franchisor may provide, upon the request of Franchisee, at such times determined by the parties, additional training to Franchisee on topics requested by Franchisee and agreed to by Franchisor. Further, Franchise may require Franchisee to attend such training as Franchisor determines, if Franchisee fails to comply with any of Franchisor's standards. Such training shall be held at a location determined by Franchisor and may be provided electronically. Franchisor may charge such fees as it shall establish from time to time for such training, plus its cost to provide such training, and such fees and costs must be paid before the training begins.

(d) <u>Confidential Manual(s)</u> - Franchisor shall loan to Franchisee one or more manuals for use in the Franchised Business (the "Confidential Manual(s)"). The Confidential Manual(s) may be provided in an electronic format. The Confidential Manual(s) are not to be copied in whole or in part, shall remain the property of Franchisor and shall always be kept in safekeeping. Franchisor, from time to time, may add to or modify the Confidential Manual(s) to supplement or to improve the System of Operation and the contents and methods of promotion franchised hereunder. Franchisor may transmit a copy of the Confidential Manual(s) and any revisions and updates by electronic mail, Internet, intranet or other electronic means.

(e) Webpage; Email Address - Franchisor shall provide Franchisee with a webpage on Franchisor's or its affiliate's website for advertisement of the Franchised Store on the Internet. This webpage shall be a template and Franchisee shall be responsible for customizing this page, including the payment of any costs therefor. Any and all changes to, or customization of, the webpage must be approved by Franchisor prior to being made, and the webpage may contain only such information as Franchisor may approve from time to time. Franchisor shall also provide Franchisee with an email address for use by Franchisee exclusively in the operation of the Franchised Business during the Term of the Franchise.

(f) Conventions - Franchisor may conduct a periodic or annual convention for all franchisees operating under the Names and Marks. If Franchisor chooses to hold such a convention, Franchisee must attend each such convention (not more than one in any calendar year) or send a representative approved by Franchisor. If Franchisor charges a fee for attendance at the convention, Franchisee must pay that fee for at least one (1) person to attend the convention. Franchisor may, in its sole discretion, reimburse Franchisee for such fee upon Franchisee's attendance at the convention. All convention fees established by Franchisor must be paid by Franchisee within ten (10) days of the invoice for such fee.

(g) Products - Franchisor, its affiliate or designee, will from time-to-time sell Franchisee, at Franchisor's then current wholesale prices, products for sale by Franchisee to customers of the Franchised Store. Franchisor may, at its discretion, modify any products it provides to Franchisee hereunder, add additional products, discontinue any products previously provided and modify all prices for such products.

(h) Market Introduction Plan - Franchisor will provide to Franchisee a Market Introduction Plan for the initial marketing of the Franchised Store. In connection with the Plan, Franchisor shall also provide to Franchisee basic market introduction materials as well as make available to Franchisee for purchase promotional materials such as t-shirts, water bottles and other items. Franchisee must follow the Market Introduction Plan as it may be modified for local market conditions upon the request of Franchisee and the written approval of such request by Franchisor. Franchisor shall also provide Franchisee with up to seven (7) days of grand opening assistance within thirty (30) days of the opening of the Franchised Store.

(i) Level of Performance; Delegation - Franchisor is not obligated to perform any services to Franchisee's particular level of satisfaction, but as a function of Franchisor's experience, knowledge and judgment. In addition, Franchisor shall have the right to subcontract or delegate any of its duties and responsibilities under this Agreement; provided, however, that Franchisor shall be responsible for the performance of such duties, notwithstanding such subcontract or delegation, to the same extent as if Franchisor had not subcontracted or delegated such duties (but the foregoing shall not apply to an assignment by Franchisor pursuant to Section 14(a)).

(j) Notice of Deficiencies - If Franchisee believes Franchisor has failed to adequately provide any pre-opening services to Franchisee in regard to purchase of items needed to commence operations, training, or any other matter affecting the establishment of the Franchised Business, Franchisee shall so notify Franchisor in writing within thirty (30) days following the opening of the Franchised Business. Absent the timely provision of such notice to Franchisor, Franchisee shall be deemed to conclusively acknowledge that all pre-opening and opening services required to be performed by Franchisor were sufficient and satisfactory in Franchisee's judgment.

(k) Technology Fee and Initiatives - Franchisee shall pay Franchisor a "Technology Fee" of Fifty Dollars ($50) per month beginning on the opening of the Franchised Business. The Technology Fee may be used for any purpose related to the technology used in the Franchisor's franchise system, including, but not limited to, payment for expenses related to researching, developing, implementing, enhancing, servicing and operating any technology used in any manner related to the System of Operation. Franchisee acknowledges and agrees that the technology environment is rapidly changing and that it is difficult to anticipate the cost of developing, acquiring, implementing, modifying and licensing internet based or other technologies that may benefit the System of Operation and that Franchisor may increase the amount charged for the Technology Fee as determined by Franchisor from time to time. Franchisee shall participate in any technology initiatives required by Franchisor and shall pay all costs related to any such initiatives.

(l) Increases - Except for the Royalty Fee, Brand Fund Contribution, and Local Advertising, during the term of your Franchise Agreement, Franchisor can change any other fees, charges or other amounts it or its affiliate charge to Franchisee, on thirty (30) days' notice to Franchisee. However, Franchisor will not raise the Additional Training fee, Convention Fee, Transfer Fee, Renewal Fee, Store Relocation Fee or Technology Fee, more than once per calendar year, and it will not increase any of these fees or charges by more than ten percent (10%) of the amount of the then-current fee or charge, except as disclosed below. For each fee, charge or other amount, adjustments are compounded annually and are cumulative including increases in any given year of greater than 10% to adjust for prior years when no increase, or an increase of less than 10%, was implemented. The limitations discussed above do not apply to any fee or other amount that is not specifically listed above, and any such fee or other amount may be changed at any time upon notice from Franchisor to Franchisee. The limitations above only apply to this Agreement and expire or otherwise terminate on the expiration or termination of this Agreement.

8.) OPERATION OF THE FRANCHISED BUSINESS

(a) Initial Order - Franchisor's affiliate shall provide to Franchisee an initial order of retail products for sale in the Franchised Store and cups for a Smoothie Bar, if Franchisee will operate one in the Franchised Store, all of which must be purchased by Franchisee. Franchisee shall place that order at least thirty (30) days prior to the scheduled opening of the Franchised Store and shall obtain Franchisor's prior written consent to any change in the initial order of items.

(b) Full Time Basis; Involvement - Franchisee may have a designated manager, who has successfully completed Franchisor's Initial Training Program, operate the Franchised Business. However, Franchisee shall at all times be responsible for the day-to-day operation and management of the Franchised Business. The Franchised Store, including the Smoothie Bar, if applicable, shall remain open for business for those days of the week and hours of the day as Franchisor establishes in the Confidential Manual(s). To that end, Franchisee will be in material default under this Agreement if the Franchised Store or the Smoothie Bar, if applicable, is closed to the general public for three (3) consecutive business days or five (5) calendar days within any consecutive twelve (12) month period, without the consent of Franchisor. If Franchisor consents to the permanent closure of the Smoothie Bar, Franchisee shall remodel the affected area within the Franchised Store within the time period Franchisor requires and pursuant to Franchisor's requirements. The designated manager may only act as the manager for the Franchised Store and no other store. Franchisee must obtain other individuals to act as the designated managers for each other store owned and operated by Franchisee. Franchisee shall complete the Statement of Ownership and Management attached hereto, and, if Franchisee is a corporation, partnership, or limited liability company, each current or future owner of Franchisee must sign a Guaranty in the form attached hereto.

(c) Maintenance of High Quality Service - Franchisee shall utilize its best efforts, skill and diligence to ensure that Franchisee and Franchisee's employees and agents establish and maintain high quality service to all customers of the Franchised Business. At all times, Franchisee shall conduct its business in a manner that shall preserve and enhance the goodwill associated with the Names and Marks. If Franchisee fails to provide services that meet Franchisor's standards, specifications or procedures, Franchisor shall have the right to assign such person or persons that it deems necessary to provide additional training to Franchisee to assure that such standards of quality and service are maintained. Franchisee shall pay to Franchisor all of Franchisor's actual costs for such person so assigned, including wages, travel and living expenses.

(d) Compliance With Specifications and Procedures - Franchisee acknowledges that the Confidential Manual(s) are designed to protect Franchisor's standards and systems, and the Names and Marks, and not to control the day-to-day operation of the Franchised Business. Franchisee shall comply with all rules, regulations, and directives contained in this Agreement, as well as all mandatory standards, specifications and procedures contained in the Confidential Manual(s), as amended from time to time, as well as all laws, rules and regulations affecting the Franchised Business, including, but not limited to, compliance with all federal, state and local laws. Franchisor specifically reserves the right to modify or change such standards, specifications and procedures.

(e) Products/Pricing/Programs

(1) Franchisee shall not perform any services for customers or conduct any sales activity from outside of the Franchised Store. Franchisee shall not offer (other than pursuant to Section 7(e)) or sell any products or services or otherwise market its Franchised Store over the Internet or otherwise via the world wide web,

through virtual worlds, by mail or telemarketing, nor shall Franchisee sell products to a party for re-sale or sell products that have an expired date code.

(2) Franchisee may only offer and sell those products and services that are approved by Franchisor and must offer and sell all products and services required by Franchisor. Franchisee acknowledges and agrees that it will be required to offer for sale and sell products that are proprietary to Franchisor or its affiliates. All such products that are proprietary to Franchisor or its affiliates must be purchased from Franchisor or its affiliates. All other products must be purchased from suppliers approved by Franchisor. Unless otherwise set forth herein, all charges for products sold by Franchisor or an affiliate to Franchisee are due within ten (10) days of the invoice date for such services or products.

(3) Franchisee must comply with the minimum inventory levels, mix of product requirements, featured product requirements, and all other requirements related to product purchases and sales as set forth in the Confidential Manual(s). Franchisee shall advertise and attempt to sell all products specified by Franchisor to customers of the Franchised Store. If Franchisee accepts the return of any product sold by Franchisee to a customer, Franchisee shall not resell or give away such product (even if returned unopened).

(4) Franchisee shall adhere to any pricing policies, including minimum and maximum price policies, minimum advertised price policies and unilateral minimum price policies, instituted by Franchisor. Franchisee shall provide Franchisor with all information related to its pricing upon the request of Franchisor.

(5) Franchisee must participate in, comply with all terms and conditions of, and pay all charges related to all system wide programs Franchisor may require Franchisee to participate in from time to time including, but not limited to, any national or regional campaigns or membership programs. The terms and conditions of any such programs as well as the programs themselves, may be modified or terminated at any time by Franchisor in its sole and absolute discretion.

(f) Equipment; Supplies and Approved Suppliers - All equipment, supplies, computers, insurance, food, recipes, food stuffs, advertising and marketing materials, including signage and other printed items, used in the Franchised Business and all products and services offered and sold in the Franchised Business must meet Franchisor's specifications as they may be provided to Franchisee from time to time. From time to time, Franchisor may provide Franchisee a list of approved suppliers of equipment, software, hardware, insurance, signage and other items or services. The approved source of supply for any individual item may be Franchisor, an affiliate of Franchisor, or an independent third party. Franchisor may only approve a single source of supply for an item, which source may be Franchisor, an affiliate or an individual third party.

(1) Subject to the foregoing, Franchisee shall not be restricted from using sources of supply other than those previously approved by Franchisor, if the other sources supply items or services of the same quality and specifications as those supplied by the approved suppliers. However, Franchisor reserves the right to require Franchisee to obtain the written approval of Franchisor prior to the use of any supplier or product not previously approved by Franchisor and, as a precondition to the granting of such approval, require Franchisee to pay the then current review fee, may require the proposed supplier to submit to Franchisor samples of products it proposes to provide to Franchisee for use in the Franchised Business.

(2) As discussed above, Franchisor, an affiliate or a third party may be the sole source of supply of a product, service or other items required by Franchisor to be sold or otherwise used by Franchisee in the operation of its Franchised Business. If Franchisor or an affiliate no longer chooses to provide Franchisee with some or all of these items, or any other item that it or they may in the future provide Franchisee, Franchisee may only substitute items meeting Franchisor's specifications from a supplier Franchisor approves.

(3) Franchisor shall not be liable to Franchisee for damages caused by the failure of Franchisor or an approved supplier to make available for purchase any item or service, unless the failure is the result of factors within Franchisor's reasonable control.

(g) Equipment; Maintenance - All equipment installed in the Franchised Store must meet the exact specifications of Franchisor, including brand and model number, where designated. In all cases, all equipment used in the Franchised Store must be approved by Franchisor prior to installation thereof. Franchisee shall maintain all equipment used in the Franchised Business in excellent working condition. As such items become obsolete or mechanically impaired to the extent they require replacement, Franchisee shall replace such items with either the same or substantially the same types and kinds of equipment as are being installed in other, similar businesses franchised by Franchisor under the Names and Marks, or opened by Franchisor or its affiliates, at the time replacement becomes necessary. Franchisee shall be responsible for all damages and support costs caused by computer usages or other malware originating from Franchisee's office(s) or equipment.

(h) Internet - Franchisee must subscribe, at Franchisee's expense, to an Internet service provider or other electronic communication provider or service and obtain and use, at Franchisee's expense, and in the manner and form and meeting such minimum standards as Franchisor may approve or require, computer equipment, operating software, communication services, and other electronic and computer systems, and the like, for communicating, reporting and other operations of the Franchised Business. Franchisor shall have independent access to all of Franchisee's computer systems, including its point of sale system, and any financial or accounting systems used or required by Franchisor for the System of Operation, including all data contained in any of the foregoing, to determine Gross Revenues and other amounts due to Franchisor or its affiliates, and Franchisee shall grant Franchisor free unrestricted access to all such systems. Franchisor may require that any and all communications between Franchisee and Franchisor be made through the Internet or such other electronic medium as Franchisor may designate, and Franchisee may be required to access the Internet or other electronic information on a regular basis to obtain full benefit of the System of Operation. Franchisor is not liable for any damage to Franchisee including lost profits, which occur as a result of any outage or delay related to electronic transmission of information, whether by the Internet or otherwise, or as a result of Franchisee's failure to access the information. Franchisor may, in its sole discretion, make use of any information furnished by it to Franchisee in the conduct of its business.

