

FRANCHISE DISCLOSURE DOCUMENT



Gold's Gym Franchise LLC
a Delaware limited liability company
5420 Lyndon B. Johnson Freeway, Suite 300
Dallas, Texas 75240
(214) 574-4653
franchise@goldsgym.com
www.goldsgym.com

The franchise offered is to operate a Gold's Gym-branded health club (a "Gold's Gym Facility"). The total investment necessary to begin operation of a Gold's Gym Facility is \$1,778,000 to \$4,347,000. This includes \$40,000 to \$40,500 that must be paid to the franchisor or its affiliate (\$45,050 to \$46,500 if, at your sole option, you elect to participate in one or both of the Gold's Gym Studio Programs).

If you sign a Development Rights Agreement and commit to developing multiple Facilities, your initial investment under the Development Rights Agreement will increase by \$10,000 multiplied by each such Facility (less the first Facility you agree to develop under a franchise agreement), all of which must be paid to the franchisor. We will apply your development fee, in \$10,000 increments, toward the initial fee you owe as you sign each franchise agreement, so the development fee does not increase your total investment for each Facility, and that investment must be made whether or not you sign a Development Rights 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, contact Gold's Gym Franchise LLC at 5420 Lyndon B. Johnson Freeway, Suite 300, Dallas, Texas 75240, (214) 574-4653, franchise@goldsgym.com.

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

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

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

Issuance date: July 1, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits F and G.
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 H 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 Gold's Gym 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 Gold's Gym franchisee?	Item 20 or Exhibits F and G 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 Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and development rights agreement require you to resolve disputes with the franchisor by arbitration and/or litigation only in the state where our principal business address is located (currently, Texas). Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Texas than in your own state.
2. **Mandatory Minimum Payments.** You must make mandatory minimum royalty payments or advertising contributions regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
5. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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

**THE FOLLOWING PROVISIONS APPLY ONLY TO
TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW**

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
(517) 373-7177

Note: Despite paragraph (f) above, we intend to enforce fully the arbitration provisions of our Franchise Agreement and Development Rights Agreement. We believe that paragraph (f) is preempted by federal law and cannot preclude us from enforcing these arbitration provisions.

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Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

Us and Our Related Companies

The franchisor is Gold's Gym Franchise LLC ("us" or "we"). "You" means the person or entity acquiring a franchise. If you are a legal entity other than an individual, your owners must sign the Guaranty and Assumption of Obligations and/or the Principal's Agreement attached to the Franchise Agreement (Exhibit B) as Exhibit B and Exhibit C, respectively, which means that some or all provisions of the Franchise Agreement also will apply to your owners.

Franchisor: We are a Delaware limited liability company formed on July 27, 2020. We do business under our company name and as "Gold's Gym Franchise" and "Gold's Gym." Our principal business address is 5420 Lyndon B. Johnson Freeway, Suite 300, Dallas, Texas 75240. If we have an agent for service of process in your state, we disclose that agent in Exhibit A. We have never operated a Gold's Gym Facility (as defined below). We have offered franchises for the operation of Gold's Gym Facilities since March 26, 2021. Except as described here, we have conducted no other business activities or offered franchises in any other lines.

Predecessor: Our only predecessor is Gold's Gym Franchising LLC ("Predecessor"). Predecessor offered franchises for Gold's Gym Facilities from 1999 to May 2020. Predecessor also offered franchises for smaller-sized new concept gyms under the Gold's Gym[®] name from 2009 until 2011 and for limited-amenity gyms under the Gold's Gym Express[®] name from 2011 to 2013. There are no Gold's Gym Express[®] facilities currently in operation. Except for these franchises, Predecessor did not offer franchises in any other lines of business. Predecessor has never operated Gold's Gym Facilities. Predecessor's principal business address was 4001 Maple Avenue, Suite 200, Dallas, Texas 75219.

Parents: Our parent is RSG Group USA Inc. ("Immediate Parent"). Immediate Parent's principal business address is 7000 Romaine Street, Suite 201, West Hollywood, California 90038. Immediate Parent's parent company is RSG Group GmbH ("Ultimate Parent"). Ultimate Parent's principal business address is Saarbrücker Straße 38 / 10405 Berlin (Germany). Immediate Parent has never operated a Gold's Gym Facility or offered franchises in any line of business. Ultimate Parent operates 5 Gold's Gym Facilities in Germany and, as master franchisee in Germany, offers franchises for Gold's Gym Facilities in Germany. Ultimate Parent has never offered franchises in any other line of business.

Affiliates: Our affiliate Gold's Gym Merchandise LLC ("GGM") licenses manufacturers and distributors to produce and sell to others (including our franchisees) sportswear, novelties, and other merchandise bearing the name Gold's Gym[®] and/or certain other trademarks. Our affiliate Gold's Gym Licensing LLC ("GGL") owns the Marks (defined below) and grants us and other related companies the right to use and (where appropriate) sublicense them. GGM and GGL share our principal business address. GGL does not directly provide products or services to franchisees. GGM is an approved supplier of, and provides certain sportswear, novelties, and other merchandise bearing the name Gold's Gym[®] and/or certain other trademarks to, franchisees.

Neither GGM nor GGL has ever operated a Gold's Gym Facility or offered franchises in any line of business.

Franchise Opportunity

We grant franchises for health clubs which are primarily identified by the Marks (defined below) and use the Franchise System (defined below) (collectively, "Gold's Gym Facilities"). Gold's Gym Facilities operate under certain trademarks, service marks and other commercial symbols, including "Gold's Gym[®]," and we may periodically create, use and license or sublicense other trademarks, service marks and commercial symbols for use in operating Gold's Gym Facilities, all of which we may periodically modify (collectively, the "Marks"). The "Franchise System" means our business system, business formats, methods, procedures, signs, designs, layouts, trade dress, standards, specifications and Marks, all of which we may improve, further develop and otherwise modify periodically. Gold's Gym Facilities follow the mandatory and suggested specifications, standards, operating procedures and rules that we periodically specify for developing and/or operating a Gold's Gym Facility (collectively, the "System Standards").

Gold's Gym Facilities offer a full array of health-related amenities, products and services to members. Currently, all new Gold's Gym Facilities must offer cardio training equipment, resistance training equipment, group fitness, personal training and locker room services, and must have a "pro shop" including sales of clothing, accessories, drinks, bars, supplements, nutritional products and other items. (However, we may elect to waive some of these requirements if your Gold Gym Facility is to be located in certain large, urban locations, such as Manhattan, New York.) New Gold's Gym Facilities also may offer other optional amenities, products and services that we currently authorize, like kids' club, smoothie bars and juice bars. In this disclosure document, we call your Gold's Gym Facility the "Facility." You must operate the Facility from a site we accept (the "Site").

Gold's Studio Program Addendum

We may develop and revise certain additional programs ("Studio Programs") that we periodically make available to Gold's Gym Facility franchisees that we determine meet our operational and financial criteria. These optional Studio Programs are currently operated under the Gold's Studio umbrella of services and include Gold's Fit (group-based functional training) and Gold's Burn (full-body, high-intensity cardio and strength training). We may periodically remove or add Studio Programs or supplement or amend rules applicable to the conduct of each of the Studio Programs. If we grant you a license to operate one or more of the Studio Programs at your Facility, you will sign our then-current form of Addendum to Franchise Agreement (Gold's Studio Program) (the "Studio Program Addendum"). Our current form of Studio Program Addendum is attached to this disclosure document as Exhibit C.

Renewal Addendum

If you operate an existing Gold's Gym Facility under a franchise agreement that is about to expire and are signing the Franchise Agreement included in this disclosure document to renew your rights to operate that Gold's Gym Facility, then you will sign the Renewal Addendum (Exhibit D) together with the Franchise Agreement.

Development Rights Agreement

If you qualify, we may grant you the right to develop and operate a number of Gold's Gym Facilities within a development area (the "Development Area") under our Development Rights Agreement (Exhibit E). We will offer development rights only to certain qualified candidates who already have signed, or who simultaneously will sign, one or more franchise agreements with us and only in certain areas of the country. Before you sign the Development Rights Agreement, we and you will agree to the Development Area, the number of franchise agreements that you must sign for Gold's Gym Facilities in the Development Area, and the timeframe within which you must sign them (the "Development Schedule"). We will grant Gold's Gym Facility franchises under the Development Rights Agreement only to you or your Affiliated Entities. "Affiliated Entity" means a corporation, limited liability company, or other business entity of which you or one or more of your owners own more than 50% of the total authorized ownership interests, but only if you or your owner(s) have the right to control the entity's management and policies. Franchises that we grant to your Affiliated Entities will count toward your Development Schedule. For each Gold's Gym Facility, you (or your Affiliated Entity) will sign our then current form of franchise agreement, which currently is the Franchise Agreement included in this disclosure document but in the future could materially differ from that form.

Market and Regulations

Your Facility will compete with other health clubs and businesses that offer similar products and services, including other national chains. The market for health clubs is expanding. Depending upon your Facility's location and demographics, certain high/low seasons exist. You will offer your products and services to the general public throughout the year.

Certain state and local governments have passed laws relating specifically to health clubs, including laws requiring postings concerning steroids and other drug use, requiring certain medical equipment in the club, limiting the supplements that health clubs can sell, requiring bonds if a health club sells memberships valid for more than a specified time period, requiring club owners to deposit into escrow certain amounts collected from members before the club opens (so-called "presale" memberships), and imposing other restrictions on memberships that health clubs sell. In some states, franchisees may be required to deposit any money received from a consumer before the health club fully opens for business into a separate escrow account. Other than these laws, we are not aware of any regulations specific to the operation of a Gold's Gym Facility, but you must comply with all applicable local, state, and federal laws that apply generally to all businesses. You should investigate these laws.

Item 2

BUSINESS EXPERIENCE

Danny Waggoner – Co-Chief Executive Officer

Mr. Waggoner became our Co-CEO in April 2023. He has been employed by RSG Group USA Inc. since September 2020 in various capacities (Co-CEO since April 2023; SVP of Operations July 2022 to April 2023; VP of Field Operations December 2020 to June 2022; and Regional VP

September 2020 to November 2020). Mr. Waggoner served as Regional Vice President of Gold's Holding Corporation from November 2019 to August 2020, and as Divisional Vice President of the same from October 2015 to October 2019.

Brian Warne – Co-Chief Executive Officer

Mr. Warne became our Co-CEO in April 2023. He has been employed by RSG Group USA Inc. since August 2020 in various capacities (Co-CEO since April 2023; Chief Financial Officer October 2021 to April 2023; and SVP of Finance August 2020 to September 2021). Mr. Warne served as SVP of Finance of Gold's Holding Corporation from October 2019 to August 2020, and as Controller of the same from December 2018 to September 2019.

Jörg Fockenberg - Chief Development Officer and Director of International Expansion

Mr. Fockenberg has been our Director of International Expansion since August 2020 and our Chief Development Officer since October 2020. He holds the same positions since March 2020 and October 2020, respectively, for RSG Group GmbH. Mr. Fockenberg is based in Berlin, Germany. From August 2015 to February 2020, he was Head of Retail EMEA with Weber Stephen Products (EMEA) GmbH in Berlin, Germany.

Kevin R. Christie - Vice President of International Franchising

Mr. Christie, who is employed by Immediate Parent and is based in Dallas, Texas, has served as our Vice President of International Franchising since August 2020. Before that, Mr. Christie served in various position with our predecessor, based in Dallas, Texas, including Vice President of International Franchising (April 2019 to August 2020) and Director of International Franchising (January 2016 to April 2019).

Jake Schneider – Vice President of Marketing

Mr. Schneider, who is employed by Immediate Parent and is based on Dallas, Texas, has served as our Vice President of Marketing since October 2023. Mr. Schneider has served as Vice President of Brand & Digital Strategy of Villain Agency since October 2023. Before that, Mr. Schneider served as Senior Vice President of Digital and Creative Strategy for The Marketing Arm from June 2014 to June 2023. Mr. Schneider was between positions from June 2023 to October 2023.