(i) Upgrades - Notwithstanding anything set forth in this Agreement to the contrary, Franchisor may require Franchisee to upgrade any technology used by Franchisee in the Franchised Business at any time and without regard to any expenditure limitations, including any point of sale system. Additionally, there shall be no limit on Franchisor's right to require Franchisee to replace its point of sale system, computer system, to replace or upgrade hardware or software used by Franchisee in its business or to require Franchisee to purchase additional hardware or software that Franchisor may select for use in the Franchised Business.

(j) Provision of Information - Franchisee acknowledges and agrees that any and all information provided to Franchisee by Franchisor under this Agreement may be provided in such manner and by such media as Franchisor may determine, including, without limitation, by electronic and/or computer means.

(k) Taxes - Franchisee shall promptly pay when due all taxes levied or assessed by reason of its operation and performance under this Agreement and shall provide Franchisor evidence of such payment when required by Franchisor and in such form as required by Franchisor. Franchisee further shall secure and pay premiums on a workers' compensation policy covering all of its employees, if applicable, and shall pay any state unemployment taxes, state sales taxes and all other taxes and expenses of operating the Franchised Business. In the event of any bona fide dispute as to the liability for any taxes assessed against Franchisee, Franchisee may contest the validity or amount of the tax in accordance with procedures of the taxing authority. In no event, however, shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant to occur against the Franchised Business, or any part thereof.

(l) Personnel

(1) Franchisee shall retain all employees and independent contractors of the Franchised Business, be exclusively responsible for the terms of their employment and compensation, and implement a training program for employees and independent contractors of the Franchised Business in compliance with Franchisor's standards. Franchisee shall ensure that all employees performing services on behalf of Franchisee meet all federal, state and local requirements required for employment in the United States.

(2) Franchisee shall require all personnel working in the Franchised Business, as a condition to their employment or other retention, to enter into a noncompetition and confidentiality agreement, enforceable by Franchisor as a third party beneficiary, restricting the disclosure of confidential information and competition with Franchisee and Franchisor at least to the same extent as Franchisee is restricted in Sections 12 and 13 of this Agreement. If there is a violation of that agreement, Franchisee shall take all action necessary to enforce that agreement. If Franchisee fails to enforce that agreement, it shall be liable to Franchisor for any damages, costs and losses suffered by Franchisor, including any attorneys' fees Franchisor may incur if it elects to attempt to enforce that agreement. Franchisee shall provide Franchisor upon request an executed copy of each such agreement.

(m) Franchisee Control - Franchisee acknowledges that it is responsible for the day-to-day operation of its Franchised Business, including hiring, setting the conditions of employment, supervising, discipline and termination of all personnel, purchases (or leases) and maintenance of equipment and supplies, preparing Franchisee's own marketing plans and funding and implementing those marketing plans, maintenance of employment records, and daily maintenance, safety, security and the achievement of compliance with the System of Operation. Franchisor's ability to approve certain matters, to inspect the Franchised Store and its operations and to enforce its rights, exists only to the extent necessary to protect its interest in the System of Operation and the Names and Marks. Neither the retention nor the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters that are clearly reserved to Franchisee. Franchisee's employees are not Franchisor's agents or employees and Franchisor is not a joint employer of these individuals. Franchisee is solely responsible for performing all administrative functions at the Franchised Store, including payroll and providing workers' compensation insurance. Franchisee acknowledges that it is not economically dependent on Franchisor, and that Franchisor does not provide facilities, equipment or house or transport Franchisee's employees or provide to Franchisee's employees tools or materials required for Franchisee's employees to perform services for Franchisee.

(n) Communications - If Franchisee is made up of more than one individual, or this Agreement is transferred to an entity or a partnership, Franchisee must name an "operating principal" who has the power and authority to act on behalf of Franchisee in all matters affecting the Franchise. Such operating principal shall not be changed nor have his or her power or authority terminated or limited without Franchisor's prior written consent, which consent shall not be unreasonably withheld.

(o) AI Usage - Franchisee may not use any of Franchisor's confidential or proprietary information for the purpose of machine learning, augmented human intelligence development, training any artificial intelligence ("AI") model, algorithm improvement, or similar data aggregation activities without the express written consent of Franchisor. Such uses shall not be deemed related to the performance of this Agreement and are expressly prohibited. Franchisee shall not, without prior written consent of Franchisor, input any confidential or proprietary information into any generative AI platform, or disclose such information to any provider or source of generative AI services. Franchisee shall opt out of allowing any provider or source of generative AI to utilize confidential or proprietary information for training of any AI model or for other purposes.

(p) Point of Sale; Payment Systems - Franchisee shall purchase, use and license for use in its Franchised Business, the point of sale system and software and any other payment systems required by Franchisor from time-to-time from those suppliers required by Franchisor. Franchisee shall pay to Franchisor, or such other party as directed by Franchisor, all such fees and other amounts required for the acquisition and use of these systems and software. If Franchisor is collecting these fees on behalf of a third party, Franchisor shall pay such fees to the third party; provided, however, Franchisee shall still be responsible for amounts owed to such third party. All fees and other amounts shall be paid at the times and by the methods required by Franchisor from time-to-time, which shall include direct debit of Franchisee's bank account.

9.) NAMES AND MARKS

(a) Display of Names and Marks - Franchisee shall operate under, and prominently display, the Names and Marks in the Franchised Business. Franchisee shall not use any of the Names or Marks, or any similar words or acronyms, in its corporate, partnership, business or trade name. Franchisee agrees that any unauthorized use of the Names or Marks will be an infringement of Franchisor's rights and a material breach of this Agreement.

(b) Change of Names and Marks - From time to time, Franchisor may elect to discontinue the use of certain Names and Marks and to commence use of new Names and Marks. Franchisee shall pay all expenses incurred in connection with discontinuing the use of existing Names and Marks in the Franchised Business and commencing the use of new Names and Marks therein.

(c) Goodwill - Franchisee acknowledges that its right to use the Names and Marks is derived solely from this Agreement and that all such usage and any goodwill established thereby shall inure to the exclusive benefit of Franchisor. Franchisee waives any right to challenge Franchisor's entitlement or ownership of the Names and Marks.

(d) Cessation of Use - Franchisee agrees that, upon the termination of the Term of the Franchise for any reason whatsoever, Franchisee shall forthwith discontinue the use of the Names and Marks, and thereafter shall no longer use, or have the right to use, the Names and Marks.

(e) Notification of Infringement - Franchisee shall immediately notify Franchisor of any infringement of or challenge to Franchisee's use of current and future Names and Marks and shall not communicate with any other person in connection with any such infringement, challenge or claim. Franchisor shall have sole discretion to take such action as it deems appropriate, including the exclusive control of any litigation or any

Trademark Office or other administrative proceeding arising out of any such infringement, challenge or claim relating to any of the Names and Marks.

10.) INFORMATION, REPORTS, AND AUDITS

(a) Books and Records - Franchisee shall maintain its books and records in the manner reasonably required by Franchisor. At its option, Franchisor may establish a uniform accounting system or a central computerized control system for use by all franchisees. If Franchisor establishes a central computerized control system, Franchisee shall utilize the system and shall pay to Franchisor the reasonable charges for the installation of equipment and use of the central computerized control system.

(b) Financial Reports - Franchisee shall provide Franchisor with access through software approved by Franchisor to information from the Franchised Business and shall provide such weekly and other periodic financial and sales information relating to the business of Franchisee as from time to time may be required by Franchisor. The financial and sales information shall be delivered to Franchisor, at the times specified by Franchisor, in the form and by the means of communication authorized by Franchisor. Franchisee shall also provide to Franchisor, within sixty (60) days following the end of each fiscal year, a balance sheet showing the assets and liabilities of Franchisee as of the end of such fiscal year (except that if Franchisee is not an entity, the balance sheet need only show assets and liabilities related to the Franchised Business), and a profit and loss statement showing the results of operation of the Franchised Business for the preceding fiscal year. Such financial statements shall be prepared in accordance with generally accepted accounting principles, except that they may omit all footnotes that would otherwise be required by generally accepted accounting principles. Franchisor may use such financial information in any manner and for any purpose it, in its sole judgment, deems appropriate. Franchisee, and if Franchisee is a limited liability company, corporation or partnership, the owners of Franchisee, shall also submit to Franchisor copies of their annual federal, state, and city if any, income and sales tax returns within ten (10) days after filing.

(c) Audit Rights - Franchisor shall have the right to audit or cause to be audited the financial and accounting systems of Franchisee, its business practices, sales reports and financial statements delivered to Franchisor, and the other financial books, records and sales and income tax returns of Franchisee, and if Franchisee is a company, corporation or partnership, the owners of Franchisee. If any audit discloses an understatement of the Gross Revenues of the Franchised Business for any period or periods, Franchisee, within ten (10) days of receipt of the audit report, shall pay to Franchisor the Royalty Fees and Brand Fund Contributions due on the previously unreported Gross Revenues, plus interest from the due date at the maximum rate permitted by law, not to exceed one and one-half percent (1 1/2%) per month. In addition, if an understatement for any period equals two percent (2%) or more of the Gross Revenues of the Franchised Business for the period, Franchisee shall reimburse Franchisor for the cost of the audit, including, without limitation, the charges of any independent accountant and the travel expenses, room and board, and compensation of persons employed by Franchisor to make the audit.

(d) Ownership of Information - All information Franchisor obtains from Franchisee or about the Franchised Business or its customers, or otherwise related to the Franchised Business (collectively, the "Information"), and all revenues Franchisor derives from such Information, shall be Franchisor's property. Franchisee may use information that it acquires from third parties in operating the Franchised Business, such as customer data, at any time during the term of this Agreement to the extent lawful and at its sole risk and responsibility, but only in operating the Franchised Business. The Information (except for Information Franchisee provides to Franchisor with respect to it and its affiliates) shall become the confidential information of Franchisor, which Franchisor may use for any reason it deems necessary or appropriate. Franchisee shall comply with all applicable laws pertaining to the privacy and security of personally identifiable information, including, without limitation, local, regional and national requirements applicable to the Franchised Business ("Privacy Laws"). In addition, Franchisee shall comply with Franchisor's standards and policies pertaining to the privacy and security of personally identifiable information, customer relationships and Privacy Laws. Further, Franchisee recognizes and agrees that between Franchisee and Franchisor, Franchisor owns all rights to and all interest in and to any data, whether customer data, click-stream data, user data, reviews or otherwise, hits or other information collected via any electronic medium or method of communication, including via a website, home page, HTML document, Internet site, online directory, web page, or social media or social networking site, or application, whether web-based or otherwise, related to Franchisor's franchise system or the Names and Marks. Such information is deemed by Franchisor to be and constitutes its confidential information.

(e) Inspection; Communication - Franchisee shall permit Franchisor and its representatives, whenever Franchisor reasonably may deem necessary, during normal business hours, to enter, remain on, and inspect the Franchised Store and its operations. Franchisor and its representatives may also, without notice to Franchisee, interview and survey customers of the Franchised Store and otherwise communicate with such customers as Franchisor in its sole discretion determines.

11.) INSURANCE

(a) Type of Coverage - At all times during the Term of the Franchise, Franchisee shall maintain in force, at its sole expense, commercial general comprehensive public liability insurance against claims for bodily and personal injury, death and property damage caused by, or incurred in conjunction with, the operation of, or conduct of business by, Franchisee; business motor vehicle liability insurance; workers' compensation and employer's liability insurance, and such other insurance as may be specified by Franchisor from time to time.

(1) The insurance coverage shall be maintained under one (1) or more policies of insurance containing the amounts and types of coverage from time to time prescribed by Franchisor and insured by insurance companies rated A+ or better by Alfred M. Best & Company, Inc., with a financial size category as rated by A. M. Best Company of Class VII or higher.

(2) All liability insurance policies shall name Franchisor, its agents, employees, representatives, officers, directors, stock holders, members and managers as an additional insured, on all liability policies, even for claims regarding their sole negligence. The coverage shall be primary coverage to any other coverage maintained by the additional insured and shall not permit or require such coverage to contribute to the payment of any loss. In addition, the additional insurer shall also be provided the same completed operations coverage detailed under the commercial general liability coverage requirements with the Franchisor. All coverage shall provide that Franchisor receive ten (10) days' prior written notice of termination, expiration, reduction or cancellation of any such policy.

(3) Franchisee shall submit to Franchisor, upon execution of this Agreement and annually thereafter, a copy of the certificate of or other evidence of the renewal or extension of each such insurance policy. Franchisee's obligation to provide insurance hereunder shall not be waived by any failure to provide a certificate of insurance or Franchisor's acceptance of such certificate of insurance showing coverage varying from these requirements.

(4) Franchisee shall and does hereby waive all rights of recovery against Franchisor and any of its agents and employees for damages caused by fire or other causes of loss to the extent covered by property insurance of Franchisee.

(5) The amount of insurance required by Franchisor shall not be construed to be a limitation of the liability on the part of Franchisee. The carrying of insurance shall in no way be interpreted as relieving the Franchisee of any responsibility or liability under this Agreement.

(6) Franchisor does not guarantee that any insurance Franchisor requires or recommends Franchisee to purchase, or which Franchisor purchases on Franchisee's behalf, will provide adequate coverage for Franchisee. Franchisee should consult with its advisors to determine if any additional insurance coverage is recommended for the Franchised Business.

(b) <u>Failure to Maintain</u> - If Franchisee at any time fails or refuses to maintain any insurance coverage required by Franchisor, or fails to furnish satisfactory evidence thereof, Franchisor, at its option and in addition to its other rights and remedies hereunder, may obtain such insurance coverage on behalf of Franchisee, and any costs of premiums incurred by Franchisor in connection therewith shall be paid by Franchisee on demand.

12.) <u>CONFIDENTIALITY AND IMPROVEMENTS BY FRANCHISEE</u>

(a) <u>Maintenance of Confidence</u> - Franchisee acknowledges that all of the information it has now or obtains in the future concerning the System of Operation is derived from Franchisor pursuant to this Agreement, and that such information shall be treated in confidence. Franchisee agrees never to, directly or indirectly, engage in or abet the misappropriation, or the disclosure, divulgence, or distribution of all or any part of the System of Operation and the concepts and methods of promoting franchises hereunder. For the avoidance of any doubt, the confidentiality obligations in this Agreement shall not restrict Franchisee's ability to communicate with the Federal Trade Commission, or any other state or federal law enforcement or regulatory body, about potential violations of the law.

(b) Improvements - If Franchisee, during the Term of the Franchise, conceives or develops any improvements or additions to the System of Operation, new trade names, trade and service marks and other commercial symbols related to the Franchised Business, any advertising, promotion or marketing ideas related to the Franchised Business, any new smoothies, or other drinks or beverages or ice cream or recipes for any of the foregoing or has any suggestions, comments or feedback with respect to the System of Operation (collectively, "Improvements"), Franchisee shall fully disclose the Improvements to Franchisor without disclosure of the Improvements to others and shall obtain Franchisor's written approval prior to the use of such Improvements. Any such Improvement approved by Franchisor may be used by Franchisor and all other franchisees of Franchisor without any liability to Franchisee or obligation to Franchisee for royalties or other compensation. Franchisee shall assign to Franchisor, without charge, all rights to such Improvements, including the right to grant sublicenses to any such Improvement, and hereby does assign, without charge, all rights, together with the goodwill associated with the Improvements, to Franchisor. Franchisor, at its discretion, may make application for and own patents, copyrights, trade names, trademarks and service marks relating to any such Improvement. Franchisee shall cooperate with Franchisor in the application and prosecution of such rights. Franchisor also may consider such Improvements as the property and trade secret of Franchisor. Franchisor shall authorize Franchisee to utilize any Improvement authorized generally for use by other franchisees.

13.) RESTRICTIVE COVENANTS

(a) Covenants - Franchisee acknowledges Franchisor must be protected against the potential for unfair competition by Franchisee's use of Franchisor's training, assistance and trade secrets in direct competition with Franchisor. Franchisee therefore agrees that it shall not:

(1) During the Term of the Franchise, either directly or indirectly: (a) operate, own, manage, be employed by, consult with, finance, lease or sublease any premises to, or otherwise permit, allow or facilitate, any Competitive Business, or any business or other venture granting franchises or licenses for the operation of Competitive Businesses; or (b) divert or attempt to divert any then-current or prospective customer of any retail sports nutrition store operated under the Names and Marks to any competitor of Franchisor, operate any other business from the Franchised Store not approved by Franchisor, or otherwise interfere with the business activities of Franchisor or any affiliate of Franchisor or any franchisee of Franchisor.

(2) For a period of two (2) years following the termination or Transfer of the Franchise, either directly or indirectly: (i) operate, own, manage, be employed by, consult with, finance, lease or sublease any premises to, or otherwise permit, allow or facilitate: (a) any Competitive Business that is doing business, or to do business, in the Restricted Area, or that is, or will be, located in the Restricted Area, or (b) any business or other venture that grants franchises or licenses for Competitive Businesses that are or will be doing business in, or that are or will be located in, the Restricted Area, or any business or other venture that is located outside of the Restricted Area that grants franchises or licenses for Competitive Businesses that are, or will be, located in the Restricted Area; (ii) solicit, entice, or in any other way persuade or attempt to persuade any then-current customer of the Franchised Store to do business with a party other than Franchisor or its designee for the purposes of obtaining any of the services or products provided, or offered to be provided, by Franchisee to such party during the franchise relationship created hereby, except that the foregoing prohibition shall not limit Franchisee from assisting the assignee in connection with the transfer of customers from the Franchisee to the assignee in the event of a Transfer of the Franchise approved by Franchisor; or (iii) interfere with the business activities of Franchisor or any affiliate of Franchisor or any other franchisee of Franchisor.

(3) In the event of the violation of Section 13(a)(2) above by Franchisee following termination or Transfer of the Franchise, the period of time Franchisee shall be required to abide by the breached obligation shall be extended to a period of two (2) years after Franchisee is no longer in breach of such obligation.

(b) Franchisee Acknowledgments - Franchisee agrees that the restrictions contained in this Section 13 are reasonable and necessary to protect the interests of Franchisor and other franchisees of Franchisor. Franchisee further acknowledges that because of the narrow scope of the limitations, the foregoing restrictions do not unduly restrict Franchisee's ability to engage in gainful employment. If Franchisee violates these restrictions, then in addition to damages incurred by Franchisor for which Franchisee shall be liable, Franchisor shall be entitled to injunctive relief to prevent the continuation of such breach.

14.) TRANSFER

(a) By Franchisor - This Agreement is fully assignable by Franchisor, and shall inure to the benefit of any assignee or other legal successor in interest of Franchisor.

(b) General Prohibition on Franchisee Transfer - Neither Franchisee, nor any partner (if Franchisee assigns this Agreement to a partnership), shareholder (if Franchisee assigns this Agreement to a corporation), or member (if Franchisee assigns this Agreement to a limited liability company), without the prior written consent of Franchisor, by operation of law or otherwise, may, directly or indirectly, sell, assign, transfer, convey, give away, lease, or encumber to any person, firm, corporation, or company, its interest in this Agreement or its interest in the Franchise granted hereby or its interest in any proprietorship, partnership, corporation, or limited liability company which owns any interest in the Franchise, or its interest in the Franchised Business or the assets of the Franchised Business, which shall include the granting of a security interest in any such assets (collectively, a "Transfer"). Any purported Transfer not having the necessary consent shall be null and void and shall constitute a material default hereunder.

(c) Conditions to Franchisee Transfer - Franchisor shall not unreasonably withhold its consent to any Transfer provided the following conditions and requirements shall first be satisfied:

(1) If Franchisee desires to Transfer all of its rights to a partnership, corporation, or limited liability company controlled by Franchisee:

a. the transferee shall be newly organized and its charter shall provide that its activities are confined exclusively to operating the Franchised Business;

b. Franchisee shall be and shall remain the owner of all the issued and outstanding voting stock or membership interests of the transferee corporation or limited liability company or, in the case of a partnership, of all of the voting control of the transferee partnership;

c. Franchisee shall be and shall remain the principal executive officer of the transferee and shall enter into an agreement releasing any claims against Franchisor;

d. the transferee shall enter into a written agreement with Franchisee and Franchisor, in a form satisfactory to Franchisor, assuming all of Franchisee's obligations hereunder;

e. all the partners, shareholders, or members of the transferee shall enter into a written agreement in a form satisfactory to Franchisor jointly and severally guaranteeing the full payment and performance of the transferee's obligations to Franchisor and agreeing to be personally bound by all covenants and restrictions imposed upon the transferee under this Agreement;

f. each stock or membership certificate of the transferee corporation or limited liability company, or the partnership agreement of the transferee partnership, shall have conspicuously endorsed upon it a statement that it is held subject to, and that further assignment or transfer of any interest therein is subject to, all restrictions imposed upon Transfer;

g. no new voting interest in the transferee shall be issued to any person or entity without obtaining Franchisor's prior written consent; and

h. all accrued money obligations of Franchisee to Franchisor and its affiliates shall be satisfied prior to Transfer.

(2) If a Transfer (other than a Transfer as set forth in Section 14(c)(1) above), alone or together with other previous, simultaneous or proposed transfers, would have the effect of transferring control of the Franchise created hereby, the Franchised Business, including the Franchised Store:

a. the transferee shall be of good moral character and reputation, shall have a good credit rating, shall not, directly or indirectly, be a competitor of Franchisor or of the Franchised Business and shall have such financial capabilities and competent business qualifications, all acceptable to Franchisor in its sole discretion. Further, the purchase price being paid by the transferee shall not, in the sole discretion of Franchisor, negatively impact the capability of the Franchised Business to be operated profitably after completion of the sale. Franchisee shall provide Franchisor with the information it may reasonably require to make a determination concerning the foregoing;

b. the transferee, including all shareholders, members and partners of the transferee, shall jointly and severally execute a new franchise agreement with Franchisor, on the terms then offered by Franchisor to new franchisees, and shall complete the Franchisor's then current initial training program and pay any fees associated therewith; provided, however, all other pre-opening obligations of the parties shall be waived, including the obligation of the transferee to pay a new Initial Franchise Fee;

c. if the transferee is a corporation, limited liability company or partnership, each stock or membership certificate, or the partnership agreement, shall have conspicuously endorsed upon it a statement that it is held subject to, and further assignment or transfer of any interest therein is subject to, all restrictions imposed upon Transfer;

d. if the transferee is a corporation, partnership, or limited liability company, no new voting interest in the transferee shall be issued to any person or entity without obtaining Franchisor's prior written consent;

e. Franchisee shall have fully paid and satisfied all of Franchisee's obligations to Franchisor and its affiliates, and Franchisee shall pay to Franchisor a transfer fee of: (i) Five Thousand Dollars ($5,000) if the transferee is either another retail sports nutrition unit franchisee operating under the Names and Marks who has been a franchisee for at least three (3) years prior to the date of transfer and who is in full compliance with all of its agreements with Franchisor and its affiliates or an Immediate Family Member of Franchisee; and (ii) in all other cases, Twelve Thousand Dollars ($12,000);

f. Franchisee shall have executed an agreement in form satisfactory to Franchisor in which it: (i) releases any claims it has against Franchisor;

(ii) subordinates any claims it may have against the transferee to any amounts owed by the transferee to Franchisor; and (iii) indemnifies Franchisor against all claims brought against Franchisor by the transferee for a period of three (3) years following the transfer, other than claims arising out of the franchise relationship between Franchisee and the transferee;

g. if the transferee is a corporation, limited liability company or partnership, all the shareholders, members, or partners of the transferee shall enter into a written agreement, in a form satisfactory to Franchisor, jointly and severally guaranteeing the full payment and performance of the transferee's obligations to Franchisor and agreeing to be personally bound by all covenants and restrictions imposed upon the transferee under the terms of this Agreement; and

h. if the Transfer is caused by the death or incapacity of Franchisee (or in the case of a partnership, corporation or limited liability company, by the death or incapacity of one controlling more than forty-nine percent (49%) of the voting interest of Franchisee), the provisions of this Section 14(c)(2) must be met with regard to the heir or personal representative of Franchisee succeeding to Franchisee's interest hereunder; provided, however, if the heir or personal representative assigns, transfers or sells its interest in the Franchise within one hundred eighty (180) days after the death or incapacity of Franchisee, the person to whom the interest is assigned, transferred or sold, and not Franchisee's heir or personal representative, must comply with the provisions of this Section 14(c)(2) as transferee.

(d) Disclosure - Franchisee consents to Franchisor releasing to any proposed transferee any information concerning the Franchised Business which Franchisee has reported to Franchisor.

(e) Public Offer of Securities by Franchisee - If Franchisee assigns this Agreement to an entity which desires to sell its securities to the public, it shall present an offering circular or prospectus to Franchisor for its review within a reasonable time prior to such offering becoming effective. Franchisee shall not offer its securities by use of the Names and Marks or any name deceptively similar thereto.

(f) No Single or Partial Transfer - Notwithstanding anything set forth herein to the contrary, Franchisee may not Transfer a portion of its rights or obligations hereunder or a portion of the Franchised Business, if such Transfer would result in a division of the Franchised Business. To that end, Franchisee may not Transfer the Franchised Business without also transferring the Smoothie Bar and Franchisee may not Transfer the Smoothie Bar without transferring the remainder of the Franchised Business.

15.) RIGHT OF FIRST REFUSAL

If, at any time during the franchise relationship, Franchisee receives a bona fide offer to purchase or lease all or any portion of the Franchised Business, which offer Franchisee is willing to accept, Franchisee shall communicate in writing to Franchisor the full terms of the offer and the name of the offeror. Franchisor may elect to purchase or lease the Franchised Business on the terms set forth in the offer. If Franchisor elects to purchase or lease the Franchised Business, it shall give Franchisee written notice of the election within thirty (30) days after Franchisor receives Franchisee's communication of the offer. If Franchisor fails to give written notice of election within thirty (30) days, Franchisee may sell or lease to the offeror on the terms offered, subject to the provisions relating to Transfer. The sale or lease must, however, be completed within sixty (60) days of the termination of the thirty (30) day period during which Franchisor may give written notice of election to purchase or lease; otherwise, an additional notice must be given to Franchisor and an additional option period must expire prior to any such transfer. If Franchisor elects to purchase or lease the Franchised Business, it shall have the right to substitute equivalent cash for any noncash consideration included in the bona fide offer to purchase or lease the Franchised Business and Franchisor and Franchisee will use their best efforts to complete the purchase or lease within sixty (60) days from the date of Franchisor's notice of election to purchase or lease. This foregoing right of first refusal shall not apply in the event of a Transfer to an immediate family member of Franchisee upon the death or disability of Franchisee. For the avoidance of any doubt, Franchisor may assign its rights in this Section 15. The failure of Franchisor to exercise its rights under this Section 15 shall not affect Franchisor's right to approve or disapprove a Transfer as set forth in Section 14 above.

16.) PRE-TERMINATION OPTIONS OF FRANCHISOR

(a) Rights in Addition to Termination - Prior to the termination of this Agreement, if Franchisee fails to pay any amounts owed to Franchisor or its affiliates or fails to comply with any term of this Agreement or any other agreement between Franchisor and Franchisee or an affiliate of Franchisor and Franchisee, then in addition to any right Franchisor may have to terminate this Agreement or to bring a claim for damages, Franchisor shall have the option to:

(1) Remove the listing of the Franchised Business from all advertising published or approved by Franchisor in any of Franchisor's web pages, websites, social media and social networking sites, profiles and accounts,;

(2) Prohibit Franchisee from attending any meetings, seminars or conventions held or sponsored by Franchisor or taking place on the premises of Franchisor; and

(3) Suspend the provision of any or all of the services provided by Franchisor to Franchisee hereunder.

(b) Continuation of Franchisor Actions - Franchisor's actions, as outlined in this Section 16, may continue until Franchisee has brought its accounts current, cured any default, and complied with Franchisor's requirements, and Franchisor has acknowledged the same in writing. Franchisee acknowledges and agrees that the taking of any such actions permitted in this Section 16 shall not take away from Franchisee a material portion of the significant benefits provided to Franchisee under this Agreement (including the use of the Names and Marks and prior training), and therefore shall not constitute a constructive termination of this Agreement. Further, the taking of any of the actions permitted in this Section 16 shall not suspend or release Franchisee from any obligation that would otherwise be owed to Franchisor or its affiliates under the terms of this Agreement or otherwise.