Item 3

LITIGATION

No litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

On May 4, 2020, Predecessor and certain of Predecessor's parents and affiliates, filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas captioned *In re GGI Holdings, LLC, et al.*, (case no. 20-31318 (jointly administered)). Predecessor's principal address at the time of the filing was 4001 Maple Avenue, Suite 200, Dallas, Texas 75219. Predecessor and the other debtors continued to manage its and their respective businesses as debtors-in-possession under the United States Bankruptcy Code. On July 13, 2020, the debtors conducted a court-approved auction. The auction resulted in the execution of an asset purchase agreement dated July 14, 2020, between GGI Holdings, LLC and its direct and indirect subsidiary debtors as sellers and Immediate Parent as purchaser. The asset purchase agreement was amended on July 27, 2020, to include the sale of all of the issued and outstanding limited liability company membership interests and any other equity interests of Gold's Gym Licensing, LLC, as well as any and all related derivative securities issued by Gold's Gym Licensing, LLC. On July 30, 2020, the court entered an order approving the proposed transaction. The transaction contemplated by the asset purchase agreement, as amended, closed on August 24, 2020. On August 26, 2020, the court entered an order confirming the Chapter 11 plan. The matter remains open pending litigation of certain administrative claims.

Except as described above, no bankruptcy is required to be disclosed in this Item.

Item 5

INITIAL FEES

Franchise Agreement

If you sign the Franchise Agreement for a new Gold's Gym Facility, then unless you qualify for a Veteran Discount (described below), you will pay us a \$40,000 initial franchise fee in a lump sum when you sign that Agreement. If you operate an existing Gold's Gym Facility under a franchise agreement that is about to expire, and are signing the Franchise Agreement and Renewal Addendum to renew your rights to operate that Gold's Gym Facility, then you will pay us a renewal fee as provided for under your current franchise agreement. The initial franchise fee is not refundable under any circumstances. We may pay a portion of your initial franchise fee to a referral source.

We currently offer new franchisees who qualify as a Veteran (as defined below) a 20% discount (the "Veteran Discount") on the initial franchise fee. If you qualify for the Veteran Discount, your initial franchise fee is \$32,000. This Veteran Discount only applies to qualified Veterans signing their first Franchise Agreement with us. This Veteran Discount does not apply to any future Franchise Agreement that a Veteran might sign with us, nor do we offer the Veteran Discount to our existing Gold's Gym Facility franchisees. In addition, this Veteran Discount does not apply to any renewals or extensions of the Franchise Agreement. A "Veteran" is defined as any person who served in the Army, Navy, Air Force, Marine Corps, Coast Guard or National

Guard and obtained an honorable discharge or release. If the new franchisee is a corporation, limited liability company, or other entity, then the Veteran Discount applies if one or more Veterans owns more than 50% of the new franchisee.

We will provide initial training for your Facility's personnel at no additional charge. If we determine that you or any of your personnel cannot complete the initial training programs to our satisfaction, then we may require you or your personnel to attend additional training programs at your expense. We currently charge \$500 per person per session for this additional training, and this fee is not refundable.

Studio Program Fees

If you participate in one or both optional Studio Programs, you must pay us an initial fee of \$500 per program at the time you sign the Studio Program Addendum. Accordingly, the initial fees for the Studio Programs will range from \$0 (if you elect not to offer any Studio Programs) to \$1,000 (if you elect to offer both of the Studio Programs that are currently offered). This initial fee is not refundable.

In addition to the initial fee, if you participate in one or both optional Studio Programs, you must pay us certain training fees. Training for the Studio Programs will typically occur at "Gold's Academy" in Dallas, Texas. However, if you have a minimum of 5 trainees, we may offer "field-based training" in which our instructor would travel to your location to provide training. You will incur training fees of \$250 per trainee. In addition, if we provide field-based training, you will also pay us the travel expenses incurred by our instructor(s) for traveling to your Facility. We estimate these expenses to range from \$1,500 (if you only elect to participate in one training program, with one instructor attending) to \$3,000 (if you elect to participate in both currently offered Studio Programs, with one instructor attending).

As an example, if you participate in both Studio Programs, and each training program is conducted by field-based training, you will incur a minimum (based on 5 trainees for each program) of \$1,250 in training fees (if only one instructor attends the training session for each program) plus approximately \$3,000 in instructor travel expenses payable to us (depending on whether the training for both programs is conducted back-to-back). These training fees (and any applicable travel expenses) are not refundable.

In addition, you will pay us \$300 to \$750 for the first 3 months of software fees related to the optional Studio Programs.

Development Fee under the Development Rights Agreement

You must pay us a lump sum development fee when you sign the Development Rights Agreement. Your development fee is \$10,000 multiplied by the number of Gold's Gym Facilities you agree to develop in the Development Area. We will insert this fee in the Development Rights Agreement before signing it. The development fee is not refundable under any circumstances. However, we will reduce by the \$10,000 the amount of the initial franchise fee due under each franchise agreement you or your affiliate sign under the Development Rights Agreement (other

than the first Franchise Agreement), subject to a maximum aggregate reduction for all initial franchise fees equal to the total development fee.

Except as otherwise noted, the fees described above are uniformly applied.

Item 6

OTHER FEES

Column 1 Type of Fee ⁽¹⁾	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty	Greater of 5% of Facility’s Gross Revenue ⁽²⁾ each month or \$2,000 per month	Monthly on the day we specify (the “Payment Day”) (currently the 15 th)	Royalty payment is greater of \$2,000 or 5% of Facility’s Gross Revenue beginning when first Gross Revenue was recognized (including presale) through end of previous month.
Marketing Contribution	Greater of 2% of Facility’s Gross Revenue ⁽²⁾ each month or \$1,350 per month	On the Payment Day of each month, currently the 15 th	We may periodically increase Marketing Contribution by any amount if at least 2/3 of all U.S. Gold’s Gym Facility owners vote for increase, with each owner receiving 1 vote for each facility it owns.
Cooperative contributions	Amount that the Cooperative determines, up to 3% of Gross Revenue	As the Cooperative determines	See Note (3)
Marketing Spending Requirement shortfall	Difference between Marketing Spending Requirement and amount you spent	As incurred	If you fail to meet the Marketing Spending Requirement (defined in Item 11), we may require you to pay us shortfall to use for marketing.
Studio Program Training Fee	\$250 per trainee. If we provide field-based training, \$1,250 for a minimum of 5 trainees plus instructor travel expenses (estimated to be \$1,500 to \$3,000).	As incurred	Due only if you elect to participate in one or both of the optional Studio Programs. This fee is subject to change.
Relocation expenses	Actual out-of-pocket costs and expenses we incur inspecting the proposed new site	Promptly upon receipt of our invoice	Due only if you request to relocate the Facility.

Column 1 Type of Fee ⁽¹⁾	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Convention registration fees	\$500	Approximately once per year	You must pay the registration fees we periodically establish for annual conventions. You also must pay travel and living expenses for you and your personnel. If you (or a required attendee) fail to attend a mandatory annual convention, you will still be required to pay the full-price convention fee that we assess for other attendees. These fees are subject to change.
Fee for ongoing training	\$500 per person per session	As incurred	Due only if we train any new manager or provide supplemental or refresher training during the Franchise Agreement's term. This fee is subject to change.
Transfer fee	\$2,500 for non-control transfer and \$10,000 for control transfers	Before transfer is completed	Payable on proposed transfer of the Franchise Agreement, the Facility or its assets, or any direct or indirect any ownership interest in you.
Successor franchise fee	50% of the standard initial franchise fee we then charge for new Gold's Gym Facility franchises (currently would be \$20,000)	Upon signing successor franchise agreement	
Interim Operations fee	3% of Gross Revenue ⁽²⁾ plus direct out-of-pocket costs and expenses	As incurred	Due only if we elect to operate your Facility on an interim basis after your death, disability or default or while we are considering whether to exercise purchase option.
Costs and attorneys' fees	Will vary under circumstances	As incurred	Payable if we incur costs as a result of your non-compliance with Franchise Agreement or Development Rights Agreement.

Column 1 Type of Fee ⁽¹⁾	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Indemnification	Based on amounts awarded and our actual costs	As incurred	You must reimburse us and our affiliates if we or they are held liable for claims arising from your Facility's development or operation or your breach of the Franchise Agreement or Development Rights Agreement.
Administrative fee and interest	\$100 administrative fee and interest at 1.5% per month or highest interest rate the law allows, whichever is less	As incurred	Due on all amounts not timely paid and dishonored payments.
Follow-up inspection fee	Our cost (estimated to be \$300 to \$500 per inspection, but could increase if our costs increase)	When invoiced	Payable only if we re-inspect the Facility to determine whether you have corrected deficiencies or you request evaluation.
Supplier testing fees	Our cost (estimated to be \$500 to \$5,000)	As incurred	Covers our out-of-pocket costs, including travel expenses and testing fees.
Insurance costs	Amount of premiums we pay on your behalf plus our costs and expenses	As incurred	Due only if you fail to maintain (or prove you have) insurance and we, at our option, obtain insurance for you.
Audit expenses	Cost of auditing your books and records	As incurred	Due only if you fail to timely furnish reports or understate figures by 2% or more.
Liquidated damages upon Franchise Agreement termination	Will vary. See Note (4)	Upon termination of Franchise Agreement before it expires	Payable only if we terminate for cause or you terminate without cause.

Explanatory Notes

(1) All fees are imposed and collected by and payable to us, except that you will pay the Cooperative contributions (if applicable) to the Cooperative. All fees are non-refundable. These fees are uniform for franchisees signing the Franchise Agreement included in this disclosure document, although franchisees signing other forms of franchise agreement might pay different amounts for some fees.

You must sign and deliver to us the documents we periodically require to authorize us to debit your bank account automatically for the Royalty, Marketing Contributions and other amounts due under the Franchise Agreement or any related agreement between us (or our affiliates) and you. You must make the funds available for withdrawal by electronic transfer before each due date and until all amounts owed are withdrawn. If you fail to report the Facility's Gross Revenue, we may debit your account for 150% of the last Royalty and Marketing Contribution that we debited. Once we have determined the Facility's actual Gross Revenue, we will debit from your account on the day we specify any additional amounts owed or, if we debited more than you actually owe us, we will apply the excess (without interest and less any amounts owed) as a credit against the amounts owed to us during the following month(s). We may periodically change the mechanism for your payments of Royalties, Marketing Contributions and other amounts you owe to us and our affiliates.

(2) "Gross Revenue" means all revenue (without discounts except as otherwise described in this paragraph) that you receive or otherwise derive from operating the Facility, whether from cash, check, credit and debit card, barter, exchange, trade credit, or other credit transactions, and regardless of collection or when you actually provide the products or services in exchange for that revenue. If you receive any proceeds from any business interruption insurance applicable to loss of revenue at the Facility, an amount equal to the imputed gross revenue that the insurer used to calculate those proceeds will be considered Gross Revenue. However, "Gross Revenue" excludes (a) sales taxes, use taxes, and other similar taxes that you add to the sales price, collect from the customer and pay to the appropriate taxing authority; and (b) any bona fide refunds and credits that you actually provide to customers during the month in which the Gross Revenue is calculated. The first Royalty payment and Marketing Contribution are due on the Payment Day of the month following the month during which the Facility's actual opening date falls, based on the Gross Revenue during the period beginning when the first Gross Revenue was recognized (including Gross Revenue derived during presale) and ending on the last day of the previous month.

(3) We may designate a geographic area as an area for an advertising or marketing cooperative (a "Cooperative"). The Cooperative's members in any area are the owners of all of the Gold's Gym Facilities located and operating in that area (including us and our affiliates, if applicable) that we may require to participate in the Cooperative. All material decisions of the Cooperative, including contribution levels (which also require our approval but will not exceed 3% of Gross Revenue), will require the affirmative vote of more than 50% of the Cooperative's members (including, if applicable, Gold's Gym Facilities that we or our affiliates operate), with each such Gold's Gym Facility receiving 1 vote. In some areas, we or our affiliates may have controlling voting power over the Cooperative.

(4) If the Franchise Agreement terminates for any reason other than your termination for our uncured breach, then in addition to other amounts you owe us, you must pay us “Termination Damages.”

(a) Except as provided in paragraph (b) below, Termination Damages are equal to (1) the number of calendar months then remaining in the Franchise Agreement’s term as of the effective date of termination by (2) the aggregate of the percentages of Royalty fees and Marketing Contributions, by (3) the average monthly Gross Revenue of the Facility during the 12 full calendar months immediately preceding the termination date; however, if as of the termination date, the Facility has not been operating for at least 12 months, Termination Damages will be calculated based on the average monthly Gross Revenue during our previous fiscal year immediately preceding the termination date of all units operating under the Marks during the entirety of that fiscal year.