17.) TERMINATION

(a) By Franchisee - Franchisee may terminate this Agreement and the Franchise granted hereunder effective ten (10) days after delivery to Franchisor of written notice of termination if Franchisee is in compliance with this Agreement and Franchisor breaches this Agreement and fails to cure the breach within thirty (30) days after written notice of the breach is delivered to Franchisor.

(b) By Franchisor Generally - In addition to its other termination rights set forth in this Agreement, Franchisor may terminate this Agreement effective immediately upon notice of termination to Franchisee, if Franchisee:

(1) Voluntarily abandons the franchise relationship and/or the Franchised Store;

(2) Is convicted in a court of competent jurisdiction of an offense directly related to the business conducted pursuant to this Agreement, a felony, or crime of moral turpitude;

(3) Fails to cure a default under this Agreement which materially impairs the goodwill associated with the Names and Marks after Franchisee has received written notice to cure at least twenty-four (24) hours in advance of the notice of termination.

(4) Makes an assignment for the benefit of creditors or an admission of its inability to pay its obligations as they become due;

(5) Files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution or similar relief under any law, admits or fails to contest the material allegations of any such pleading filed against it, or is adjudicated a bankrupt or insolvent;

(6) Fails to comply with any federal, state, or local law or regulation applicable to the operation of the Franchised Business;

(7) Makes an unauthorized Transfer;

(8) Fails to submit when due reports or financial statements to Franchisor, withholds Franchisor's access to accounting and financial systems or data,

revokes any electronic-funds transfer or direct debt authorization granted to Franchisor, or initiates any stop payments against Franchisor;

(9) Fails to pay when due any amounts due to Franchisor or its affiliates and such failure continues for five (5) business days after notice to Franchisee; provided, however, the foregoing cure period shall not apply if payment has not been made within thirty (30) calendar days after the date on which payment was due;

(10) Consistently fails to remit when due payments to suppliers or other creditors of the Franchised Business;

(11) Has breached this Agreement three (3) times in any twelve (12) month period, regardless of whether such breaches have been cured or has received three (3) or more customer complaints in any twelve (12) month period;

(12) Loses possession of the location of the Franchised Store;

(13) Allows the Franchised Store to be operated, managed, directed or controlled by any other person except for Franchisee or a manager who has completed, to Franchisor's satisfaction, the Initial Training Program;

(14) Has made material misrepresentations on its application for the Franchise;

(15) Interferes with Franchisor's relations with and any third party, including any other franchisee or Franchisor's ability to franchise the System of Operation or any other system to a third party;

(16) Defaults under any other agreement with Franchisor or any affiliate of Franchisor;

(17) Withholds Franchisor's access to any computer systems, accounting or financial systems, or any data it requires to determine Gross Revenues, terminates Franchisor's authorization to collect amounts payable to Franchisor or its affiliates by direct debit of Franchisee's bank account or otherwise, or initiates any stop payment against Franchisor or any affiliate; or

(18) Otherwise materially breaches this Agreement or fails to comply with any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor and does not correct such failure within thirty (30) days after notice to Franchisee. For the avoidance of any doubt, this Section 17(b)(13) shall not be read or interpreted as providing a cure period where none otherwise exists under this Agreement, or for that matter lengthening any existing cure period set forth in this Agreement.

(c) <u>Compliance with Applicable Law</u> - The foregoing notwithstanding, to the extent that the provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation, nonrenewal or the like other than in accordance with applicable law, such provisions shall, to the extent such are not in accordance with applicable law, be superseded by said law, and Franchisor shall comply with applicable law in connection with each of these matters.

(d) Actions Upon Termination/Transfer - Franchisee agrees, upon termination or Transfer of the Franchise:

(1) To immediately return to Franchisor all copies of all Confidential Manual(s) that have been loaned to it by Franchisor and any material marked as property of Franchisor or as confidential.

(2) To immediately pay to Franchisor such amounts as have or shall thereafter become due hereunder and are then unpaid and all amounts due for printed materials, forms, advertising material, samples, supplies, products and services supplied by Franchisor.

(3) To immediately and permanently refrain from and cease all use of the Names and Marks or any other mark, word, phrase, or symbol confusingly similar thereto or a variant thereof including, but not limited to, on or in any domain name, username, account name, website, webpage, social media or social networking site of any kind or otherwise.

(4) To immediately take such action as may be required to properly cancel all assumed name or equivalent registrations relating to the use of the Names and Marks, and notify the telephone company, any domain name registrar, any internet service provider, and all listing agencies of the termination or expiration of Franchisee's right to use any domain names, profiles, email addresses, accounts, telephone numbers and classified and other directory listings associated with any Internet Presence, or that include any portion of the Names and Marks, and authorize the telephone company, domain name registrars, internet service providers, and listing agencies to transfer to Franchisor all such domain names, telephone numbers, registrations, profiles, email addresses, accounts, and directory listings, along with access thereto. Franchisee acknowledges that, as between Franchisor and Franchisee, Franchisor has the sole right to and interest in all telephone numbers, directory listings, email addresses, domain names profiles, and accounts associated with the Names and Marks, including any Internet Presence, as well as any content thereon. Franchisee authorizes Franchisor, and appoints Franchisor its attorney-in-fact, to direct the telephone company, domain name registrars, internet service providers, and all listing agencies to transfer telephone numbers, email addresses, domain names, accounts and listings to Franchisor, as well as provide access to Franchisor to any such account or registration.

(5) To not indicate directly or indirectly, in any manner, that it is or ever was affiliated with Franchisor in any capacity, identify itself or any business as a member of the S² system, or as otherwise associated with Franchisor, or use, in any manner or for any purpose, any of the System of Operation, concepts and

methods of promotion, or Names and Marks, or any other indicia of a business operated under the Names and Marks.

(6) To immediately cause all references to the Names and Marks including any signage on vehicles to be removed or covered. Any such references removed shall be delivered to Franchisor or destroyed as directed by Franchisor. If Franchisee fails to remove or cover such references, Franchisor shall be entitled to remove or cover the references, without prior notice to Franchisee. Franchisor shall use its best efforts to cause the references to be removed or covered without causing damage to the sign(s), vehicles or other property. Franchisor may keep or dispose of any signage that was removed, or retain it as full compensation for its costs of removal and storage.

(7) Upon the request of Franchisor, to immediately take all action as may be requested by Franchisor to facilitate the assignment of the lease or sublease for the Franchised Store to Franchisor for the remaining term of the lease or sublease, upon the terms and conditions contained in Section 3(f) of this Agreement. If the lessor under the lease or sublease is Franchisee or an affiliate of Franchisee, and the remaining term of the lease or sublease is less than ten (10) years, Franchisor may at its option require Franchisee or its affiliate as the case may be to modify the term of the lease or sublease, to be ten (10) years from assumption or such other term as Franchisor specifies. If the site of the Franchised Store is owned by Franchisee or an affiliate, Franchisor shall have the right and option to require Franchisee or its affiliate, as applicable, to promptly enter into a lease with Franchisor or its designee for the premises of the Franchised Store, which lease shall be on commercially reasonable terms, including then-current market rates, and shall be for a term of ten (10) years, unless the parties to the proposed lease agree otherwise. The foregoing right of Franchisor to require a new lease shall apply even if there is a lease or sublease for the Franchised Store between an affiliate of Franchisee and Franchisee. Franchisor shall have the right to assign its rights to a third party or to sublease the premises subject to the lease or sublease without the prior written consent of the lessor.

In any event, Franchisee shall remain liable for all obligations of the tenant or subtenant under said lease or sublease prior to the date of any assignment. Franchisee authorizes Franchisor, and appoints Franchisor, its attorney-in-fact, to execute such documents as may be necessary to transfer Franchisee's interest in the lease or sublease to Franchisor or its assigns. If Franchisor does not exercise its rights hereunder, Franchisee shall immediately make such alterations to the interior and exterior of the Franchised Store as required by Franchisor so as to distinguish the premises from a retail sports nutrition store operated under the Names and Marks.

(8) Upon the request of Franchisor, sell to Franchisor all new and unopened products, merchandise and other items of Franchisor proprietary to Franchisor or its affiliate at the price sold to Franchisee, less a restocking charge of twenty-five percent (25%) of such price.

(9) To immediately comply with all obligations of Franchisee that expressly or by their nature survive the termination or Transfer of the Franchise, including the non-competition and confidentiality obligations, the obligation to sell the assets of the Franchised Business, and the indemnification obligations herein.

(e) Survival of Provisions - All obligations of Franchisor and Franchisee which expressly or by their nature survive the termination or Transfer of the Franchise shall continue in full force and effect subsequent to and notwithstanding the termination or Transfer of the Franchise until they are satisfied in full or by their nature expire.

(f) Communication with Third Parties - After Franchisor provides Franchisee with notice of any default hereunder, Franchisor can notify any third parties, including any lenders, of the default and communicate with such third parties regarding Franchisee and the Franchised Business, including the Franchised Store and its operations.

18.) ENFORCEMENT

(a) Injunctive Relief; Attorneys' Fees - Either party may apply for injunctive or other equitable relief to: (i) enforce its right to terminate this Agreement for the causes in Section 17; and (ii) prevent or remedy a breach of this Agreement if such breach could materially impair the goodwill of such party's business, including to enforce the obligations of a party to be performed following termination or Transfer of the Franchise including, the confidentiality and non-competition provisions hereof. Each party shall be entitled to the entry of temporary restraining orders and temporary and permanent injunctions enforcing its aforementioned rights. If Franchisor secures any such injunction, or any other relief against Franchisee, or is successful in defending a claim brought against it by Franchisee, Franchisee shall pay Franchisor an amount equal to the aggregate of Franchisor's costs of obtaining such relief and defending such claim, including, reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses.

(b) Mediation - Except with respect to matters for which a party believes it necessary to seek injunctive or equitable relief, Franchisee and Franchisor must enter into mediation of all disputes involving this Agreement or any other aspect of the relationship between them, for a minimum of four (4) hours, prior to the initiation of any action or proceeding against the other.

(1) Upon written notice by either party to the other of the initiating party's desire to mediate, the party receiving the notice shall select an independent entity that regularly provides mediation services to franchisors and franchisees to serve as mediator in the proceeding. If the party receiving the notice of intent to mediate does not provide the name of such an organization within ten (10) business days from the date the notice of intention to mediate is received, then the other party may forego mediation of the issue(s) and commence legal action or, at its option, make the selection of the organization to provide mediation services. If one party selects an organization that is unwilling to serve as mediator or does not meet the requirements of this paragraph, then the other party may select the

organization. Once the organization is designated and agrees to accept appointment as mediator, the organization shall be directed to schedule a mediation proceeding at a time mutually convenient to Franchisor and Franchisee. The mediation shall be held within thirty (30) days following receipt by the mediation organization of notification that its services are requested. If the parties cannot agree on a date for mediation, then the mediation organization shall select a date it believes is reasonable for the parties, given all of the alleged conflicts in dates. The actual mediator shall either be a retired judge, or a person who has had at least ten (10) years of experience as either franchisee or franchisor (or as an officer of such an entity), or in franchise law.

(2) The parties shall equally share the cost of the mediator. The mediator shall select the location for the mediation, giving due consideration to the location that will minimize the total expenses of the mediation; provided, however, that unless agreed to by both Franchisor and Franchisee, the mediation shall be held in a metropolitan area having a population of at least two hundred fifty thousand (250,000) persons that is not located within two hundred (200) miles of the Franchised Store or the principal office of Franchisor, except that if both the Franchised Store and the principal offices of Franchisor are located within one hundred miles of each other, in Missouri, then the mediation shall be held in the principal office of Franchisor.

(3) Except with respect to matters for which a party is permitted to seek injunctive or equitable relief, if either party initiates litigation without complying with their obligation to mediate in accordance with this Section 18 (unless the other party has failed to respond on a timely basis or has indicated it will not engage in mediation in accordance with the provisions of this paragraph), then upon petition of any party named as a defendant in such litigation, the court shall dismiss the action without prejudice, and award attorneys' fees and costs to the party seeking dismissal in an amount equal to such party's attorneys' fees and costs incurred in seeking dismissal. If the court refuses for any reason to dismiss the action, then regardless of the outcome of such action, or of any award given by the court in such action, the party initiating the action shall be responsible for all attorneys' fees and costs incurred throughout the action by the other party as damages for failing to comply with the provisions of this Section.

(c) <u>Waiver of Punitive Damages; Limitation of Liability</u> - Franchisor and Franchisee (and Franchisee's owners and guarantors) hereby waive, to the fullest extent permitted by law, any right to, or claim for, any punitive or exemplary damages against the other and any affiliates, owners, employees or agents of the other and agree that in the event of a dispute between or among any of them, each shall be limited to the recovery of any actual damages sustained by it and any equitable relief to which it might be entitled; PROVIDED, HOWEVER, IN NO EVENT SHALL FRANCHISOR'S LIABILITY TO FRANCHISEE OR A THIRD PARTY, REGARDLESS OF THE CAUSE OF LIABILITY, EXCEED THE AMOUNTS RECEIVED BY FRANCHISOR FROM FRANCHISEE UNDER THIS AGREEMENT.

(d) Venue - Franchisor and Franchisee (and Franchisee's owners and guarantors) each agree that if litigation is permitted to be commenced under this Agreement, such actions shall be exclusively venued in the 22nd Judicial Circuit Court for St. Louis, Missouri, located in St. Louis, Missouri or the United States District Court, Eastern District of Missouri located in St. Louis, Missouri, and the parties waive any objections they may have to either the jurisdiction or the venue in such courts and hereby consent to personal jurisdiction and venue in such courts. The only exception to the foregoing shall be: (1) if the courts of Missouri would have no jurisdiction over a named party in the litigation, and such party's involvement in the litigation is integral to the underlying claims and not principally for the purpose of circumventing the intent of the parties to name Missouri as the exclusive venue for any actions, then the action may be venued in any court having jurisdiction over all the parties and a significant nexus to the parties; and (2) to the extent that either party believes it is necessary to seek injunctive relief against the other, the party seeking relief may initiate that action in the county in which the other party has its principal office (which in the case of an action against Franchisee, shall be the county in which Franchisee is domiciled, or any county in which the Franchised Business is operated).

(e) WAIVER OF JURY TRIAL - TO THE EXTENT EITHER PARTY MAY PROCEED BY JUDICIAL PROCESS, EACH OF THE PARTIES WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO THE ENFORCEMENT OR INTERPRETATION OF THIS AGREEMENT, AND ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION, OR OTHER CAUSES OF ACTION, IN CONNECTION WITH ANY LEGAL ACTION.

(f) Waiver of Collateral Estoppel - The parties agree they should each be able to settle, mediate, litigate, or compromise disputes in which they are involved with third parties, without having the disposition of such disputes directly affect the contract or relationship between Franchisor and Franchisee. Franchisor and Franchisee therefore each agree that a decision of an arbitrator or court of law in a dispute to which one of them is not a party shall not in any manner prevent the person that was a party to such action from making similar arguments, or taking similar positions, in any subsequent action between Franchisor and Franchisee. The parties therefore waive the right to assert that principals of collateral estoppel prevent either of them from raising any claim or defense in an action between them as a result of such party having lost a similar claim or defense in another action.

(g) Waiver of Class Action Rights - Franchisee waives its right to bring, join or participate in, and is barred from bringing, joining or participating in, any class action suit. The parties agree that any proceeding, shall be conducted on an individual, not a class-wide, basis and that any proceeding between Franchisor and Franchisee or any owner or any guarantor of Franchisee may not be consolidated with another proceeding between Franchisor and any other entity or person. Franchisee further agrees that the foregoing shall not limit the ability of the Franchisee to obtain a remedy for any particular claim that it may assert against Franchisor.

19.) INDEPENDENT CONTRACTORS/INDEMNIFICATION

(a) Independent Contractor - Franchisee is a franchisee of Franchisor. Franchisee shall be conspicuously identified at the premises of the Franchised Store and in all dealings with third parties as a franchisee. Franchisee shall not represent or imply to any person that this Agreement authorizes Franchisee to act as agent for Franchisor. Neither Franchisor nor Franchisee shall be obligated by any agreement, representation or warranty (except warranties specifically authorized by Franchisor, if any) made by the other, nor shall Franchisor be obligated for damages to any person or property directly or indirectly arising out of the operation of the Franchised Business, or caused by Franchisee's negligence, willful action or failure to act.

(b) Evidence of Relationship - Franchisee shall hold itself out to the public as an independent contractor by, without limitation: (i) clearly identifying itself in all dealings with third parties as a franchised, independently owned and operated entity, including on all public records, checks, stationery, enrollment forms, receipts, marketing materials, envelopes, letterhead, business cards, employment applications or other employment documents, invoices and other communications, electronic or otherwise; (ii) displaying a sign at the sales counter of the Franchised Store so as to be clearly visible to the general public indicating that the Franchised Store is independently owned and operated as a franchised business; and (iii) maintaining a notice on the employee bulletin board clearly visible to employees at the Franchised Store, identifying the correct name of their employer and clearly stating that neither Franchisor nor any of its affiliates is the employer and if required by Franchisor, obtaining from each of its employees an acknowledgment acknowledging that their employer is Franchisee and not Franchisor.

(c) Franchisee Indemnification - Franchisee agrees to indemnify Franchisor against, and to reimburse Franchisor for, all obligations and damages for which Franchisor is liable and for all costs reasonably incurred by Franchisor in the defense of any such claim brought against it, or in any such action in which it is named as a party, arising out of any act or omission of Franchisee, or as a result of any activities occurring at, by or through the Franchised Business. Such indemnification shall include, reasonable attorneys' fees, costs of investigation or proof of facts, court costs, other litigation expenses and travel and living expenses (collectively, "Costs"). Franchisor shall have the right to defend any such claim against it.

(d) Franchisor Indemnification - Franchisor agrees to indemnify Franchisee against, and to reimburse Franchisee for, any obligation or liability for damages payable to persons other than Franchisee or its owners attributable to agreements, representations or warranties of Franchisor, or caused by the negligent or willful action of Franchisor, and for Costs reasonably incurred by Franchisee in the defense of any claim brought against it as a result of the foregoing or in any such action in which it is named as a party. Franchisor shall have the right to participate in and to control any litigation or proceeding which might result in liability of or expense to Franchisee subject to indemnification by Franchisor.

(e) Continuation - The indemnities and assumption of liabilities and obligations herein shall continue in full force and effect subsequent to and notwithstanding the termination of this Agreement.

20.) FRANCHISEE REPRESENTATIONS

To induce Franchisor to accept Franchisee's application for an S^2 franchise and to execute this Agreement, Franchisee hereby represents and warrants to Franchisor as follows:

(a) Standards for Service - Franchisee recognizes and acknowledges the importance of maintaining Franchisor's standards for service and sales methods, and further recognizes and acknowledges the importance of following the System of Operation;

(b) Disclosure Document - Franchisee has received a copy of Franchisor's Disclosure Document, together with copies of all contracts relating to the sale of the Franchise, at least fourteen (14) calendar days prior to the time Franchisee signed a binding agreement with, or made any payment to, Franchisor or an affiliate in connection with the sale of the Franchise. Franchisee has read and understands all such documents;

(c) Independent Operations/Business Risks - Franchisee has the entire control and direction of the Franchised Business, subject only to the conditions and covenants established by this Agreement. Franchisee further acknowledges that the business to be operated under this Agreement involves business risks, and that Franchisee's success shall be largely determined by its own skill and efforts as an independent business person. Franchisee further acknowledges that if it fails at any tasks that are vital to the operation of the Franchised Business, the Franchised Business will fail and Franchisee shall be solely responsible for any such failure.

(d) Franchisee Advisors - Franchisee has been advised to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, and that Franchisee has had the opportunity to consult with such advisors and also has had the opportunity to independently investigate the opportunity offered under this Agreement; and

(e) Independent Investigation - Franchisee has entered into this Agreement after making an independent investigation of Franchisor's operations, nor has anyone made any other representation to induce Franchisee to accept the Franchise granted hereunder and to execute this Agreement which is not expressly set forth herein.

21.) MISCELLANEOUS

(a) Governing Law - Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1050 et seq.), as amended, this Agreement shall be governed by the laws of the State of Missouri. The parties agree, however, that if Franchisee is not a resident of Missouri, and if the Franchised Store is not located in Missouri, then they hereby waive the provisions of the Missouri Franchise Practices Act (Chapter 407) and any regulations promulgated thereunder. If the Missouri Franchise Practices Act does not apply to the franchise relationship created hereby, but there is a statute in the state in which the Franchised Store is located that specifically governs relationships between franchisees and franchisors, then that particular law shall apply in lieu of the Missouri Franchise Practices Act.

(b) Binding Effect - This Agreement is binding upon the parties hereto, their respective heirs, assigns and successors in interest.

(c) Entire Agreement - The introduction and recitals hereto are a part of this Agreement, which, along with any attachments, including the Rider and Statement of Ownership and Management, constitutes the entire agreement of the parties. At the time of this Agreement, there are no other oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. Nothing in this Agreement is intended to disclaim the express representations made in the Franchise Disclosure Document. No representations have been made to induce Franchisee to enter into this Agreement other than those contained in this Agreement and in the Disclosure Document, if any, that was delivered to Franchisee at least fourteen (14) calendar days prior to Franchisee's execution of this Agreement.

(d) Headings; Franchisee References; Liability - The Section headings are for convenience only and do not define, limit or construe the contents thereof. The term "Franchisee" as used herein is applicable to one (1) or more persons, a corporation, limited liability company, or a partnership, as the case may be, and the singular usage includes the plural and the masculine and feminine usages include the other and the neuter. If there is more than one signatory as "Franchisee", all of Franchisee's obligations hereunder and under any other agreement with Franchisor or its affiliates shall be joint and several in each and every respect and fully enforceable against each signatory. References in this Agreement to the termination of this Agreement, or the Term of the Franchise, shall be deemed to include the expiration of this Agreement without renewal.

(e) Construction - Franchisor and Franchisee agree that if any provision of this Agreement is capable of two (2) constructions, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, the provision shall have the meaning which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed simply according to its fair meaning and not strictly against Franchisor or Franchisee.

(f) Invalid Provisions - It is the desire and intent of Franchisor and Franchisee that the provisions of this Agreement be enforced to the fullest extent possible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any provision of this Agreement is adjudicated to be invalid or unenforceable, such adjudication is to apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made. All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid and unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. Franchisor and Franchisee shall substitute a valid and enforceable provision for any specification, standard, operating procedure, rule or other obligation of Franchisee or Franchisor which is determined to be invalid or unenforceable and is not waived by the other.

(g) Waivers - Franchisor and Franchisee, by written instrument signed by both parties, may unilaterally waive any obligation of or restriction upon the other under this Agreement. No acceptance by Franchisor of any payment by Franchisee and no failure, refusal or neglect of Franchisor or Franchisee to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations hereunder or with any specification, standard or operating procedure shall constitute a waiver of any provision of this Agreement or any specification, standard or operating procedure; provided, however, if a party fails to notify the other in writing of an alleged misrepresentation, violation of law, deficiency, or breach of this Agreement within one year from the date such party has knowledge of, believes, determines or is of the opinion that there has been a misrepresentation, violation of law, deficiency or breach by the other party, then the alleged misrepresentation, violation of law, deficiency or breach will be considered waived, but such waiver of any prior deficiency or breach of any provision of this Agreement shall not affect the obligation of the party to comply with the obligation or provision in the future; provided, however, that: (i) this waiver will not apply to Franchisee's underreporting of Gross Revenues, or under payment of any fees Franchisee owes Franchisor that are tied to the amount of the Gross Revenues; and (ii) the foregoing shall not otherwise extend or lengthen any statute of limitations provided by applicable law.

(h) Remedies Cumulative - All remedies provided to Franchisor under this Agreement are cumulative. No exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or of Franchisee of any other right or remedy hereunder or which Franchisor or Franchisee is entitled by law to enforce.

(i) Modifications - No modification of this Agreement shall be valid unless such modification is in writing and signed by Franchisee and Franchisor; provided, however, Franchisor may unilaterally modify the Confidential Manual(s).

(j) Notices - All written notices permitted or required to be delivered by the provisions of this Agreement shall be deemed so delivered: (i) when delivered by hand; (ii) three (3) days after placed in the United States mail by registered or certified mail, return receipt requested, postage prepaid; or (iii) one (1) business day after placed in the hands of an overnight courier, for next day delivery, and in the case of delivery under clauses (ii) or (iii), addressed to the party to be notified at its most current principal business address of which the notifying party has been notified.

(k) Patriot Act Representations - Franchisee represents and warrants that to its actual and constructive knowledge: (i) neither it (including its directors, officers and managers), nor any of its affiliates, or any funding source for the Franchised Business, are identified on the list at the United States Treasury's Office of Foreign Assets Control; (ii) neither it nor any of its affiliates is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (iii) neither it nor any of its affiliates is acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (iv) neither it nor any of its affiliates are on the U.S. Department of Commerce Denied Persons, Entities and Unverified Lists, the U.S. Department of State's Debarred Lists, or on the U.S. Department of Treasury's Lists of Specialty Designated Nationals, Specialty Designated Narcotics Traffickers or Specialty Designated Terrorists, as such lists may be amended from time to time (collectively, the Lists); (v) neither it nor any of its affiliates, during the term of the franchise relationship created hereby, will be on any of the Lists; and (vi) during the term of the franchise relationship created hereby, neither it nor any of its affiliates will sell products, goods or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists. Franchisee agrees to notify Franchisor in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

(l) Variances - Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any franchise owner based upon the peculiarities of a particular site or circumstance, density of population, 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 such franchise owner's business. Franchisee shall not complain on account of any variation from standard specifications and practices granted to any other franchise owner and shall not be entitled to require Franchisor to grant to Franchisee a like or similar variation thereof.

(m) Exercise of Business Judgment - Except as otherwise expressly stated in this Agreement, any consent or approval required to be obtained from Franchisor, or decision to be made by Franchisor, may be granted or made by Franchisor in its sole and exclusive business judgment, which may take into account Franchisor's assessment of, among other things, the long-term interests of Franchisor, the System of Operation and the Names and Marks, without regard to its effect on any individual franchisee or location. Franchisor's judgment shall prevail even in cases where other alternatives may be reasonable, so long as Franchisor is intending to benefit or is acting in a way that could benefit the System of Operation, enhance the value of the Names and Marks, increase customer satisfaction, or minimize possible consumer, brand or location confusion. If Franchisor's activities or decisions are supported by its business judgment, no court or judge or trier of fact, or any other person reviewing those activities or decisions may substitute his, her or its judgment for Franchisor's judgment, in recognition of the fact that the long-term goals of a franchise system, and the long-term interests of both Franchisor and its franchisees taken together, require that Franchisor have the latitude to exercise its business judgment in administering, managing and overseeing the System of Operation.

IN WITNESS WHEREOF, Franchisor and Franchisee have executed this Agreement the day and year first above written.

FRANCHISEE:

____

____

FRANCHISOR:
SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C.

By: ______________________________
Its: ___________________________

RIDER TO SUPPLEMENT SUPERSTORES FRANCHISE AGREEMENT

THIS RIDER is a part of the Franchise Agreement dated the ________ day of _____________, 20__, by and between SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C. ("Franchisor") and ____ ("Franchisee").

1.) The Search Area shall be: ____
____
____; provided, however, the Franchised Store may not be located in the designated territory of another S^2 franchisee.

2.) The Franchised Store shall be located at: ___________________________________
____
____.

3.) The Territory shall be: ____
____
____.

IN WITNESS WHEREOF, the parties have executed this Rider as of the date indicated below.

FRANCHISEE:

____

____

Dated: ________________________________

FRANCHISOR:
SUPPLEMENT SUPERSTORES
FRANCHISING, L.L.C.