(b) In addition to lost future Royalties and Marketing Contributions (as described in paragraph (a) above), we will suffer additional damages if (x) the Facility operates at its existing location as a competitive business at any time during the 6-month period following termination or (y) any competitive business that is located in the Territory and has then been in operation for at least 12 months gains access, by any means, to the Operating Assets (defined in Item 8) or membership arrangements of the Facility. These additional damages include loss of market penetration and goodwill relating to the Marks, loss of representation by the Gold’s Gym[®] brand in the market, a diminished base of Gold’s Gym Facilities from which to leverage benefits in relationships with actual and potential vendors, franchisees and other parties, confusion of the public (especially Facility members), and lost business opportunities and other opportunity costs (collectively, “Brand Damages”). To compensate us for these additional Brand Damages, if either of the circumstances described in clause (x) or (y) exist, “Termination Damages” means an amount equal to (a) the average monthly Royalties and Marketing Contributions that you owed us during the 12-month period before the month of termination (or for such lesser period that the Facility has been open, if less than 12 months); multiplied by (b) 150%; multiplied by (c) the number of calendar months in the Measurement Period.

Item 7

ESTIMATED INITIAL INVESTMENT

Franchise Agreement

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When due	Column 5 To whom payment is to be made
Initial franchise fee (1)	\$40,000	Lump sum	On signing Franchise Agreement	Us
Travel and living expenses during training (2)	\$4,000 to \$7,000	Lump sum	As incurred	Outside suppliers and us
3 months' rent (3)	\$52,000 to \$320,000	Installments	As agreed in lease or sublease	Landlord
Security deposit for lease (3)	\$15,000 to \$185,000	Lump sum	On signing lease or sublease	Landlord
Leasehold improvements and construction costs (4)	\$1,250,000 to \$2,500,000	As agreed	As incurred	Outside contractors and suppliers
Selectorized equipment and free weights (5)	\$125,000 to \$600,000	As agreed	As incurred	Outside suppliers
Cardiovascular equipment (5)	\$150,000 to \$250,000	As agreed	As incurred	Outside suppliers
Signage (6)	\$40,000 to \$85,000	As agreed	As incurred	Outside suppliers
Initial inventory, other equipment and supplies (7)	\$7,000 to \$40,000	As agreed	As incurred	Outside suppliers
Computer system and Gym Management System (8)	\$20,000 to \$35,000	As agreed	As incurred	Outside suppliers
Advertising and marketing (9)	\$25,000 to \$120,000	As agreed	As incurred before and after Facility opens	Outside suppliers
Miscellaneous opening costs (10)	\$10,000 to \$65,000	Lump sum	As incurred	Outside suppliers

Column 1	Column 2	Column 3	Column 4	Column 5
Type of expenditure	Amount	Method of Payment	When due	To whom payment is to be made
Additional funds – 3 months (11)	\$40,000 to \$100,000	As agreed	As incurred after Facility opens	Us and outside suppliers
TOTAL ESTIMATED INITIAL INVESTMENT (excluding real estate purchase costs) (12)	\$1,778,000 to \$4,347,000			

Explanatory Notes.

(1) Initial Fee. We describe the Initial Fee in Item 5. If you participate in one or both optional Studio Programs, you must pay us an additional initial fee of \$500 per Studio Program. If you qualify for the Veteran Discount (described in Item 5), your initial franchise fee will be \$32,000. If you operate an existing Gold’s Gym Facility under a franchise agreement that is about to expire, and are signing the Franchise Agreement and Renewal Addendum to renew your rights to operate that Gold’s Gym Facility, then you will pay us a renewal fee as provided for under your current franchise agreement.

(2) Travel and Living Expenses During Training. This includes amounts for your personnel’s lodging, transportation, and meals while they attend our management training program. The estimates are for 2 to 5 individuals attending our management training program for 5 days and 4 nights. It also includes fees if more than 2 people from the Facility attend training. If you participate in one or both optional Studio Programs, you will incur additional training fees and travel expenses for our instructors of up to approximately \$4,250, payable to us (depending on the number of programs you participate in, the format of training, and the number of trainees, as described in Item 5).

(3) 3 Months’ Rent and Deposit for Leasehold. The figures in the table reflect our estimates for a newly-constructed 25,000 square foot Gold’s Gym Facility. The Site may be in a rural or metropolitan area as long as we think there is a sufficient market in the area for the Facility’s services. Rent and security deposit depend on the Site’s size, condition, and location and demand for the premises among prospective lessees. However, rent can range from 70¢ per square foot per month for suitable warehouse space to \$4.25 per square foot per month for prime space in a major metropolitan area.

You might choose to purchase, rather than rent, real estate on which a building suitable for the Facility already is constructed or could be constructed. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Because of the numerous variables that affect the value of a particular piece of real estate, this initial investment table does not reflect the potential purchase cost of real estate or the costs of constructing a building suitable for the Facility.

(4) Leasehold Improvements and Construction Costs. Leasehold improvements, including floor covering for aerobics and other areas, wall treatment, ceilings, painting, electrical, carpentry, and similar work, can range from \$50 to \$100 per square foot for a 25,000 square foot Gold's Gym Facility. Actual costs depend on location, the condition of the premises being remodeled, economic factors, and the Facility's size. This figure also covers costs for remodeling, decorating, fixtures and other fixed assets. You must dedicate at least 2/3 of the total square footage to workout areas. Depending on the lease terms, your landlord might cover some of these costs.

(5) SelectORIZED Equipment, Free Weights, and Cardiovascular Equipment. Costs for selectorized equipment and free weights in a typical Gold's Gym Facility range from \$5 to \$25 per square foot. Cardiovascular equipment costs approximately \$1,000 to \$3,000 for a standard bicycle, \$3,000 for an upright bicycle with a built-in television, \$4,000 to \$10,000 for a treadmill, \$4,000 to \$6,000 for a stair climber machine, and \$3,000 to \$7,000 for an elliptical machine. We recommend that each Gold's Gym Facility have at least 35 pieces of cardiovascular equipment. Your costs could vary from these estimates if you decide to lease, rather than purchase, this equipment.

If you participate in one or both optional Studio Programs, you will incur an approximate additional expenditure of \$30,000 for the equipment (cardio, free weights, and accessories) for the Gold's Fit Studio Program and/or \$31,000 for the equipment (cardio, free weights, and accessories) for the Gold's Burn Studio Program. Since your participation in these programs is not required, these costs are not included in the range shown in the chart.

If you already operate a health club at the site that you are converting to a Gold's Gym Facility, you probably will spend less than the estimates shown in the table.

(6) Signage. These figures cover amounts for both exterior and interior signage. If you participate in one or both optional Studio Programs, you will incur an approximate additional expenditure of \$4,700 to \$5,200 for additional signage (depending on the number of Studio Programs).

(7) Initial Inventory, Other Equipment and Supplies. An initial supply of printed materials, a desk, record books, and writing supplies will cost approximately \$2,000 to \$5,000. The range shown also includes approximately \$5,000 to \$35,000 of initial inventories of vitamins, supplements, and sportswear (including branded Gold's Gym® merchandise). You should not assume that you can buy inventories or other supplies on credit. If you sign a Studio Program Addendum to operate one or both optional Studio Programs, you will incur approximately \$8,000 in additional fees to obtain the A/V equipment required to operate the Gold's Fit Studio Program and/or \$9,000 in additional fees to obtain the A/V equipment required to operate the Gold's Burn Studio Program. Since your participation in these programs is not required, these costs are not included in the range shown in the chart.

(8) Computer System and Gym Management System. These figures cover amounts for a typical computer system and Gym Management System, including the first three months of ongoing fees payable to our designated supplier of the Gym Management System, which typically is represented as a percentage of the revenue that the supplier would collect from your Facility's

members. If you sign a Studio Program Addendum to operate one or both optional Studio Programs, you will incur approximately \$500 in additional fees to obtain the information technology components required to operate the Studio Programs.

(9) Advertising and Marketing. The Franchise Agreement does not require you to advertise the Facility's grand opening, but we strongly recommend that you do so. Depending on the medium chosen, this advertising can cost up to \$50,000 or more. This figure includes amounts for some grand opening advertising and marketing, along with your local marketing during the Facility's first few months of operation. The "Marketing Spending Requirement" is the maximum amount that we can require you to spend on Cooperative contributions (if applicable) and approved local marketing for the Facility during each calendar quarter and is an amount equal to 3% of the Facility's Gross Revenue during that calendar quarter. Although we may not require you to spend more than the Marketing Spending Requirement on Cooperative contributions (if applicable) and approved local marketing for the Facility during any calendar quarter, you may choose to do so.

(10) Miscellaneous Opening Costs. This figure includes amounts for business licenses, legal and accounting expenses, utility costs (\$300 to \$8,000 per month, plus deposits), workers' compensation, public liability, and other insurance (\$5,000 to \$25,000, depending in part on gross membership sales during the year and the number of employees you have), and other prepaid expenses.

(11) Additional Funds - 3 Months. This item estimates your initial start-up expenses (other than the items identified separately in the table) for your Facility's first 3 months of operation, including miscellaneous supplies, inventory and equipment, laundry and janitorial services, payroll costs (but not any draw or salary for you), and other miscellaneous costs. This includes, if you choose to participate in the optional Studio Programs, additional fees to us ranging from \$300 to \$750 for the first 3 months of payments of software fees. These figures are estimates, and we cannot guarantee that you will not have additional expenses in starting to operate your Facility.

(12) Total Estimated Initial Investment. We relied on Predecessor's and its affiliates' experience in operating Gold's Gym Facilities since 1965, and in licensing and/or franchising Gold's Gym Facilities since 1980, to compile the estimate for additional funds and other estimates in this Item. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions. The estimate does not include any finance charge, interest, or debt service obligation. Except for the security deposit under the Site's lease, which typically is refundable if you comply with the lease, no amounts in the chart are refundable.

Development Rights Agreement

YOUR ESTIMATED INITIAL INVESTMENT

Column 1	Column 2	Column 3	Column 4	Column 5
Type of expenditure	Amount	Method of Payment	When due	To whom payment is to be made
Development Fee (1)	\$10,000 to \$40,000	Lump sum	On signing Development Rights Agreement	Us

Explanatory Notes.

(1) If you sign a Development Rights Agreement, then, in addition to the amounts required for each Gold’s Gym Facility you develop, you must pay the development fee of \$10,000 multiplied by the number of Gold’s Gym Facilities you agree to develop in the Development Area, less the number of any Gold’s Gym Facilities for which you have already signed a Franchise Agreement with us. The development fee is not refundable under any circumstances. However, we will reduce by the \$10,000 the amount of the initial franchise fee due under each franchise agreement you or your affiliate sign under the Development Rights Agreement (other than the first Franchise Agreement), subject to a maximum aggregate reduction for all initial franchise fees equal to the total development fee. The amount is in addition to the fees and expenses you will incur in opening each Gold’s Gym Facility you commit to develop under the Development Rights Agreement.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Franchise Agreement

System Standards

You must operate the Facility (and, if applicable, any Studio Program in which you participate) according to our System Standards, which may regulate, among other things, the Facility’s design and appearance; minimum and required standards and specifications for products, equipment, materials, supplies and services that Gold’s Gym Facilities use and/or sell; and designated or approved suppliers of these items (which might include or be limited to us and/or our affiliates). To maintain the quality of the goods and services that Gold’s Gym Facilities offer and the reputation of the Gold’s Gym franchise network, you must purchase or lease products, equipment, materials and supplies that meet our minimum standards and specifications and, if we require (but subject to the limitations described below), only from suppliers that we designate or approve. We issue and modify our System Standards based on our, Predecessor’s, our affiliates’, and our franchisees’ experience in licensing, franchising, and/or operating Gold’s Gym Facilities.

We will notify you in our Manuals of our System Standards and names of designated and approved suppliers. Currently, the purchases and leases that you must make from us or our affiliates, from approved suppliers, or according to our System Standards represent approximately 85% to 95% of your total purchases and leases in establishing, and approximately 75% of your total purchases and leases in operating, your Gold's Gym Facility.

Suppliers

Except as described below, neither we nor any of our affiliates currently are designated, approved or recommended suppliers for any products or services that Gold's Gym Facility franchisees sell or use. In the future, we may designate us and/or our affiliates as approved suppliers or the only approved supplier for certain products and services as described below. We and/or our affiliates may derive revenue based on your purchases and leases, including from charging you for products and services we or our affiliates provide to you and from promotional allowances, volume discounts and other payments that suppliers and/or distributors that we designate or approve for some or all of our franchisees make to us. We and our affiliates may use all amounts received from suppliers and/or distributors, whether or not based on your or other franchisees' actual or prospective dealings with them, without restriction for any purpose.

Our affiliate, GGM, is an approved supplier of sportswear, novelties, and other merchandise bearing the name Gold's Gym[®] and/or certain other trademarks. During the fiscal year ended December 31, 2023, GGM received \$145,985.40 from selling or leasing products or services to franchisees, or 1.31% of our total revenue of \$11,119,319. Except as set forth above, we did not receive any revenue from selling or leasing products or services to franchisees.

We currently administer a Global Vendor Program ("GVP") under which we approve and recommend suppliers and vendors (the "GVP Vendors") for certain goods and services that you must buy or lease to develop and operate the Facility. GVP Vendors provide a wide variety of goods and services, including insurance, exercise and other equipment, signage, promotional items, Gym Management System and computer system components, and other items. The branded product licensees are also part of the GVP Program. GGM licenses these GVP Vendors to produce and sell to franchisees and others officially branded Gold's Gym[®] merchandise. We provide our relevant standards and specifications to some GVP Vendors. None of our officers owns an interest in any GVP Vendor or other supplier to Gold's Gym Facility franchisees.

You currently must acquire the Gym Management System and related services only from an approved supplier and must buy Gold's Gym[®] branded products only from GGM's authorized licensees. You also currently must acquire site selection and lease negotiation services, all Operating Assets and other products and services for the Facility's development, and certain equipment, supplies, broadcast services, and direct mail, public relations and other marketing-related services relating to the Facility's ongoing operation, only from suppliers that we designate or approve. If you participate in an optional Studio Program, you must subscribe to a software service with our designated supplier that allows members to reserve and pay for classes online. Except as described in this Item, there currently are no goods, services, supplies, fixtures, equipment, inventory, computer hardware or software, real estate, or comparable items related to establishing or operating your Facility that you must purchase from us or designated or approved

suppliers. “Operating Assets” means all required furniture; computer equipment (including all hardware, software and connectivity components and Gym Management System components); exercise features, facilities and equipment; lighting components; and fixtures and other equipment, furnishings and signs that we periodically require for the Facility.

If you want to use any Operating Assets or other products or services for or at the Facility that we have not yet evaluated, or purchase or lease any Operating Assets or other products or services from a supplier or distributor that we have not yet approved (for Operating Assets or other products and services that we require you to purchase only from designated or approved suppliers or distributors), you must submit sufficient information, specifications and samples for us to determine whether the product or service complies with our standards and specifications and/or the supplier or distributor meets our criteria, which criteria is not generally made available to franchisees. We may condition our approval of a supplier or distributor on requirements relating to product quality, prices, consistency, warranty, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) and/or other criteria. We have the right to inspect the proposed supplier’s or distributor’s facilities and to require the proposed supplier or distributor to deliver product samples or items, at our option, either directly to us or to any independent laboratory which we designate for testing. Either you or the proposed supplier or distributor must pay us a fee (estimated to be between \$500 to \$5,000) to make the evaluation. Under our current process for evaluating alternative suppliers or distributors proposed by franchisees (which process may change from time to time), we will use commercially reasonable efforts to notify you of our approval or disapproval within 90 days after receiving all information we require. We may periodically re-inspect the facilities, products and services of any approved supplier or distributor and revoke our approval of any supplier, distributor, product or service that does not continue to meet our criteria. If we determine at any time that a product, supplier or distributor no longer satisfies our System Standards, we may revoke our approval by notifying you and/or the supplier in writing. Despite these rights, we may limit the number of approved suppliers with whom you may deal, designate sources that you must use, and/or refuse any of your requests for any reason, including if we have already designated an exclusive source (which might be our affiliate) for the applicable product or service or if we believe that doing so is in the best interests of the Gold’s Gym Facility network.

We or our affiliates may derive revenue or other material consideration from approved suppliers based on purchases made by our franchisees of the suppliers’ products or services (e.g., rebates). The basis for these payments or other consideration will depend on the type of product or service supplied and the arrangements we or our affiliates negotiate with the supplier, but will typically be either a fixed dollar amount rebated to us or our affiliate when the franchisee purchases the item from the supplier or a percentage of the revenue derived by the supplier from the sales it makes to our franchisees (currently, those arrangements range from 1% to 10% of the amounts sold to franchisees). In addition, our affiliates may be approved suppliers and, as a result, derive revenue from sales made to our franchisees. Currently, GGM licenses certain suppliers to brand their items with the Gold’s Gym trademarks, in exchange for which it receives royalties from the branded products sold to our franchisees by those licensed suppliers (currently, the royalties range from 1% to 10% of the suppliers’ net sales to our franchisees). During the 2023 fiscal year, GGM collected a total of \$198,675.48 from vendors or designated suppliers on the basis of required

purchases by franchisees. Except as set forth above, neither we nor our affiliates derived any revenue or other material consideration from approved or designated suppliers during the 2023 fiscal year.

We will not provide material benefits, like renewal or additional franchises, to franchisees based on their purchase of particular products or services or use of particular suppliers. We negotiate purchase arrangements with GVP Vendors and other suppliers, including price terms. In doing so, we seek to promote the overall interests of our franchise system and our interests as franchisor. There are no formal purchasing or distribution cooperatives in the Gold's Gym Facility franchise network.

Local Marketing

You must at your expense participate in the manner we specify in all advertising, marketing, promotional, customer relationship management, public relations and other brand-related programs that we designate for the Facility, subject to the Marketing Spending Requirement. Before using them, you must send to us, for our approval, descriptions and samples of all proposed local marketing that we have not prepared or previously approved within the previous 6 months. If you do not receive written notice of approval from us within 10 business days after we receive the materials, they are deemed disapproved. You may not conduct or use any local marketing that we have not approved or have disapproved. At our option, you must contract with 1 or more suppliers that we designate or approve to develop and/or implement local marketing.

Facility Development

The Facility must satisfy our specifications and requirements for dimensions, design, image, interior layout, decor, Operating Assets, and color scheme. The Facility must contain all of the Operating Assets, and only the Operating Assets, that we periodically specify. The Facility must offer all amenities and services that we specify as mandatory and may not offer any amenities or services that we have not authorized. At our option, you must use only the architect, design firm, and other contractors that we designate or approve to develop the Facility.

Facility Upgrades

In addition to your obligations to maintain the Facility according to System Standards, once during the Franchise Agreement's term (after the Facility opens), we may require you to substantially alter the Facility's and the Site's appearance, branding, layout and/or design, and/or replace a material portion of your Operating Assets (including exercise equipment), in order to meet our then current requirements for new similarly situated Gold's Gym Facilities. This obligation could result in your making extensive structural changes to, and significantly remodeling and renovating, the Facility, and/or in your spending substantial amounts for new Operating Assets. You must incur any capital expenditures required in order to comply with this obligation and our requirements, even if those expenditures cannot be amortized over the Franchise Agreement's remaining term. Within 60 days after receiving written notice from us, you must have plans prepared according to the standards and specifications we designate and, if we require, using

architects, design firms, and contractors we designate or approve, and you must submit those plans to us for our approval. You must complete all work according to the plans we approve within the time period that we reasonably specify.

Renewal Addendum

If you are signing the Franchise Agreement to obtain a renewal or successor franchise for an existing Gold's Gym Facility, you also will sign the Renewal Addendum. Under the Renewal Addendum, you must, at our option, either relocate and redevelop the Facility according to the Franchise Agreement's requirements for site selection and development or upgrade and update the Facility at its current site according to the schedule we specify.

Insurance

You must procure and maintain general comprehensive liability, business automobile liability insurance, employer's liability (workers' compensation), umbrella liability coverage, professional liability, and employee practices liability with policy limits in amounts we specify in the Manuals. Our current minimum coverage amounts are: (1) commercial general liability insurance with limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate; (2) automobile liability insurance insuring owned, non-owned, hired and all vehicles used by your Facility, with combined single limit of not less than \$1,000,000 per occurrence for bodily injury and property damage; (3) workers' compensation and employers' liability as required by any state in which your Facility operates, but no less than workers' compensation coverage of \$1,000,000; (4) umbrella liability coverage with limits of (i) \$1,000,000 per occurrence and aggregate if you own one to three Gold's Gym Facilities, (ii) \$2,000,000 per occurrence and aggregate if you own four to six Gold's Gym Facilities, and (iii) \$5,000,000 per occurrence and aggregate if you own seven or more Gold's Gym Facilities; (5) professional liability insurance with limits of \$1,000,000 per occurrence and \$2,000,000 aggregate; and (6) employee practices liability with limits of \$500,000 per occurrence. You will ensure that all insurance policies name us and our affiliates as additional insureds (on a primary and non-contributory basis) and contain a waiver of subrogation for general liability and workers' compensation. We may establish reasonable minimum standards for coverage to be met by underwriters for insurance, which we will state in the Manuals. Currently, we require that all insurance policies be issued by insurance carriers rated A- or better by A.M. Best Company, Inc. You agree to send us a valid certificate of insurance or duplicate insurance policy evidencing that you have maintained the required coverage and paid the applicable premiums. If you fail to obtain or maintain (or to prove that you have obtained or maintained) the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the Facility on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance.

Development Rights Agreement

Except as described in this paragraph, the Development Rights Agreement does not require you to buy or lease from us or designated or approved suppliers, or according to our specifications, any goods, services, supplies, fixtures, computer hardware and software, real estate, or comparable items related to establishing or operating the business under the Development Rights Agreement.

However, you must follow our requirements under the franchise agreement for each Gold’s Gym Facility you develop. For each site at which you propose to operate a Gold’s Gym Facility, you must send us a complete site report and other materials demonstrating your (or your Affiliated Entity’s) financial and operational ability to develop the site.

Item 9

FRANCHISEE’S OBLIGATIONS

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

Obligations	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	2.A, 2.B and 2.F of Franchise Agreement, 4 of Renewal Addendum and 5, 7, and 8 of Development Rights Agreement	7, 8, 11 and 12
b. Pre-opening purchases/leases	2.C and 6 of Franchise Agreement	5, 7, 8 and 11
c. Site development and other pre-opening requirements	2.C to 2.E of Franchise Agreement, and 3 and 4 of Renewal Addendum	7, 8 and 11
d. Initial and ongoing training	4.A to 4.D of Franchise Agreement and 2(a) of Renewal Addendum	5, 6, 7 and 11
e. Opening	2.D and 2.E of Franchise Agreement and 3 of Studio Program Addendum	11
f. Fees	2.E, 4.B, 5, 6.C, 6.I, 7.A, 7.D, 9, 13.C, 13.D, 14.C, 16.A, 16.E, 17.D and 18.C of Franchise Agreement, 4 of Studio Program Addendum, and 4 and 12 of Development Rights Agreement	5, 6, 7, 8 and 11
g. Compliance with standards and policies/Operating Manual	4.D, 4.E, 6, 7.B, 7.C and 10.B of Franchise Agreement, and 1 of Studio Program Addendum	8 and 11
h. Trademarks and proprietary information	10 and 11 of Franchise Agreement, and 6 of Development Rights Agreement	13 and 14
i. Restrictions on products/services offered	6.B, 6.F, 6.G and 6.J of Franchise Agreement	8, 11 and 16
j. Warranty and customer service requirements	2.D and 6 of Franchise Agreement	11

Obligations	Section in agreement	Disclosure document item
k. Territorial development and sales quotas	2 of Franchise Agreement, 4 of Renewal Addendum and 2, 5, 7, 8, and Exhibit A of Development Rights Agreement	8, 11 and 12
l. On-going product/service purchases	6 of Franchise Agreement	8, 11 and 16
m. Maintenance, appearance and remodeling requirements	6.A and 6.J of Franchise Agreement, and 3 of Renewal Addendum	8 and 11
n. Insurance	6.I of Franchise Agreement	6, 7 and 8
o. Advertising	7 of Franchise Agreement	6, 7, 8 and 11
p. Indemnification	17.D of Franchise Agreement and 12 of Development Rights Agreement	6
q. Owner's participation/ management/ staffing	1.C, 6.D and 6.J of Franchise Agreement	11 and 15
r. Records and reports	8 of Franchise Agreement	6 and 11
s. Inspections and audits	9 of Franchise Agreement	6
t. Transfer	13 of Franchise Agreement and 11 of Development Rights Agreement	6 and 17
u. Renewal	14 of Franchise Agreement	6 and 17
v. Post-termination obligations	16 of Franchise Agreement	6 and 17
w. Non-competition covenants	12 of Franchise Agreement	17
x. Dispute resolution	18 of Franchise Agreement and 12 of Development Rights Agreement	17
y. Guarantee	Exhibit B and Exhibit C of Franchise Agreement; Not applicable to Development Rights Agreement	15