By: _________________________________
Its: ______________________________

Dated: _____________________________

STATEMENT OF OWNERSHIP AND MANAGEMENT

The undersigned Franchisee ("Franchisee") represents and warrants to SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C. ("Franchisor") that as of the date set forth below all of the information below is true and complete:

Franchisee: ____

State of Formation/Residency: ______________________________

Form of Franchisee: *(select one)*

☐ Corporation
☐ Limited liability company
☐ Partnership
☐ Individual

Designated Manager: ____

Ownership *(Each owner must sign a Guaranty)*		
NAME OF OWNER	**NO. OF SHARES/UNITS OWNED**	**OWNERSHIP PERCENTAGE**
		%
		%
		%
		%

Management *(List each individual holding a position as board-member or officer)*	
NAME OF INDIVIDUAL	**ROLE/TITLE**

Franchisee acknowledges that this Statement of Ownership and Management applies to the Supplement Superstores Franchise Agreement. Franchisee shall immediately notify Franchisor upon any change in the information contained in this Statement of Ownership and

Management, and upon request of Franchisor, complete an updated or new Statement of Ownership and Management and Guaranty executed by all owners of Franchisee.

If corporation, limited liability company, or partnership:
FRANCHISEE:

____

Date: ___________________________________

By: ___________________________________
Name: ___________________________________
Title: ___________________________________

If individual:
FRANCHISEE:

Date: ___________________________________

____
Name: ___________________________________

GUARANTY

IN CONSIDERATION of the [grant by SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C. (“Franchisor”) of a franchise to the party named as “Franchisee” in the Franchise Agreement to which this Guaranty is attached (the “Franchise Agreement”)] [consent of SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C. (“Franchisor”) to the assignment of the Franchise Agreement to which this Guaranty is attached (the “Franchise Agreement”)] and for other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned hereby jointly and severally guarantee to Franchisor and to Franchisor’s successors and assigns the payment of all fees and other amounts payable to Franchisor or its affiliates by the party named as Franchisee in the Franchise Agreement (“Franchisee”), whether such fees or other amounts are provided for in the Franchise Agreement or under any other agreement between Franchisor or any affiliate and Franchisee and the performance by Franchisee of all its obligations under all such agreements, and under all manuals and operating procedures of the S^2 business system. The undersigned further specifically agree to be and remain individually bound by all covenants, obligations and commitments of Franchisee contained in the Franchise Agreement to the same extent as if each of the undersigned had individually been named as Franchisee in the Franchise Agreement, or had individually executed the Franchise Agreement as Franchisee.

The undersigned understand and agree that any modification of the Franchise Agreement, including any addendum or addenda thereto, or waiver by Franchisor of the performance by Franchisee of its obligations thereunder, or the giving by Franchisor of any extension of time for the performance of any of the obligations of Franchisee thereunder, or any other forbearance on the part of Franchisor or any failure by Franchisor to enforce any of its rights under the Franchise Agreement, including any addendum or addenda thereto, or any other agreement, shall not in any way release the undersigned from liability hereunder or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of Franchisee is so released, terminated, or affected or diminished. Notice to the undersigned of any such modification, waiver, extension or forbearance under the terms thereof being hereby waived. The undersigned further understand and agree that no bankruptcy or reorganization of Franchisee shall release or otherwise affect the obligations of the undersigned to pay all fees and other amounts provided for in all agreements between Franchisee and Franchisor or its affiliates, or otherwise owing to Franchisor or its affiliates, and to perform all the provisions of such agreements, as well as all manuals and operating procedures of the S^2 business system, nor does the same release the undersigned from being individually bound to perform all covenants, obligations, and commitments of Franchisee contained in the Franchise Agreement and any other agreements, to the same extent as if each of the undersigned had individually executed such agreements as Franchisee.

This Guaranty shall be enforceable upon ten (10) days’ written notice by Franchisor to any of the undersigned of any default by Franchisee of any of its covenants under the terms of the Franchise Agreement and addendum or addenda thereto, or any other agreement executed in connection therewith.

The undersigned hereby waive any and all notice of default on the part of Franchisee; waive exhausting of recourse against Franchisee; and consent to any assignment or other transfer of the Franchise Agreement and all other agreements, in whole or in part, that Franchisor, its affiliates or any of their assignees may make.

This Guaranty shall be a continuing Guaranty and may not be revoked without the prior written consent of Franchisor. This Guaranty shall apply to all agreements referenced in this Guaranty, to the renewal of all such agreements, and to any successor agreements thereto.

Dated: ________________________ ____________________________________

Dated: ________________________ ____________________________________

Dated: ________________________ ____________________________________

EXHIBIT E

FRANCHISE AGREEMENT TRANSFER FORM

FRANCHISE ASSIGNMENT, SALE AND TRANSFER

TO ENTITY OWNED BY ORIGINAL FRANCHISEE

A. Assignment and Sale

Pursuant to Section 14(c)(1) of the Franchise Agreement dated ____________________, by and between the undersigned and SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C. (the "Agreement"), I/we hereby transfer, subject to approval by SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C. (the "Company"), all my/our rights, in the Agreement, effective _________________________, to the transferee named below. I/we understand that this transfer does not relieve me/us of my/our obligations under the Agreement. To induce the Company to approve this assignment, I/we also agree:

(01) to subordinate any payment due to me/us from the Transferee (as defined below) to any other obligation the Transferee may have to the Company. If the Company notifies me/us of our default by the Transferee of its obligations to the Company under the Agreement, I/we will not accept any further amounts that may be owed to me/us by the Transferee until the Company has confirmed, in writing, that such defaults have been cured.

(02) I/we release the Company and its officers, directors, and agents, from all actions and claims I/we may have against them arising out of their sale to me/us of the Franchise, or in connection with my/our operation of the Franchise, including, but not limited to, any claims arising under the Agreement.

(03) I/we will remain bound to all the obligations of the Franchisee contained in the Agreement to the same extent as if I/we remain the Franchisee under that Agreement.

____

Name of New Franchisee ("Transferee")

____

Address of Transferee

____

City, State and Zip Code

____

Signature of Original Franchisee ("Transferor")

____

Date

B. Acceptance of Transfer by New Franchisee

The undersigned entity hereby accepts transfer of the Agreement and agrees to be bound by all of the provisions of the Agreement and to assume all of the obligations required of Franchisee named therein.

____ (name of new Franchisee)

By: ______________________________ Dated: ______________________
Signature, Title

C. Approval of Transfer

It is hereby agreed that the transferee named above is approved and accepted as Franchisee for the Franchised Store described in the Agreement and is authorized to exercise all rights and obligations of Franchisee named in the Agreement including the right to renew the Agreement upon expiration thereof, pursuant to the terms of the Agreement.

SUPPLEMENT SUPERSTORES
FRANCHISING, L.L.C.

Dated: ____ By: _______________________________
Its: _____________________________

[USED IN EVENT OF TRANSFER]

In consideration of the agreement of SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C. ("Franchisor") to consent to the transfer by ________________________________ ("Franchisee") of its Franchise Agreement dated _______________ between Franchisee and Franchisor (the "Agreement"), Franchisee hereby releases and forever discharges Franchisor, its directors, officers, shareholders, employees and agents, in their corporate and individual capacities, and their respective heirs, personal representatives, successors and assigns, from any and all claims Franchisee may have against such parties, from the beginning of time to the date hereof, whether in law or in equity, including, but not limited to, any claims arising out of the offer or sale of any franchise to Franchisee, and any matters arising under the Agreement.

NOTWITHSTANDING THE FOREGOING, THIS RELEASE DOES NOT RELEASE ANY CLAIMS THE UNDERSIGNED MAY HAVE THAT MAY NOT BE RELEASED PURSUANT TO THE FRANCHISE LAWS WHERE THE UNDERSIGNED IS A RESIDENT OR WHERE THE STORE IS LOCATED, TO THE EXTENT REQUIRED BY APPLICABLE LAW.

____

DATE:_______________________________

4911-1059-0742, v. 3

EXHIBIT F

DEVELOPMENT AGREEMENT, GUARANTY AND RELEASE

SUPPLEMENT SUPERSTORES DEVELOPMENT AGREEMENT

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SUPPLEMENT SUPERSTORES DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "Agreement") is made this _____ day of _________________, 20___, by and between SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C., a Missouri limited liability company ("Franchisor"), and _____________________________ ("Franchisee").

INTRODUCTION

Franchisor and its affiliates have developed and obtained knowledge in the operation of retail sports nutrition stores offering various nutritional and dietary supplements, certain of which are proprietary to Franchisor's affiliate, vitamins and other related products, all under the service mark "S^2" and other names, marks and associated logos that may now exist or hereafter be developed by Franchisor and licensed to Franchisee (the "Marks").

Franchisee understands and acknowledges the importance of: (i) establishing a uniform marketing system for retail sports nutrition stores selling the products and services authorized by Franchisor from the stores, and desires to use the Marks in the operation of stores offering various nutritional and dietary supplements, certain of which are proprietary to Franchisor's affiliate, vitamins and other related products; and (ii) operating its business and the stores in accordance with Franchisor's system of operation.

Franchisee has applied to Franchisor for the right to enter into Franchise Agreements pursuant to this Agreement for the operation of S^2 retail sports nutrition stores, and the application has been approved by Franchisor in reliance upon the representations made in the application. Franchisee acknowledges that it has read and understands this Agreement, and that all questions raised by Franchisee with regard to this Agreement and the development of the S^2 retail sports nutrition stores have been satisfactorily answered by Franchisor.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement and for other good and valuable consideration, the parties hereby agree as follows:

ARTICLE 1.

GRANT OF FRANCHISE; MARKET AREA

1.1) Franchisor hereby grants to Franchisee, for the term of this Agreement, the right to enter into Franchise Agreements with Franchisor to open and operate S^2 retail sports nutrition stores pursuant to such Franchise Agreements within the area described on <u>Exhibit 1</u> (the "Market Area"). The rights and privileges granted to Franchisee in this Agreement are expressly limited to the Market Area and are expressly subject to the terms and conditions of this Agreement.

1.2) During the term of this Agreement, and provided that Franchisee is not in default under this Agreement or any other agreement between Franchisor and Franchisee, Franchisor will not grant to anyone else a franchise to operate, and will not itself operate, a business under the S^2 service mark that is physically located in the Market Area that sells at retail primarily nutritional and dietary supplements, vitamins and other health-related products, prior to the earlier of: (i) the termination of this Agreement; and (ii) the date on which Franchisee must open its last S^2 retail sports nutrition store pursuant to Section 3.4, below. Franchisee acknowledges that the foregoing restrictions do not prevent Franchisor, its affiliates and designees from any activity not specifically set forth in the foregoing sentence, including:

(a) Operating, or allowing others to operate, similar or identical businesses within the Market Area if such businesses do not operate under the S^2 mark or operating, or allowing others to operate, similar or identical businesses physically located outside the Market Area, whether under the Marks or other trade or service marks even if the businesses compete with S^2 stores;

(b) Operating, or allowing others to operate, businesses inside the Market Area under the Marks that are not competitive with an S^2 store;

(c) Selling products that may be provided to Franchisee or an affiliate for sale in an S^2 store to other parties, whether located in the Market Area or otherwise and whether under the Marks or otherwise, so long as such products are not sold from a store operated under the S^2 mark that is physically located in the Market Area;

(d) Selling goods or services, or granting others the right to sell goods or services, similar to or competitive with those sold by S^2 stores in the Market Area, whether using the Marks or other trademarks or service marks, through other distribution channels (including, without limitation, the Internet, catalog sales, telemarketing, or other direct marketing) both inside and outside the Market Area;

(e) Acquiring businesses that are similar to an S^2 store; and

(f) The sale of Franchisor or substantially all of its assets, to any third party regardless whether such third party operates, or franchises the operation of, businesses similar to an S^2 store.

ARTICLE 2.

TERM OF AGREEMENT

2.1) Unless sooner terminated in accordance with Section 4.1 of this Agreement, this Agreement shall expire on the date that the last S^2 retail sports nutrition store must be open under Section 3.4.

2.2) There are no rights of renewal under this Agreement. At the end of the term of this Agreement, Franchisor shall have the right to reevaluate the prospects for the establishment of S^2 retail sports nutrition stores in the Market Area, and Franchisor may determine that the

Market Area shall be further developed by opening additional S^2 retail sports nutrition stores in the Market Area, either by Franchisor, by Franchisor's affiliates or by other franchisees.

ARTICLE 3.

DEVELOPMENT FEE; DEVELOPMENT TIMELINE

3.1) During the term of this Agreement, Franchisee shall open a minimum of ____ S^2 retail sports nutrition stores in the Market Area (the "Total Store Number") in accordance with the development timeline set forth in Section 3.4 below. If the Franchisee transfers or otherwise assigns its interest in any Franchise Agreement it has with the Franchisor before the Franchisee has operated that store for at least six (6) months under its management, then that store will not be considered to have been developed by Franchisee, and will not count toward Franchisee's compliance with the first sentence of this Section.

3.2) On the date this Agreement is executed by Franchisee, Franchisee shall pay Franchisor a development fee (the "Development Fee") in an amount determined by multiplying the Total Store Number by Twelve Thousand Dollars ($12,000). The Development Fee is nonrefundable and is payable in full when Franchisee signs this Agreement and is fully earned by Franchisor at that time. It is to be paid as consideration for Franchisor's agreement in the first sentence of Section 1.2, and not for the grant of the right to open any store, which rights shall only be granted pursuant to separate Franchise Agreements to be entered into between the parties.

3.3) On the date this Agreement is executed by Franchisee, Franchisee shall also execute a Supplement Superstores Franchise Agreement for its first S^2 retail sports nutrition store. As a condition to opening any S^2 retail sports nutrition store, Franchisee must execute the then current Supplement Superstores Franchise Agreement offered by Franchisor to new franchisees of Franchisor, and shall personally guarantee the obligations thereunder. Franchisee must execute the Supplement Superstores Franchise Agreement for each of the retail sports nutrition stores to be opened pursuant to this Agreement following the first, within sixty (60) days from the date of the opening of the previous S^2 retail sports nutrition store contemplated hereby. Franchisee acknowledges that Franchisor's Supplement Superstores Franchise Agreement may be modified from time to time by Franchisor and that such modifications and amendments to that Agreement shall not alter Franchisee's obligations under this Agreement. Franchisee shall pay to Franchisor monthly royalty fees and monthly advertising contributions and any other amounts as set forth in each respective Franchise Agreement signed by Franchisee and comply with all other terms contained therein.