Item 10

FINANCING

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

Item 11

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

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

Before you open the Facility, we will do the following:

(1) Accept a Site that meets our requirements. If we have not accepted the Site when you sign the Franchise Agreement, then promptly after signing the Franchise Agreement, you must deliver to us for our review a complete site report and other materials and information we request for a suitable site within the Site Selection Area (defined in Item 12). Your proposed site, which must meet our then current site selection criteria for Gold's Gym Facilities, must be available for lease or purchase in time for you to develop and open the Facility at that site on or before the Opening Deadline (defined later in this Item). We will not unreasonably withhold our acceptance of a site that meets our criteria for demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; other commercial characteristics; and the proposed site's size, appearance, and other physical characteristics. In determining whether to accept or reject a proposed site, we also may consider the site's proximity both to the Site Selection Area's boundaries and to other existing or potential sites for Gold's Gym Facilities located outside the Site Selection Area. We will spend the time and effort and incur the expense reasonably required to consider sites you propose. We will use our reasonable efforts to review and either accept or reject a site you propose within 15 days after receiving the complete site report and other materials we request. You must propose a suitable site in the Site Selection Area promptly, and obtain our acceptance of the Site and sign the lease that we have accepted for the Site within 9 months, after the Franchise Agreement's effective date; otherwise, we may terminate the Franchise Agreement. We generally do not own the premises for Gold's Gym Facilities and lease them to franchisees. (Franchise Agreement – Sections 2.A and 2.B)

If you are signing the Franchise Agreement to obtain a renewal or successor franchise for an existing Gold's Gym Facility, you will sign the Renewal Addendum. If upgrading, repairing, modifying, expanding or improving the existing Facility will not resolve problems, you will need to relocate the Facility to a new site that we accept. You will not receive a Site Selection Area but may look for the new site within or outside the Territory. Along with the factors described above, we will consider other Gold's Gym Facility franchisees' existing territorial rights when determining whether to accept or reject a site you propose. We typically will not accept a new site for the relocation unless we and you determine that you likely will retain 75% of your Facility's existing members when you move to the new site. You must locate a site that we accept for the Facility's relocation in time for you to develop and open the Facility at that new site within 1 year after the Franchise Agreement's effective date; otherwise, we may terminate the Franchise Agreement. (Renewal Addendum – Section 4)

If you sign the Development Rights Agreement, you must deliver to us for our review complete site reports and other materials and information we request for each site you propose for a Gold's Gym Facility. Your proposed site, which must meet our then current site selection criteria for Gold's Gym Facilities, must be available for lease or purchase in time for you to develop and open a Gold's Gym Facility at that site on or before the date which is eighteen (18) months after signing the Franchise Agreement for that site. We will not unreasonably withhold our acceptance of a site that meets our criteria, but in making our decision, we may consider all factors we believe to be important, including demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; other commercial characteristics; and the proposed site's size, appearance, and other physical characteristics; and the site's proximity both to the development area's boundaries and to other existing or potential sites for Gold's Gym Facilities located outside the development area. We will use our reasonable efforts to review and either accept or reject a site you propose within 15 days after receiving the complete site report and other materials we request. (Development Rights Agreement – Section 7)

(2) Accept a lease that meets our requirements and define the Territory. You must obtain our prior written acceptance of the terms of any lease or sublease for the Site before you sign it. The lease must contain the terms and provisions that are reasonably acceptable to us, including provisions to protect our rights as your franchisor. You must give us a copy of the fully-signed lease within 5 days after you and the landlord have signed it. You may not sign any renewal or amendment of the lease that we have not accepted. (Franchise Agreement – Section 2.B)

(3) Provide you our Gold's Gym Design Guidelines, which contain sample layouts and designs and our design requirements for a Gold's Gym Facility. (Franchise Agreement – Section 2.C)

(4) Train up to 2 people from your Facility at no additional charge to operate a Gold's Gym Facility. We describe this training later in this Item. (Franchise Agreement - Section 4.A)

(5) Provide you access to, for use in operating the Facility during the Franchise Agreement's term, our operating manual and/or other manuals (the "Operations Manual"). The Operations Manual has a total of 637 pages, and its table of contents is Exhibit I. (Franchise Agreement – Section 4.E)

(6) Authorize you to presell memberships for the Facility if you meet our requirements. (Franchise Agreement – Section 2.D)

(7) Determine your Development Schedule and Development Area if you sign the Development Rights Agreement. (Development Rights Agreement – Sections 2, 4 and 8)

During your operation of the Facility, we will do the following:

(1) Guide you on standards, specifications, operating procedures and methods that Gold's Gym Facilities use; purchasing required or recommended Operating Assets and other products; employee training methods and procedures (although you are solely responsible for the terms and conditions of employment of your employees); and administrative, bookkeeping and accounting procedures. Our guidance may be provided in whatever form we determine to be appropriate, including via our Operations Manual, bulletins or other written materials, electronic media, telephone consultation, and/or at our office or the Facility. If you request and we agree to provide additional or special guidance, assistance or training, you must pay our then applicable charges, including our personnel's per diem charges and any travel and living expenses. Any specific ongoing training, conventions, advice or assistance that we provide does not create an obligation to continue providing that specific training, convention, advice or assistance, all of which we may discontinue and modify at any time. (Franchise Agreement – Section 4.D)

(2) Continue to provide you with access to the Operations Manual and provide updates to the Operations Manual and System Standards as we implement them. (Franchise Agreement – Sections 4.E and 6.J)

(3) Maintain and administer the Marketing Fund and System Website. (Franchise Agreement – Section 7). We describe the Marketing Fund and System Website below in this Item.

We may, at our discretion and subject to applicable law, determine prices that you may charge for products or services offered by the Facility (Franchise Agreement – Section 6.G)

Advertising, Marketing, and Promotion

Local Marketing

You agree at your expense to participate in the manner we specify in all advertising, marketing, promotional, customer relationship management, public relations and other brand-related programs that we designate for the Facility, subject to the Marketing Spending Requirement. You must also list the Facility with the online directories and subscriptions we periodically prescribe (such as Yelp® and Google®). You must ensure that all of your local marketing is completely clear, factual and not misleading, complies with all applicable laws and regulations, and conforms to the highest ethical standards and the advertising and marketing policies that we periodically specify. Before using them, you must send to us, for our approval, descriptions and samples of all proposed local marketing that we have not prepared or previously approved within the previous 6 months. If you do not receive written notice of approval from us within 10 business days after we receive the materials, they are deemed disapproved. You may not conduct or use any local marketing that we have not approved or have disapproved. Except as described below (under Marketing Spending Requirement), we are not required to spend any monies on advertising in the area or market in which your Facility is located.

Marketing Contributions

We have established, and (subject to our Franchise Agreement rights) will administer and control, a marketing fund (the “Marketing Fund”) for the advertising, marketing, promotional, customer relationship management, public relations and other brand-related programs and materials for all or a group of Gold’s Gym Facilities that we deem appropriate. The current Marketing Contributions is the greater of 2% of your Facility’s Gross Revenue or \$1,350 per month. Each Gold’s Gym Facility that we or our affiliate operates contributes to the Marketing Fund at either the same rate as you or a rate similar to the rate at which other Gold’s Gym Facility franchisees contribute. These franchisees contribute to the Marketing Fund at different rates depending on the form of franchise agreement they signed. In some cases, certain GVP Vendors also will contribute to the Marketing Fund.

We will designate and direct all programs that the Marketing Fund finances, with sole control over the creative and business concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Marketing Fund may pay for preparing, producing and placing materials, electronic media and social media; developing, maintaining and administering one or more System Websites, including online membership capabilities, lead management and customer retention programs; administering international, national, regional, multi-regional and local marketing, advertising, promotional, social media, and customer relationship management programs, including purchasing advertising and advertising space and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public and member relations, market research, and other advertising, promotion, marketing and brand-related activities. We may place advertising in any media, including print, radio, and television, on a regional or national basis. Our in-house staff and/or national or regional advertising agencies may produce advertising, marketing, and promotional materials.

We will not use the Marketing Fund to pay any of our general operating expenses, but we may use it to compensate us and our affiliates for the reasonable salaries, administrative costs, travel expenses, overhead and other costs we and they incur in activities performed for the Marketing Fund and its programs, including conducting market research, preparing advertising, promotion and marketing materials, maintaining and administering the System Website, collecting and accounting for Marketing Fund contributions, and paying taxes on contributions. The Marketing Fund may also reimburse Gold’s Gym Facility operators (including us and our affiliates) for expenditures consistent with the Marketing Fund’s purposes that we periodically specify. We will not use any Marketing Contributions principally to solicit new franchise sales, although part of the System Website is devoted to franchise sales. We will not be required to segregate contributions to the Marketing Fund from our general operating funds, but we will account for such contributions separately from our other funds. The Marketing Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Marketing Fund or any other reason. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. If the entire Marketing Fund contributions are not spent in the year in which we received them, they will remain in the Marketing Fund and be available for spending during the next or in future fiscal years. We will

use all interest earned on Marketing Fund contributions to pay costs before using the Marketing Fund's other assets. We may incorporate the Marketing Fund or operate it through a separate entity whenever we deem appropriate, in which case, the successor entity will have all of the rights and duties specified here.

We will prepare an annual, unaudited statement of Marketing Fund collections and expenses and give you the statement upon written request. Independent accountants currently do not audit the Marketing Fund, but we may have an independent accountant we select audit the Marketing Fund periodically at the Marketing Fund's expense. During the fiscal year ended December 31, 2023, the Marketing Fund expenditures were made as follows: production (1.6%), agency and public relations expenses (2.8%), media buys (80.3%), website and digital experience (9.9%), Marketing Fund travel, meeting and other ancillary expenses (0.5%), and Marketing Fund allocated expenses (4.9%).

We intend the Marketing Fund to promote recognition of the Marks and patronage of Gold's Gym Facilities generally. Although we will try to use the Marketing Fund to develop and/or implement advertising and marketing materials and programs and for other uses (consistent with these provisions) that will benefit all contributing Gold's Gym Facilities, we need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Marketing Fund contributions from Gold's Gym Facilities operating in that geographic area, or that any Gold's Gym Facility benefits directly or in proportion to the Marketing Fund contributions that it makes. We have the right, but no obligation, to use collection agents and institute legal proceedings at the Marketing Fund's expense to collect Marketing Fund contributions. We also may forgive, waive, settle and compromise all claims by or against the Marketing Fund. Except as expressly provided here, we assume no direct or indirect liability or obligation to you for maintaining, directing or administering the Marketing Fund.

We may at any time defer or reduce a Gold's Gym Facility operator's contributions to the Marketing Fund and, upon at least 30 days' written notice to you, reduce or suspend Marketing Contributions and/or Marketing Fund operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the Marketing Fund, we will (at our option) either spend the remaining Marketing Fund assets according to these provisions or distribute the unspent assets to Gold's Gym Facility operators (including us and our affiliates, if applicable) then contributing to the Marketing Fund in proportion to their contributions during the previous 12-month period. If anything happens that would allow us to terminate the Franchise Agreement, we may instead suspend your right to participate in one or more programs or benefits that the Marketing Fund provides and/or your Marketing Contributions fund.

Other Gold's Gym Facility operators (including our affiliates) might contribute to the Marketing Fund or to another advertising, marketing or promotion fund, and/or make contributions toward advertising, marketing, promotional, customer relationship management, public relations and other brand-related programs and materials, at a rate that is different from the Marketing Contribution. We have the right, but no obligation, periodically to allocate some or all of your Marketing Contributions for programs, materials or other uses (consistent with these provisions) that are designed primarily to benefit you and other Gold's Gym Facility operators (including us and our affiliates, if applicable) that make marketing contributions or similar payments at the same

or a similar rate as you. This might include allocating some Marketing Contributions to one or more separate accounts or funds designed (in our judgment) primarily to benefit those Gold's Gym Facility operators (including us and our affiliates, if applicable) that contribute to those separate accounts or funds. We may allocate costs for these programs, materials and other uses, and allocate these contributions, on any reasonable basis and may periodically change the allocation and other methods of utilizing Marketing Contributions. Our determinations are final.

Advisory Council

The Gold's Gym Advertising Advisory Committee ("GGAAC") advises us on advertising policies and assists us in developing advertising, marketing, and promotion concepts and programs that the Marketing Fund implements. We appoint and may remove all GGAAC members, and the GGAAC is composed of multiple franchisee representatives. The GGAAC operates only in an advisory capacity and has no operational or decision making power, but we will consult periodically with the GGAAC concerning the Marketing Fund's significant programs and expenditures. We may form, change, or dissolve the GGAAC at will.

Advertising Cooperatives

We may designate a geographic area as an area for a Cooperative. The Cooperative's members in any area are the owners of all of the Gold's Gym Facilities located and operating in that area (including us and our affiliates, if applicable) that we have the right to require to participate in the Cooperative. Each Cooperative is organized and governed in a form and manner, and begins operating on a date, that we determine. We may form, change, dissolve and merge Cooperatives. Each Cooperative's purpose is, with our approval, to develop, administer or implement advertising, marketing and promotional materials and programs for the area that the Cooperative covers. If we establish a Cooperative for the geographic area in which the Facility is located, you must sign the documents that we require to become a member of the Cooperative and participate in the Cooperative as those documents require. Facilities owned by our affiliates will do the same. The Cooperative's members typically administer the Cooperative and will decide whether the Cooperative operates from written governing documents and prepares any financial statements for members' review. While the members may agree to cause their Cooperative to do so, we do not require Cooperatives to prepare annual or periodic financial statements. At your request, we will show you a sample of governing documents that other Cooperatives or similar organizations use. In addition to the Marketing Contribution, you agree to contribute to the Cooperative the amounts that the Cooperative determines, subject to our approval and the Marketing Spending Requirement

All material decisions of the Cooperative, including contribution levels (which also require our approval), will require the affirmative vote of more than 50% of all Gold's Gym Facilities that we require to participate in the Cooperative (including, if applicable, those that we or our affiliate operate), with each Gold's Gym Facility receiving 1 vote. All Cooperative members will contribute to the Cooperative at the same rate. You must send us and the Cooperative any reports that we or the Cooperative periodically requires. The Cooperative will operate solely to collect and spend Cooperative contributions for the purposes described above. The Cooperative and its members

may not use any advertising, marketing or promotional programs or materials that we have not approved.

Marketing Spending Requirement

The “Marketing Spending Requirement” is the maximum amount that we can require you to spend on Cooperative contributions (if applicable) and approved local marketing for the Facility during each calendar quarter, and is an amount equal to 3% of the Facility’s Gross Revenue during that calendar quarter. Although we may not require you to spend more than the Marketing Spending Requirement on Cooperative contributions (if applicable) and approved local marketing for the Facility during any calendar quarter, you may choose to do so. We will not count towards your Marketing Spending Requirement your Marketing Contributions, free membership or other service offers, discounts off of a base membership price or similar price reductions that you provide as a promotion, permanent on-premises signs, lighting, personnel salaries, administrative costs, transportation vehicles (even if they display the Marks), employee incentive programs, or other amounts that we, in our reasonable judgment, deem inappropriate for meeting the Marketing Spending Requirement. We may periodically review your books and records and require you to submit reports periodically to determine your Cooperative contributions and local marketing expenses. If you fail to spend (or prove that you spent) the Marketing Spending Requirement in any quarter, then we may, in addition to and without limiting our other rights and remedies, require you to pay us the shortfall as an additional Marketing Contribution or to pay us the shortfall for us to spend on local marketing for the Facility.

System Website

We or one or more of our designees may establish a website or series of websites for the Gold’s Gym Facility network to advertise, market and promote Gold’s Gym Facilities, the amenities and other products and services they offer, and the Gold’s Gym Facility franchise opportunity, to facilitate the operations of Gold’s Gym Facilities (including, at our option, online membership sales), and/or for any other purposes that we determine are appropriate for Gold’s Gym Facilities (collectively, the “System Website”). If we include information about the Facility on the System Website, then you must give us the information and materials that we periodically request concerning the Facility and otherwise participate in the System Website in the manner that we periodically specify. We have the final decision concerning all information that appears on the System Website and will update or modify the System Website according to a schedule that we determine. By posting or submitting to us information or materials for the System Website, you are representing to us that the information and materials are accurate and not misleading and do not infringe any third party’s rights. You must notify us whenever any information about you or your Facility on the System Website changes or is not accurate.

We own all intellectual property and other rights in the System Website and all information it contains, including the domain name or URL for the System Website and all subsidiary websites, the log of “hits” by visitors, and any personal or business data that visitors (including you and your personnel) supply. We may use the Marketing Fund’s assets and your Marketing Contributions to develop, maintain, support and update the System Website. We may implement and periodically modify System Standards relating to the System Website and, at our option, may discontinue the System Website, or any services offered through the System Website, at any time.

All local marketing that you develop for the Facility must contain notices of the URL of the System Website in the manner that we periodically designate. Except for using social media according to our System Standards, you may not develop, maintain or authorize any other website, other online presence or other electronic medium (such as mobile applications, kiosks and other interactive properties or technology-based programs) that mentions or describes you or the Facility or displays any of the Marks. Except for the System Website and using social media according to our System Standards, you may not conduct commerce or offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet or using any other technology-based program without our approval.

With regard to social media, you will adhere to any social media policies that we establish from time to time and will require all of your employees to do so as well. These policies may, for instance, allow us to maintain administrative privileges over any social media associated with your Facility (for instance, by acting as the administrator of Facebook’s “Locations” functionality or any similar “parent-child” functionality for any other social media site).

If anything happens that would allow us to terminate the Franchise Agreement, we may instead temporarily remove information concerning the Facility from the System Website and/or stop your or the Facility’s participation in any other programs or benefits offered on or through the System Website. Nothing in the Franchise Agreement limits our right to maintain websites other than the System Website or to offer and sell products or services under the Marks from the System Website, another website or otherwise over the Internet without payment or obligation of any kind to you.

Computer System and Gym Management System

You must obtain, maintain and use in operating the Facility the “Gym Management System” that we periodically specify. The Gym Management System and other components of the Facility’s computer system will generate and store all data relating to the Facility’s operations, including member information, prospect information and financial and other operational data. You must acquire the Gym Management System and its computer system components and other related products and services from an approved vendor. The various license and service agreements you sign with this approved vendor will govern your use of and operations under the Gym Management System. The vendor’s Gym Management System will offer the following services:

- processing, administering and collecting your Facility’s member receivables;
- member management and reporting;
- front desk check-in with key tag and photo capture;
- point-of-sale stations and cash drawer for membership sales, pro-shop transactions and other transactions;
- inventory control and tracking;
- guest tracking, prospecting and customer relations management; and

- back office organization and reporting.

It will cost about \$10,000 to \$15,000 to acquire the Gym Management System, and the costs will vary depending on how many point-of-sale terminals and back office computers your Facility requires. The approved vendor will have the contractual right and obligation to provide ongoing maintenance, repairs, upgrades and updates for the Gym Management System's primary software and any hardware and accessories that it sells you. We estimate the current monthly cost of maintenance and support contracts, upgrades, and updates for the Gym Management System ranges from \$300 to \$500 (not including monthly payment processing fees, which are approximately 3% of billed revenue) or \$3,600 to \$6,000 per year. If you participate in an optional Studio Program, you must subscribe to a software service offered by our designated supplier, which currently charges \$200 per month, to allow members to reserve and pay for classes online.

We will have independent, unlimited access to all information and data in your computer system, including continuous independent access to all Member Information (defined in Item 14) and other information in the Gym Management System. We may, at our option, periodically change the Gym Management System or components of the Gym Management System that we designate or approve for all similarly situated Gold's Gym Facilities. If we do, you must acquire the components and other products and services required for the replacement Gym Management System and switch the Facility's operations to the replacement Gym Management system in the manner we specify. No contract limits the frequency or cost of this obligation.

Opening

We estimate that the time between your signing the Franchise Agreement (which is when you will first pay us consideration for the franchise) and opening the Facility for member workouts is about 180 days if you have located and signed a lease for an accepted Site before you sign the Franchise Agreement or about 12 to 18 months if you still are looking for an acceptable site when you sign the Franchise Agreement. The precise timing depends on the time it takes you to locate an accepted Site and sign an accepted lease; the Site's location and condition; the work needed to develop the Facility according to our System Standards; completing training; obtaining financing; obtaining insurance; and complying with local laws and regulations.

You must open the Facility for member workouts in compliance with the Franchise Agreement on or before the "Opening Deadline" or we may terminate the Franchise Agreement. If the Facility is open and operating on the Franchise Agreement's effective date, then the Opening Deadline is that effective date. Otherwise, the Opening Deadline is 18 months after the Franchise Agreement's effective date. If you sign the Renewal Addendum and are relocating the Facility, the Opening Deadline for the Facility at the new site is 1 year after the Franchise Agreement's effective date. You must operate the Facility at the old site according to the Franchise Agreement until you open the Facility at the new site for member workouts.

You may not open the Facility for member workouts until: (1) you have properly developed and equipped the Facility according to our standards and specifications and in compliance with all applicable laws and regulations; (2) the Facility's personnel has completed all pre-opening training to our satisfaction; (3) you have paid all amounts then due to us; (4) you have satisfied all bonding,

licensing and other legal requirements for the Facility's operation; (5) you have given us copies of all required insurance policies or any other evidence of insurance coverage and payment of premiums as we request; (6) you give us a copy of your fully-signed lease; and (7) if we (at our sole option) require, we have conducted a pre-opening inspection and certified the Facility for opening. Our determination that you have met all of our pre-opening requirements is not a waiver of your non-compliance or of our right to demand full compliance with those requirements.

We currently provide the name of suppliers of and specifications for certain items of equipment, signs, fixtures, opening inventory, and supplies needed to open your Facility. We do not generally deliver or install these items.

Training

Before selling or preselling any Facility memberships to the public (or, if the Facility is operating under the Marks on the Franchise Agreement's effective date, within 30 days after that date), your personnel whom we describe below must attend and complete to our satisfaction our initial training program on the operation of a Gold's Gym Facility. The initial training program may take any form and be of any duration that we periodically designate. You must pay your and your personnel's travel, living and other expenses (including local transportation expenses) and compensation incurred in attending any training courses and programs, conventions or work at any Gold's Gym Facility that is part of their development. If we determine that you or any of your personnel cannot complete the initial training programs to our satisfaction, then we may require you or your personnel to attend additional training programs at your expense (for which we may charge reasonable fees).

Training is mandatory for all franchisees, except for some franchisees signing the Renewal Addendum. You (or, if you are a business entity, your managing owner or other manager whom you designate and we approve) and one other individual associated with the Facility whom you designate, including the individual who will act as the Facility's general manager, must complete the initial training program to our satisfaction. If you are signing the Renewal Addendum, then it will be our option to require, or not to require, you and/or your personnel to complete our initial training program, but you may still choose to attend or send your personnel to training even if we do not require it. If you participate in one or both optional Studio Programs, you will incur additional training fees and travel expenses for our instructors of up to approximately \$4,250 (depending on the number of Studio Programs you participate in, the format of training provided, and the number of trainees), as described in Item 5. Because training may include site selection and other pre-opening issues, we recommend that you and your personnel attend the first scheduled training class after signing the Franchise Agreement. We currently schedule our management training program about 3 times per year at our company headquarters, but we may offer training virtually such as via virtual-conferencing software (e.g., Zoom[®] or Microsoft Teams[®]). The following chart describes our current management training program:

TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-The-Job Training	Column 4 Location
GGU Overview	1	0	Dallas, TX
Our Legacy – Then and Now	1	0	Dallas, TX
Financials, Revenue Spend & KPIs	2	0	Dallas, TX
Development & Build Out	1	1	Dallas, TX
Brand Standards & GVP	2	1	Dallas, TX
Front Desk & Member Experience	1	2	Dallas, TX
Fitness Experience – Personal Training & Group Exercise	2	2	Dallas, TX
Membership Sales Experience & Automation	1	2	Dallas, TX
Staff Development – Staff Model & Recruitment	2	0	Dallas, TX
Staff Development – Retail & Concessions	2	1	Dallas, TX
Gym Marketing Execution	2	0	Dallas, TX
Brand Strategy & Digital Marketing	3	0	Dallas, TX
In Gym Guest Experience	0	3	Dallas, TX
TOTAL HOURS⁽¹⁾	20	12	

NOTES:

(1) If you participate in one or both optional Studio Programs, additional training will be required. For the Gold’s Fit program, an additional 20 hours of training will be conducted over 3 days. Gold’s Burn training requires the underlying training for Gold’s Fit, plus an additional 8 hours of training over the course of 1 day. For each of the Studio Programs, we will determine where the training will occur, which may be at your Facility or at our training facility in Dallas, Texas. In either case, you will likely incur additional costs associated with your and your personnel’s travel, living and other expenses (including local transportation expenses), or the travel, living and other expenses of our instructor.