3.4) Franchisee acknowledges and agrees that a material provision of this Agreement is that Franchisee develop the Market Area in an expedient manner. To that end, Franchisee must acquire sites and open the stores within the time set forth in the immediate next sentence. To that end, Franchisee must: (1) provide Franchisor with a fully signed lease or sublease approved by Franchisor for a site for the store within ninety (90) days from the date of the Franchise Agreement for that store; and (2) open the store within ninety (90) days from the date such lease or sublease is approved by Franchisor. Time is of the essence for the development of each S^2 retail sports nutrition store under this Agreement.

3.5) Franchisee represents that it has conducted its own independent investigation and analysis of the prospects for the establishment of S^2 retail sports nutrition stores within the Market Area, approves of the development timeline in Section 3.4 as being reasonable, viable, and essential to the potential success of Franchisee's business and recognizes that failure to meet any of the deadlines in Sections 3.3 or 3.4 constitute a material breach of this Agreement. In such case, Franchisor may terminate this Agreement as provided herein. Termination of this Agreement shall not affect the individual Franchise Agreements signed by Franchisee for S^2 retail sports nutrition stores in the Market Area; however, upon termination, all rights granted to Franchisee under this Agreement shall forthwith revert to Franchisor, except for those obligations that continue beyond termination of this Agreement.

ARTICLE 4.

MULTI-STORE TRAINING

4.1) Prior to opening the second S^2 retail sports nutrition store contemplated by this Agreement, Franchisee must complete Franchisor's multi-store management training. This training will consist of approximately three (3) days of classroom training, which training shall be held at Franchisor's offices, or may be conducted electronically. There will be no charge for this training, but travel and living expenses, if any, incurred by Franchisee in connection with the training shall be the responsibility of Franchisee. Franchisee may not open its second S^2 retail sports nutrition store contemplated by this Agreement unless and until it has completed this training to Franchisor's satisfaction.

ARTICLE 5.

TERMINATION

5.1) In addition to the other rights of termination contained in this Agreement, Franchisor may terminate this Agreement effective immediately upon receipt by Franchisee of notice of default, if Franchisee:

(a) Voluntarily abandons the franchise relationship;

(b) Is convicted in a court of competent jurisdiction of an offense directly related to the business conducted pursuant to this Agreement or is otherwise convicted of a felony;

(c) Fails to cure a default under this Agreement or under any Franchise Agreement for an S^2 retail sports nutrition store which impairs the goodwill associated with the Marks after Franchisee has received written notice to cure at least twenty-four (24) hours in advance of the notice of termination;

(d) Makes an assignment for the benefit of creditors, or admits its inability to pay its obligations as they become due;

(e) Files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution or similar relief under any law, admits or fails to contest the material allegations of any such pleading filed against it, or is adjudicated bankrupt or insolvent;

(f) Commits repeated, material violations of any health, safety, or other regulatory law, ordinance or regulation or operates any S^2 retail sports nutrition store in a manner that presents a health or safety hazard to its employees, customers or the general public;

(g) Makes an unauthorized assignment or transfer of this Agreement;

(h) Consistently fails to pay its creditors, employees, or suppliers on a timely basis;

(i) Acquires a location, by lease or otherwise, for an S^2 retail sports nutrition store before Franchisor has approved the location for that store or before Franchisee signs a Franchise Agreement for that store, or Franchisee opens an S^2 retail sports nutrition store before Franchisee has signed a Franchise Agreement for that store.

(j) Fails to comply with the time for the execution of Supplement Superstores Franchise Agreements as set forth in Section 3.3 or the development timeline set forth in Section 3.4 for the acquisition of a lease or sublease for the site of an S^2 retail sports nutrition store or the opening of any S^2 retail sports nutrition store under this Agreement;

(k) Has made a material misrepresentation on its application for this Agreement; or

(l) Otherwise breaches this Agreement, any other agreement between Franchisor and Franchisee or Franchisee and any affiliate of Franchisor (whether or not such breaches are corrected after notice) or any specification, standard, or operating procedure prescribed by Franchisor and does not correct such failure within the reasonable time set forth in the notice to cure sent by Franchisor to Franchisee which shall in no event be required to be more than thirty (30) days.

5.2) Section 5.1 notwithstanding, to the extent that the provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation, nonrenewal or the like other than in accordance with applicable law, such provisions shall, to the extent such are not in accordance with applicable law, be superseded by said law, and Franchisor shall comply with applicable law in connection with each of these matters.

ARTICLE 6.

EFFECT OF TERMINATION

6.1) Upon termination of this Agreement for any reason:

(a) All rights granted to Franchisee pursuant to this Agreement shall automatically revert to Franchisor and Franchisor shall have the right to develop the

Market Area or to contract with one or more other franchisees for the future development of the Market Area.

(b) Except to the extent Franchisee's individual Franchise Agreements are also terminated, Franchisee shall continue to operate the S2 retail sports nutrition stores owned and operated by Franchisee in the Market Area pursuant to the terms of the applicable Franchise Agreements signed by Franchisee and Franchisor, and the rights and obligations of Franchisee and Franchisor shall be governed by the terms of the applicable Franchise Agreements.

ARTICLE 7.

INDEPENDENT CONTRACTORS; INDEMNIFICATION

7.1) Franchisor and Franchisee are each independent contractors. Franchisee shall not make any agreements, representations, or warranties in the name of or on behalf of Franchisor or represent that their relationship is other than that of franchisor and franchisee.

7.2) Neither Franchisor nor Franchisee shall be obligated by or have any liability to the other under any agreements or representations made by the other to any third parties. Franchisor will not be obligated to any person for any damages to any person or property directly or indirectly arising out of the operation of Franchisee's business that is conducted pursuant to this Agreement, or caused by Franchisee's negligence, willful action, or failure to act.

7.3) Franchisee shall indemnify Franchisor in any action, suit, proceeding, demand, investigation, or inquiry (formal or informal) wherein the liability of Franchisor is alleged or in which it is named as a party as a result of activities by Franchisee which are not in accordance with this Agreement, with Franchisor's policies as published in Franchisor's manuals, or with any law, rule, regulation, or custom governing Franchisee's business that is conducted pursuant to this Agreement. If such an action or a claim is made against Franchisor, Franchisee shall indemnify and hold harmless Franchisor from all costs reasonably incurred by Franchisor in the defense of any such claim brought against it or in any action, suit, proceeding, demand, investigation, or inquiry (formal or informal) in which it is named as a party including, without limitation, reasonable attorneys' fees, costs of investigation or proof of facts, court costs, other litigation expenses, and travel and living expenses, and from all amounts paid or incurred by Franchisor arising out of such claim or action (collectively, the "Costs"). Franchisor may defend any claim made against it. Such an undertaking by Franchisor shall, in no way, diminish Franchisee's obligation to indemnify Franchisor and hold it harmless. Franchisor shall not be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim against Franchisee.

7.4) Franchisor agrees to indemnify Franchisee against, and to reimburse Franchisee for, any obligation or liability for damages attributable to agreements, representations or warranties of Franchisor, or resulting from the negligent or willful action of Franchisor, and for Costs (as hereinabove defined) reasonably incurred by Franchisee in the defense of any claim brought against it or in any action in which it is named as a party. Franchisor shall have the right to participate in and, to the extent Franchisor deems necessary, to control any litigation or proceeding which might result in liability of or expense to Franchisee subject to indemnification by Franchisor.

7.5) The indemnities and assumption of liabilities and obligations herein shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

ARTICLE 8.

TRANSFER OF DEVELOPMENT AGREEMENT

8.1) This Agreement is fully assignable by Franchisor and shall inure to the benefit of any assignee or other legal successor in interest of Franchisor. Franchisee shall at all times be responsible for the day to day operation and management of the business hereunder.

8.2) Franchisee may only Transfer (as defined below) its rights and interests under this Agreement if it obtains Franchisor's prior written consent and Franchisee transfers all of its rights and interests under all Franchise Agreements for S2 retail sports nutrition stores operated by Franchisee in the Market Area to the same transferee. Accordingly, the assignment terms and conditions of the last Franchise Agreement Franchisee signed for an S2 retail sports nutrition store will apply to any Transfer of Franchisee's rights and interests under this Agreement. As used in this Agreement, the term "Transfer" means any sale, assignment, lease, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by judicial order, merger, consolidation, share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary, of this Agreement or any interest in it, or any rights or obligations arising under it, or of any material portion of Franchisee's assets, or of any interest in Franchisee. Franchisor has granted the development rights hereunder based upon representations by Franchisee that it is Franchisee's intent in entering into this Agreement to open and operate not less than the minimum number of S2 retail sports nutrition stores to be developed under this Agreement. In addition, if there are two (2) individuals signing this Agreement as Franchisee, and one (1) of those individuals is no longer involved in the ownership of the business that is developing the S2 retail sports nutrition store, the withdrawal of that person shall be considered a "Transfer." A "Transfer" shall also be deemed to occur when there are more than two (2) people listed as Franchisee and there is a change of ownership of the business such that less than a majority of the original signatories continue to have a majority interest in the equity of the business.

ARTICLE 9.

ACKNOWLEDGEMENTS OF FRANCHISEE

To induce Franchisor to accept Franchisee's application for the rights set forth herein and to execute this Agreement, Franchisee hereby represents and warrants to Franchisor as follows:

9.1) Franchisee recognizes and acknowledges the importance of maintaining Franchisor's standards for service, and further recognizes and acknowledges the importance of following the system of operation with respect to the development and operation of S^2 retail sports nutrition stores.

9.2) Franchisee has received a copy of Franchisor’s Disclosure Document, together with copies of all contracts relating to the sale of the franchise, at least fourteen (14) calendar days prior to the time Franchisee signed a binding agreement with, or made any payment to, Franchisor or an affiliate in connection with the sale of the franchise. Franchisee has read and understands all such documents.

9.3) Franchisee has the entire control and direction of the S^2 retail sports nutrition stores to be opened and operated by Franchisee, subject only to the conditions and covenants established by the Franchise Agreements for those stores. Franchisee further acknowledges that the businesses to be operated under those Franchise Agreements involve business risks, and that Franchisee’s success shall be largely determined by its own skill and efforts as an independent business person.

9.4) Franchisee has been advised to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement and the Franchise Agreements S^2 the retail sports nutrition store and that Franchisee has had the opportunity to consult with such advisors and also has had the opportunity to independently investigate the opportunities offered under all such agreements.

9.5) Franchisee acknowledges that it has entered into this Agreement after making an independent investigation of Franchisor’s operations, and no one has made any other representation to induce Franchisee to accept the franchise granted hereunder and to execute this Agreement which is not expressly set forth herein or in Franchisor’s Disclosure Document.

ARTICLE 10.

MISCELLANEOUS

10.1) The provisions dealing with confidentiality, covenants not to compete, enforcement provisions, notice provisions, and the provisions contained in the Section entitled “Miscellaneous” as set forth in the last franchise agreement Franchisee has signed for a S^2 retail sports nutrition store, are hereby incorporated into this Agreement by reference. Any reference to the expression “this Agreement” in such sections shall be interpreted as a reference to this Agreement. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits or amendments. Any provisions of this Agreement which by their nature, may or are to be performed following expiration or termination of this Agreement, shall survive such termination or expiration.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

FRANCHISEE:

____

____

FRANCHISOR:
SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C.

By: ______________________________
Its: ____________________________

GUARANTY

IN CONSIDERATION of the consent by SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C. ("Franchisor") to the assignment of the Development Agreement to which this Guaranty is attached (the "Development Agreement"), and for other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned hereby jointly and severally guarantee to Franchisor and to Franchisor's successors and assigns the payment of all fees and other amounts payable to Franchisor or its affiliates by the party named as Franchisee in the Development Agreement ("Franchisee"), whether such fees or other amounts are provided for in the Development Agreement or under any other agreement between Franchisor or any affiliate and Franchisee, and the performance by Franchisee of all its obligations under all such agreements, and under all manuals and operating procedures of S^2 business system. The undersigned further specifically agree to be individually bound by all covenants, obligations and commitments of Franchisee contained in the Development Agreement to the same extent as if each of the undersigned had individually been named as Franchisee in the Development Agreement and had individually executed the Development Agreement as Franchisee.

The undersigned understand and agree that any modification of the Development Agreement, including any addendum or addenda thereto, or waiver by Franchisor of the performance by Franchisee of its obligations thereunder, or the giving by Franchisor of any extension of time for the performance of any of the obligations of Franchisee thereunder, or any other forbearance on the part of Franchisor or any failure by Franchisor to enforce any of its rights under the Development Agreement, including any addendum or addenda thereto, or any other agreement, shall not in any way release the undersigned from liability hereunder or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of Franchisee is so released, terminated, or affected or diminished. Notice to the undersigned of any such modification, waiver, extension or forbearance under the terms thereof being hereby waived. The undersigned further understand and agree that no bankruptcy or reorganization of Franchisee shall release or otherwise affect the obligations of the undersigned to pay all fees and other amounts provided for in all agreements between Franchisee and Franchisor or its affiliates, or otherwise owing to Franchisor or its affiliates, and to perform all the provisions of such agreements, as well as all manuals and operating procedures of the S^2 business system, nor does the same release the undersigned from being individually bound to perform all covenants, obligations, and commitments of Franchisee contained in the Development Agreement and any other agreements, to the same extent as if each of the undersigned had individually executed the Development Agreement and such agreements as Franchisee.

This Guaranty shall be enforceable upon ten (10) days' written notice by Franchisor to any of the undersigned of any default by Franchisee of any of its covenants under the terms of the Development Agreement and addendum or addenda thereto or any agreements executed in connection therewith.

The undersigned hereby waive any and all notice of default on the part of Franchisee; waive exhausting of recourse against Franchisee; and consent to any assignment of the

Development Agreement and all other agreements, in whole or in part, that Franchisor, its affiliates or any of their assignees may make.

This Guaranty shall be a continuing Guaranty and may not be revoked without the prior written consent of Franchisor. This Guaranty shall apply to all agreements referenced in this Guaranty, to the renewal of all such agreements, and to any successor agreements thereto.

Dated: ___________________________ ____

Dated: ___________________________ ____

Dated: ___________________________ ____

EXHIBIT 1

MARKET AREA

EXHIBIT G

DEVELOPMENT AGREEMENT TRANSFER FORM

ASSIGNMENT, SALE AND TRANSFER
TO ENTITY OWNED BY ORIGINAL FRANCHISEE

A. Assignment and Sale

Pursuant to Article 8 of the Development Agreement dated ____________________, by and between the undersigned and SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C. (the "Agreement"), I/we hereby transfer, subject to approval by SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C. (the "Franchisor"), all my/our rights in the Development Agreement, effective _________________________, to the transferee named below. I/we understand that this transfer does not relieve me/us of my/our obligations under the Agreement. To induce the Company to approve this assignment, I/we also agree:

(01) to subordinate any payment due to me/us from the Transferee (as defined below) to any other obligation the Transferee may have to the Company. If the Company notifies me/us of our default by the Transferee of its obligations to the Company under the Agreement, I/we will not accept any further amounts that may be owed to me/us by the Transferee until the Company has confirmed, in writing, that such defaults have been cured.

(02) I/we release the Company and its officers, directors, and agents, from all actions and claims I/we may have against them arising out of their sale to me/us of the Franchise, or in connection with my/our operation of the Franchise, including, but not limited to, any claims arising under the Agreement.

(03) I/we will remain bound to all the obligations of Franchisee contained in the Agreement to the same extent as if I/we remain Franchisee under that Agreement.

____

Name of New Franchisee ("Transferee")

____

Address of Transferee

____

City, State and Zip Code

____

Signature of Original Franchisee(s) ("Transferor")

____

Date

B. Acceptance of Transfer by New Franchisee

The undersigned entity hereby accepts transfer of the Agreement and agrees to be bound by all of the provisions of the Agreement and to assume all of the obligations required of Franchisee named herein.

____ (name of new Franchisee)

By: ____________________________ Dated: ____________________
Signature, Title

C. Approval of Transfer

It is hereby agreed that the entity transferee named above is approved and accepted as Franchisee as described in the Agreement and is authorized to exercise all rights and obligations of Franchisee named in the Agreement.

SUPPLEMENT SUPERSTORES
FRANCHISING, L.L.C.

By:______________________________
Its::______________________________

[USED IN EVENT OF TRANSFER]

In consideration of the agreement of SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C. (“Franchisor”) to consent to the transfer by ___________________________________ (“Franchisee”) of its Development Agreement dated _______________ between Franchisee and Franchisor (the “Agreement”), Franchisee hereby releases and forever discharges Franchisor, its directors, officers, shareholders, employees and agents, in their corporate and individual capacities, and their respective heirs, personal representatives, successors and assigns, from any and all claims Franchisee may have against such parties, from the beginning of time to the date hereof, whether in law or in equity, including, but not limited to, any claims arising out of the offer or sale of any franchise to franchisee, and any matters arising under the Agreement.

NOTWITHSTANDING THE FOREGOING, THIS RELEASE DOES NOT RELEASE ANY CLAIMS THE UNDERSIGNED MAY HAVE THAT MAY NOT BE RELEASED PURSUANT TO THE FRANCHISE LAWS WHERE THE UNDERSIGNED IS A RESIDENT OR WHERE THE UNDERSIGNED’S BUSINESS IS LOCATED, TO THE EXTENT REQUIRED BY APPLICABLE LAW.

____

DATE:_________________________________

4904-8406-8374, v. 1

EXHIBIT H

Stores as of December 31, 2024

Franchised Stores:

Illinois

Gray Knight Enterprises, LLC 115 S Veterans Parkway Normal, IL 61761 (309) 808-2422	Gray Knight Enterprises, LLC 2302 Wabash Avenue Springfield, Illinois 62704 (217) 679-2096	Gray Knight Enterprises, LLC 4511 N. Sterling Ave Peoria, IL 61615 (309) 839-1986

Kansas

Buff Enterprises II, LLC 7344 W. 135th St. Overland Park, KS 66223 (913) 402-6813	Buff Enterprises II, LLC 11908 Shawnee Mission Parkway Shawnee, KS 66217 (913) 400-2028

Missouri

Buff Enterprises II, LLC 8562 N Church Rd Kansas City, MO 64517 (816) 429-7699	Buff Enterprises II, LLC 6278 NW Barry Road Kansas City, MO 64154 (816) 429-7699	Buff Enterprises II, LLC 8562 N Church Rd. Kansas City, MO 64157 (816) 429-7699
Buff Enterprises II, LLC 920 NW Pryor Road, Suite C Kansas City, MO 64081 (816) 429-7699	Buff Enterprises II, LLC 8600 Ward Parkway #2140 Kansas City, MO 64114 (816) 326-7155	Buff Enterprises II, LLC 633 NE Coronado Drive Blue Springs, MO 64014 (816)622-8190
Gray Knight Enterprises, LLC 303 N. Stadium Boulevard, Suite 111 Columbia, MO 65203 (573) 445-8060	Gray Knight Enterprises, LLC 2910 Trimble Road, #107 Columbia, MO 65201 (573) 442-6017	Gray Knight Enterprises, LLC 1922 Missouri Blvd Suite A Jefferson City, MO 65109 (573) 635-9155

Oklahoma

Buff Enterprises II, LLC
11340 E 96th St North #300
Owasso, OK 74055
(918) 516-2124

Affiliate Stores:

Illinois

Edwardsville 6687 Center Grove Edwardsville, IL 62034 (618) 307-5993	Shiloh 3280 Green Mount Crossing Shiloh, IL 62269 (618) 624-9995

Missouri

Arnold 2259 Michigan Ave. Arnold, MO 63010 (636) 333-2899	Brentwood 8420 Eager Rd. Brentwood, MO 63144 (314) 961-3935	Chesterfield 17245 Chesterfield Airport Rd. Chesterfield, MO 63005 (635) 536-3288
Fenton 699 Gravois Bluffs Blvd. Fenton, MO 63026 (636) 717-1888	Florissant 8184 N. Lindbergh Blvd. Florissant, MO 63031 (314) 839-7782	Manchester 14004 Manchester Rd Manchester, MO 63011 (636) 391-1085
South St. Louis County 7449 S. Lindbergh Blvd. St. Louis, MO 63125 (314) 416-8800	Springfield North 1709 S. Campbell Springfield, MO 65807 (417) 864-6799	Springfield South 4406 South Campbell, #108 Springfield, MO 65810 (417) 886-6799
St. Peters 181 Mid Rivers Mall Drive St. Peters, MO 63376 (636) 970-2228	Washington 2090 Washington Crossing Washington, MO 63090 (636) 432-1880	Wentzville 1894 Wentzville Parkway, Suite 102 Wentzville, MO 63385 (636) 639-8001
Springfield East 3233 East Sunshine Street Suite 116 Springfield, MO 65804 (417) 771-5438		

EXHIBIT I

State Specific Addenda to Disclosure Document

ADDENDUM TO
SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C.
DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

Illinois law governs the agreements between the parties to this franchise.

In conformance with Section 4 of the Illinois Franchise Disclosure Act any provision in a franchise agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

In conformance with Section 41 of the Illinois Franchise Disclosure Act 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.

Franchisee's rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Items 5 and 7 are amended by the addition of the following language in each such Item:

Notwithstanding anything in the Franchise Disclosure Document to the contrary, payment of Initial Franchise Fees and 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 Office of the Illinois Attorney General due to Franchisor's financial condition.

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 any franchisor, franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISOR: SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C.	FRANCHISEE: ______________________________
By:____________________________	By:____________________________
Name:__________________________	Name:__________________________
Title:__________________________	Title:__________________________
Date:__________________________	Date:__________________________

RIDER TO
SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C.
FRANCHISE AGREEMENT
<u>FOR USE IN ILLINOIS</u>

This Rider (this "Rider") is entered into this ________________, 20__ (the "Effective Date"), between SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C. ("Franchisor"), and ____, a ____________ ("Franchisee") and amends the Franchise Agreement between the parties dated as of the Effective Date (the "Franchise Agreement").

If the Franchise Agreement is governed by the laws of Illinois, then the following provisions apply:

(a) Illinois law governs the Franchise Agreement;

(b) In conformance with Section 4 of the Illinois Franchise Disclosure Act any provision in a franchise agreement that designates jurisdiction or venue in a forum outside Illinois is void. However, a franchise agreement may provide for arbitration in a forum outside of Illinois;

(c) In conformance with Section 41 of the Illinois Franchise Disclosure Act 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; and

(d) The Franchisee's rights upon termination and non-renewal of a franchise agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

(e) Notwithstanding anything set forth in the Franchise Agreement to the contrary, payment of the Initial Franchise Fee 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 Office of the Illinois Attorney General due to Franchisor's financial condition.

(f) 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 any franchisor, franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[*Signature page follows*]

IN WITNESS WHEREOF, the undersigned have executed this Rider as of the Effective Date.

FRANCHISOR: SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C.	FRANCHISEE: ____________________________________
By:________________________________ Name:_____________________________ Title:______________________________ Date:______________________________	By:________________________________ Name:_____________________________ Title:______________________________ Date:______________________________

RIDER TO
SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C.
DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS

This Rider (this "Rider") is entered into this ________________, 20__ (the "Effective Date"), between SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C. ("Franchisor"), and ____, a ____________ ("Franchisee") and amends the Development Agreement between the parties dated as of the Effective Date (the "Development Agreement").

If the Development Agreement is governed by the laws of Illinois, then the following provisions apply:

(a) Illinois law governs the Development Agreement;

(b) In conformance with Section 4 of the Illinois Franchise Disclosure Act any provision in a franchise agreement that designates jurisdiction or venue in a forum outside Illinois is void. However, a franchise agreement may provide for arbitration in a forum outside of Illinois;

(c) In conformance with Section 41 of the Illinois Franchise Disclosure Act 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; and

(d) The Franchisee's rights upon termination and non-renewal of a franchise agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

(e) Notwithstanding anything set forth in the Development Agreement to the contrary, the payment of the Development Fee 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 Office of the Illinois Attorney General due to Franchisor's financial condition.

(f) 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[*Signature page follows*]

IN WITNESS WHEREOF, the undersigned have executed this Rider as of the Effective Date.

FRANCHISOR: SUPPLEMENT SUPERSTORES FRANCHISING, L.L.C.	FRANCHISEE: _______________________________________
By:___________________________________	By:___________________________________
Name:________________________________	Name:________________________________
Title:_________________________________	Title:_________________________________
Date:_________________________________	Date:_________________________________

EXHIBIT J

DIRECT DEBIT AUTHORIZATION

AUTHORIZATION FOR DIRECT PAYMENT VIA ACH (ACH DEBITS)

Direct Payment via ACH is the transfer of funds from a banking account for the purpose of making a payment. The undersigned (the “Franchisee”) authorizes Supplement Superstores Franchising, L.L.C. (the “Company”) to electronically debit Franchisee’s account (and, if necessary, electronically credit this account to correct erroneous debits) as follows:

Select One: ❑ Checking Account
❑ Savings Account

at the depository financial institution named below (“DEPOSITORY”) or such other bank account Franchisee may maintain for all amounts owed by Franchisee to the Company and its affiliates.

Depository Name **<BANK NAME>**
Routing Number **<ROUTING NUMBER>**
Account Number **<ACCOUNT NUMBER>**

Amount of debit(s) or method of determining amount of debit(s): $0.01 to $999,999.99.

This authorization will remain in full force and effect until Franchisee is no longer a franchisee in the franchise system. You expressly agree that this authorization will apply to any and all depositories and bank accounts that you open while you are a franchisee in the franchise system. Without limiting the above, you acknowledge and agree that if you close any bank account, you will:

1) immediately notify the Company in writing;
2) immediately open or otherwise establish another bank account;
3) immediately execute and deliver to the Company all documents necessary for the Company to begin and continue making withdrawals from such bank account/depository by ACH debit or other electronic means as it may determine.

Franchisee expressly acknowledge and agree that this authorization will be the only written authorization needed from Franchisee in order for the Company to initiate ACH debit originations and ongoing debit entries to your bank account(s) established with any depository in the future. Please fully complete this form by completing all of the information required, sign it and return this form to the Company.

FRANCHISEE:

[Insert Franchisee legal name]__________________

Name(s) **<AUTHORIZED SIGNER NAME>**

Date **<DATE>**

Signature(s) ____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	**Effective Date**
Illinois	Pending
Indiana	Pending

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.

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Supplement Superstores Franchising, L.L.C. 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 (or sooner if required by applicable state law).

If Supplement Superstores Franchising, L.L.C. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Agency listed in Exhibit A.

Supplement Superstores Franchising, L.L.C. authorizes the respective state agencies identified on Exhibit A to receive service of process for us in their state.

The name, principal business address, and telephone number of the franchise seller offering this Supplement Superstores Franchising, L.L.C. franchise is ____________________ ____________________________________.

ISSUANCE DATE: June 25, 2025.

I received a Disclosure Document with an issuance date of June 25, 2025. This Disclosure Document included the following exhibits:

A. List of State Agencies
B. Tables of Contents of Operations Manual
C. Financial Statements
D. Franchise Agreement, Guaranty and Release
E. Franchise Agreement Transfer Form
F. Development Agreement, Guaranty and Release
G. Development Agreement Transfer Form
H. List of Stores as of December 31, 2024
I. State Specific Addenda to Disclosure Document
J. Direct Debit Authorization

Please return one signed copy of this Receipt to the attention of Tyler Fox at Supplement Superstores Franchising, L.L.C., 620 Assembly Parkway, Fenton, MO 63026, (314) 482-7601.

Date Disclosure Document Received: ___________________________
Date Receipt Signed: ______________________

By:____________________________________

____
Print Name

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Supplement Superstores Franchising, L.L.C. 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 (or sooner if required by applicable state law).

If Supplement Superstores Franchising, L.L.C. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Agency listed in Exhibit A.

Supplement Superstores Franchising, L.L.C. authorizes the respective state agencies identified on Exhibit A to receive service of process for us in their state.

The name, principal business address, and telephone number of the franchise seller offering this Supplement Superstores Franchising, L.L.C. franchise is ____________________ ___________________________________.

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Date Disclosure Document Received: __________________________
Date Receipt Signed: _____________________

By:__________________________________

____
Print Name