The Manual and certain handouts that vendors prepare serve as our instructional materials. Our primary instructors are Kevin Christie, our Vice President of International Franchising, who has 28 years of experience in the fitness industry, and worked with us as a Franchise Business Consultant from April 2012 to May 2014 and then rejoined us as our Director of International Franchising in January 2016 through April 2019; Kelly Cortinas, our Senior Director of Franchise Operations, who has worked with us since 2011 and has 28 years of experience in the fitness industry; and Eduardo Afonso, our Vice President, Franchising Administration and Operation, who has worked with us since 2001 and has 22 years of experience in the fitness industry. Other vendors and outside instructors also provide some assistance concerning the products and services they provide.

During the Franchise Agreement's term, we may require you and/or your personnel, including newly hired managers and previously trained and experienced employees at the Facility, to attend and complete to our satisfaction various training courses and programs that we choose to provide periodically at the times and locations we designate, although currently none are planned. We also may require you to conduct periodic training for Facility personnel using the formats and procedures that we periodically specify. You (or, if you are a business entity, one of your owners) or the Facility's general manager must attend each annual convention that we (at our sole option) organize for Gold's Gym Facility operators. We may charge reasonable fees for these training courses, programs and conventions. Currently, we charge \$500 per person per session, but that fee could increase if our costs increase. We may authorize third parties to provide the ongoing training described in this paragraph. If you (or a required attendee) fail to attend a mandatory annual convention, you will still be required to pay the maximum convention fee that we assess for other attendees.

Item 12

TERRITORY

Franchise Agreement

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

You will operate the Facility at a specific Site that we first must accept. If you have not yet located an accepted Site when you sign the Franchise Agreement, we will designate a "Site Selection Area" when you sign that Agreement. We typically identify Site Selection Areas either using city boundaries or as a circle with a radius of a specified distance that we determine from a specified intersection. There is no minimum size for a Site Selection Area. The Site Selection Area is the area within which you must look for your Site. You must propose a suitable site in the Site Selection Area promptly and obtain our acceptance of the Site and sign the lease that we have accepted for the Site within 9 months, after the Franchise Agreement's effective date.

After you sign a lease for the Site that we have accepted (if you have not located an accepted Site when you sign the Franchise Agreement), or upon signing the Franchise Agreement

(if you have located an accepted Site at that time), we will define your protected territory (the “Territory”). The Territory is a circle with a radius of a specified distance that we determine from the Facility’s main front entrance. We will determine that distance based on the factors that we deem relevant, which might include demographics, the character of the Site and nearby businesses and residences. The minimum Territory may be as small as one-eighth ($\frac{1}{8}$) of a mile in a densely populated area, or in some rural areas, up to 3 miles. The Territory will be smaller than the Site Selection Area. Once we define the Territory, you will have no further territorial or other rights in those portions of the Site Selection Area that are outside the Territory.

Except as provided below, if you are complying with the Franchise Agreement, then neither we nor our affiliates will, during the term of the Franchise Agreement, operate or authorize any other party to operate a Gold’s Gym Facility the physical premises of which are located within (i) the Site Selection Area (until we designate the Territory) or (ii) the Territory (once we have designated the Territory). However, we and our affiliates may:

(1) operate, and/or authorize any other party to operate, a Gold’s Gym Facility located at any hotels, motels or similar operations (“Hotels”) located within the Site Selection Area or Territory, but they will be authorized to sell goods and provide services only to guests of the Hotel; and

(2) acquire the assets or ownership interests of an entity (in either case, regardless of the form of transaction) that operates, and/or grants rights to other persons to operate, one or more health and fitness center(s) within the Site Selection Area or Territory, as applicable. If any of those health and fitness center(s) are located or are under development within the Site Selection Area (prior to our designation of the Territory) or the Territory (after the designation of the Territory) on the date upon which that acquisition closes, then we and our affiliates may, following that acquisition, convert or authorize the conversion of any or all of those health and fitness center(s) to Gold’s Gym Facilities, and those health and fitness center(s) may continue to operate as Gold’s Gym Facilities throughout the remaining Term (and after that).

We and our affiliates at all times have the right to engage in any activities we or they deem appropriate that the Franchise Agreement does not expressly prohibit, whenever and wherever we or they desire. This includes:

(a) establishing and operating, and granting rights to other persons to establish and operate, on any terms, Gold’s Gym Facilities at any locations (x) outside the Site Selection Area (until we have designated the Territory); or (y) outside the Territory (once we have designated the Territory);

(b) establishing and operating, and granting rights to other persons to establish and operate, on any terms, health and fitness facilities or any similar or dissimilar businesses that are not primarily identified by the Marks at any locations, whether within or outside the Site Selection Area or Territory;

(c) using or licensing the use of the Marks, and all products and services associated with any of the Marks, in any methods of distribution, except as specifically described above. This includes providing, and granting rights to other persons to provide (except as specifically described above), products and services that are similar or dissimilar to, or competitive with, any products and services that Gold's Gym Facilities provide, whether identified by the Marks or other trademarks or service marks, regardless of the method of distribution, and at any locations, whether inside or outside the Site Selection Area or Territory;

(d) acquiring the assets or ownership interests of, or being acquired (regardless of the form of transaction) by any businesses providing products and services similar or dissimilar to those that Gold's Gym Facilities provide, and franchising, licensing or creating other arrangements for these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, whether within or outside the Site Selection Area or Territory; and

(e) selling the assets or ownership interests of any Gold's Gym Facilities owned by us or our affiliates, even if the buyer of such assets or ownership interests intends to reimage the Gold's Gym Facilities and/or such sale causes the number of Gold's Gym Facilities within your general market area to decrease. We have no obligation to ensure that there exists a certain minimum number of Gold's Gym Facilities within any particular area.

There are no restrictions on your soliciting and accepting memberships from outside your Territory or otherwise competing with other Gold's Gym Facilities which are now, or in the future may be, located outside your Territory. Except for the System Website's online membership enrollment function and for limited, short term, off-site, promotional purposes we approve in advance, you may not use other channels of distribution, such as the Internet, catalog sales, telemarketing, and other direct marketing, to make sales (as opposed to advertising and marketing) because you may only make sales at the Facility. If we permit you to offer or sell products from anywhere other than the premises of the Facility, we may limit, and modify from time to time, the geographic area in which you may offer products and services.

Under the Franchise Agreement, you have no options, rights of first refusal, or similar rights to acquire additional franchises within your Territory or contiguous territories. Continuation of your territorial rights does not depend on your achieving a certain sales volume, market penetration, or other contingency. If anything happens that would allow us to terminate the Franchise Agreement, we may instead temporarily or permanently reduce the size of the Territory, in which case the restrictions on us and our affiliates described above will not apply in the geographic area that was removed from the Territory. Otherwise we may not alter your Territory or modify your territorial rights before your Franchise Agreement expires or is terminated (although we may do so for a successor franchise).

Our affiliates operate fitness studios under the "John Reed Fitness" and "Heimat" brand names. These affiliates do not currently have plans to offer franchises for these concepts in the United States. Currently, there are four John Reed Fitness studios open (three in southern

California and one in Dallas, Texas) and one Heimat fitness studio open in Los Angeles, California. Though these fitness studios may continue to be located within the territories of Gold's Gym Facilities in the United States, they generally have significantly higher monthly membership fees than Gold's Gym Facilities. Therefore, we do not believe they will have a material impact on memberships of Gold's Gym Facilities, but they are not prohibited from soliciting members of Gold's Gym Facilities. The affiliates that operate these studios have their U.S. headquarters at 7000 Romaine Street, #201, Los Angeles, California 90038.

We and our affiliates may use other channels of distribution, such as the Internet, catalog sales, telemarketing, and other direct marketing, to solicit and make sales to members in your Territory using the Marks and other trademarks without compensating you.

We currently offer and sell certain products (including Gold's Gym branded apparel, workout accessories, and equipment) and services directly to customers through our System Website and other direct selling methods. Except as described above, neither we nor our affiliates operate, franchise, or have plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those that you will offer, although we and they have the right to do so.

If you sign the Renewal Addendum and are relocating your Facility, you will not receive a Site Selection Area, and we initially will define your Territory under the Franchise Agreement based on the Facility's existing site. You will retain your rights in this Territory while you are looking for and developing the new site for the Facility. However, after you sign the lease or sublease for the new site, we may, at our sole option, redefine the Territory. We have no obligation to redefine the Territory. Our process for redefining Territories is the same as our process for granting new Territories, which we describe above. Once we redefine the Territory, you will have no further territorial or other rights in your former Territory.

If you lease the Site from a lessor who is not your affiliate and you choose not to, or do not have the right to, renew the lease or otherwise remain in possession of the Site after the lease term expires (a "Lease Expiration"), or if the Site or Facility is destroyed, condemned or otherwise rendered unusable, you may relocate the Facility to a new location that we accept in advance. You must comply with our then applicable relocation policies and reimburse us for all out-of-pocket expenses that we incur. If you are relocating the Facility because of a Lease Expiration, then (i) we typically will not accept a proposed new location unless we and you determine, in each of our and your respective sole judgments, that the Facility operating at the new location is likely to retain at least 75% of the Facility's then existing members; and (ii) you must develop and open the Facility for member workouts at the new location, in compliance with the Franchise Agreement, before the original lease expires.

Development Rights Agreement

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

We and you will identify the Development Area within which you and your Affiliated Entities may develop Gold's Gym Facilities in an exhibit to the Development Rights Agreement before signing it. We typically identify Development Areas either using city boundaries or as a circle with a radius of a specified distance that we determine from a specified intersection. We base the Development Area's size on the number of Gold's Gym Facilities you agree to develop, the market, other characteristics of the Development Area, and demographic factors, but Development Areas usually are an entire city (for an urban area) or county (for more rural areas). There is no minimum size for the Development Area.

We and you will negotiate the number of franchise agreements for Gold's Gym Facilities that you or your Affiliated Entities must sign, and the dates by which you and they must sign them, to keep your territorial rights and insert this information in the Development Rights Agreement before signing it. If you are fully complying with the Development Rights Agreement, we will grant you and your Affiliated Entities franchises to operate the agreed-upon number of Gold's Gym Facilities in the Development Area. Franchises that we grant to your Affiliated Entities will count toward your Development Schedule. You and your Affiliated Entities may not develop Gold's Gym Facilities outside the Development Area.

For each Gold's Gym Facility that you (or your Affiliated Entity) develops under the Development Rights Agreement, you or your Affiliated Entity will sign the form of franchise agreement and any ancillary agreements we then customarily use in granting franchises for Gold's Gym Facilities, the terms of which may differ substantially from the terms contained in the Franchise Agreement attached to this disclosure document. We will determine the territory and territorial rights for each Gold's Gym Facility that you develop under the Development Rights Agreement using the standards in place at the time when you sign the franchise agreement for that Gold's Gym Facility. To retain your rights under the Development Rights Agreement, each Gold's Gym Facility it covers must operate continuously during the Agreement's term. Otherwise we may terminate the Development Rights Agreement. In determining whether to accept a proposed site for a Facility in the Development Area, your proposed site must meet our then current site selection criteria for Gold's Gym Facilities.

Except as provided below, if you are complying with the Development Rights Agreement, and you and your Affiliated Entities are fully complying with all of your and their obligations under all franchise agreements for the operation of Gold's Gym Facilities, then during the Development Rights Agreement's term only, neither we nor our affiliates will operate, or authorize any other party to operate, a Gold's Gym Facility the physical premises of which are located within the Development Area (except for franchises we grant you and your approved Affiliated Entities). However, we and our affiliates may:

- (1) operate, and/or authorize any other party to operate, a Gold's Gym Facility located at any Hotels located within the Area, but they will be authorized to sell goods and provide services only to guests of the Hotel; and

- (2) acquire the assets or ownership interests of an entity (in either case, regardless of the form of transaction) that operates, and/or grants rights to other persons to operate, one or more health and fitness center(s) within the Development Area. If any of

those health and fitness center(s) are located or under development within the Development Area on the date upon which that acquisition closes, then we and our affiliates may, following that acquisition, convert or authorize the conversion of any or all of those health and fitness center(s) to Gold’s Gym Facilities, and those health and fitness center(s) may continue to operate as Gold’s Gym Facilities throughout the remaining term of the Development Rights Agreement (and after that).


If you fail to meet your Development Schedule, we may terminate the Development Rights Agreement. Otherwise we may not alter your Development Area or modify your territorial rights in the Development Area.



We also may engage, and allow others to engage, in any other activities of any nature within the Development Area, including those which we now reserve in our Franchise Agreement. We may sell the assets or ownership interests of any Gold’s Gym Facilities owned by us or our affiliates, even if the buyer of such assets or ownership interests intends to reimage the Gold’s Gym Facilities and/or such sale causes the number of Gold’s Gym Facilities within your general market area to decrease, and we have no obligation to ensure that there exists a certain minimum number of Gold’s Gym Facilities within any particular area. When the Development Rights Agreement expires or terminates, we (and our affiliates) may establish, and allow others to establish, Gold’s Gym Facilities the physical premises of which are located within the Development Area and engage, and allow others to engage, in any other activities we desire within and outside the Development Area without any restrictions, subject only to your (or your Affiliate Entity’s) rights under existing franchise agreements with us.

Item 13

TRADEMARKS

We grant you the non-exclusive right to use and display the Marks in operating, marketing, and advertising your Facility. The following table describes the principal Marks that we license to you.

Mark	Registration Number	Registration Date
Gold’s Gym	1,203,098	July 27, 1982
	1,835,743	May 10, 1994

	3,316,556	October 23, 2007
	3,296,366	September 25, 2007

In addition, if you participate in one or both optional Gold's Studio Program, we license the following Marks to you, as applicable based on which Studio Programs you elect to offer.

Mark	Registration/Application Number	Registration/Application Date
Gold'sFit	Reg. No. 4,561,430	July 1, 2014
Gold'sBurn	Reg. No. 5,358,308	December 19, 2017
Gold's Studio	App. No. 98,438,773	March 7, 2024

We do not have a federal registration for each of our principal trademarks. Therefore, such trademarks do not have many legal benefits and rights as a federally registered trademark. If our right to use an unregistered trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

These Marks are listed on the Principal Register of the United States Patent and Trademark Office (the "PTO"). GGL (or its predecessor) has filed all required affidavits and renewal documents for these Marks. GGL allows us to use and sublicense these Marks under an Intellectual Property License Agreement dated as of August 24, 2020 between GGL and us (the "IP License Agreement"). The IP License Agreement's term is 99 years. GGL can terminate the IP License Agreement if we materially breach the agreement and do not cure such breach within 30 days, without notice if we cease to be an affiliate of GGL, or on 90 days' notice without cause. However, termination of the IP License Agreement will not affect any Franchise Agreement or other licenses that were granted by GGL in accordance with the IP License Agreement before such termination.

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, any state trademark administrator, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the Marks. No agreement currently in effect significantly limits our right to use or sublicense the Marks in any manner material to the franchise. We do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks.

You must notify us immediately of any actual or apparent infringement of or challenge to your use of any Mark, or of any person's claim of any rights in any Mark. You may not communicate with any person other than us, GGL, and our and GGL's attorneys, and your attorneys, regarding any infringement, challenge or claim. We or GGL may take the action that we or it deems appropriate (including no action) and control exclusively any litigation, PTO proceeding or other proceeding relating to any infringement, challenge or claim or otherwise concerning any Mark. You must sign any documents and take any reasonable actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our and GGL's interests in any litigation or PTO or other proceeding or otherwise to protect and maintain our and GGL's interests in the Marks. At our option, we or GGL may defend and control the defense of any litigation or proceeding relating to any Mark.

We will reimburse you for all damages and expenses you incur or for which you are liable in any proceeding challenging your right to use any Mark, but only if your use is consistent with the Franchise Agreement, the Operations Manual and System Standards and you have timely notified us of, and comply with our directions in responding to, the proceeding.

If we believe at any time that it is advisable for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses in complying with these directions (such as costs you incur in changing the Facility's signs or replacing supplies), for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

The Development Rights Agreement does not grant you any rights to use the Marks. You derive the right to use the Marks only under a franchise agreement.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We own no patents or patent applications that are material to the franchise. The Operations Manual, advertising, training and promotional materials, and similar items used in operating the franchise are protected under the U.S. Copyright Act, whether or not we have obtained copyright registrations for those materials. You may use these materials only as provided in the Franchise Agreement. You must modify or discontinue using the copyrighted materials as we direct.

There currently are no effective determinations of the PTO, United States Copyright Office or any court regarding any of the copyrighted materials. No agreement limits our right to use or license the copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your using the copyrighted materials. We need not protect or defend copyrights or take any action if notified of infringement, although we intend to do so if in our system's best interests. We may take the action we deem appropriate (including no action) and exclusively control any proceeding involving the copyrights. No agreement requires us to

participate in your defense or indemnify you for damages or expenses in a proceeding involving a copyright or claims arising from your use of copyrighted items.

We will disclose certain Confidential Information to you during the Franchise Agreement's term. "Confidential Information" includes site selection criteria and methodologies; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating Gold's Gym Facilities, including information in the Operations Manual and System Standards; marketing research and promotional, marketing, advertising, public relations, customer relationship management and other brand-related materials and programs for Gold's Gym Facilities; knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets and other products that Gold's Gym Facilities use and/or sell; knowledge of the operating results and financial performance of Gold's Gym Facilities; Member Information and customer communication and retention programs, along with data used or generated in those programs; graphic designs and related intellectual property; and any other information we reasonably designate as confidential or proprietary. However, Confidential Information does not include information, knowledge or know-how that is or becomes generally known in the health club industry (without violating an obligation to us or our affiliate) or that you knew from previous business experience before we provided it to you or before you began training or operating the Facility. If we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that the exclusion in this paragraph is fulfilled.

The Confidential Information is proprietary and includes our trade secrets. You and your owners (a) may not use any Confidential Information in any other business or capacity, whether during or after the Franchise Agreement's term; (b) must keep the Confidential Information absolutely confidential, for as long as the information is not in the public domain; (c) may not make unauthorized copies of any Confidential Information disclosed in written or other tangible or intangible form; (d) must adopt and implement all reasonable procedures that we periodically designate to prevent unauthorized access, use or disclosure of Confidential Information, including by establishing reasonable security and access measures and restricting its disclosure to Facility personnel and others needing to know that Confidential Information to operate the Facility, and using confidentiality and non-competition agreements with those having access to Confidential Information (and we have the right to regulate the form of agreement that you use and to be a third party beneficiary of that agreement with independent enforcement rights); and (e) may not sell, trade or otherwise profit in any way from the Confidential Information, except during the Franchise Agreement's term using methods we approve.

You must comply with our System Standards, other directions from us, and all applicable laws and regulations regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of Member Information on your Gym Management System or otherwise in your possession or control and, in any case, employ reasonable means to safeguard the confidentiality and security of Member Information. "Member Information" means names, contact information, financial information and other personal information of or relating to the Facility's members and prospective members. If there is a suspected or actual breach of security or unauthorized access involving your Member Information,

you must notify us immediately after becoming aware of the occurrence and specify the extent to which Member Information was compromised or disclosed.

We and our affiliates may, through the Gym Management System or otherwise, have access to Member Information. We and our affiliates may use Member Information in our and their business activities, but during the Franchise Agreement's term we and our affiliates will not use the Member Information that we or they learn from you or from accessing the Gym Management System to compete directly with the Facility. When the Franchise Agreement expires or terminates, we and our affiliates may make all disclosures and use the Member Information in any manner that we or they deem necessary or appropriate. You must secure from your members, prospective members and others all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Member Information to us and our affiliates, and for us and our affiliates to use that Member Information, in the manner that the Franchise Agreement contemplates.

You must promptly disclose to us all ideas, concepts, techniques or materials relating to a Gold's Gym Facility that you or your owners, employees or contractors create (collectively, "Innovations"). Innovations are our sole and exclusive property, part of the Franchise System, and works made-for-hire for us. If any Innovation does not qualify as a work made-for-hire for us, you assign ownership of that Innovation, and all related rights to that Innovation, to us and must sign (and cause your owners, employees and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person for any Innovations. You may not use any Innovation in operating the Facility or otherwise without our prior approval.

The Development Rights Agreement does not grant you any right to use our copyrighted materials or Confidential Information. You derive the right to use these items only under a franchise agreement with us.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Franchise Agreement

We do not require, but do recommend, that you (if you are an individual) or your managing owner (if you are an entity) participate personally in the direct operation of the Facility. You must at all times retain and exercise direct management control over all aspects of the Facility's business and all amenities and other products and services it offers. You may not enter into any management agreement, subcontracting arrangement or other arrangement under which any other party (including your affiliate) provides or exercises management control over any aspect of the Facility's operations or the amenities or other products and services it offers. Only your employees may provide services at the Facility, and neither you nor your owner may engage consultants or independent contractors to provide any products or services at or relating to the Facility. For

example, neither you nor your owner may engage or contract with any consultant or independent contractor (including your affiliate) to provide personal training services, massage services or any other health-related services to Facility members or guests (whether those services are provided at the Facility or any other location), or to operate any retail location providing any products or services that are ancillary to the Facility's business to Facility members or guests (such as a juice or smoothie bar) which is located in the Facility or at or near the Site.

Only an individual who devotes his or her full working time and best efforts to the day-to-day, on-premises operation of the Facility, has completed to our satisfaction our management training program, and is not engaged in any other business endeavor except passive investments which do not interfere with the performance of his or her duties as manager may manage the Facility. The Facility's manager does not need to have an equity interest in the Facility (or in you). At our option, you must ensure that all of your Facility's managers and other employees having access to Confidential Information sign agreements in a form we reasonably specify under which they agree to comply with the confidentiality, innovations, and non-compete restrictions in the Franchise Agreement.

If you are a corporation, limited liability company or other business entity, each of your owners who at any time owns (directly or indirectly) 20% or more of your ownership interests, and each other individual or entity that we specify (each a "Guarantor"), must sign a guaranty in the form we designate undertaking personally to be bound, jointly and severally, by all of the Franchise Agreement's and any ancillary agreement's provisions, the current version of which is attached to the Franchise Agreement. If an owner signing the guaranty is married and their spouse is not an owner of you, we will require the non-owner spouse to sign the guaranty for the limited purposes of (a) assuming the confidentiality and non-competition obligations under the Franchise Agreement, and (b) acknowledging that their spouse's execution of the guaranty may impact the marital assets (including the non-owner's spouse's interests in marital assets). The non-owner spouse is not otherwise obligated under the guaranty.

In addition, each of your other owners who is not a Guarantor must sign a principal's agreement in the form we designate undertaking personally to comply with certain confidentiality, non-competition, transfer and dispute resolution provisions of the Franchise Agreement, the current version of which is attached to the Franchise Agreement.

Development Rights Agreement

You must develop your Development Area according to the Development Schedule. We do not require, but do recommend, that you (or your managing owner) personally supervise your development of Gold's Gym Facilities. You must hire sufficient personnel to manage and supervise the development of your Gold's Gym Facilities. The personnel need not have an equity interest in any Gold's Gym Facility (or in you) and need not attend our training program. If you are a corporation, limited liability company, partnership, or other business entity, your owners need not sign any personal guarantees of your obligations under the Development Rights Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer all amenities and other products and services that we periodically specify as being mandatory. You must use the Site solely for the operation of the Facility. You may not offer, sell, provide or otherwise distribute at the Facility, the Site or any other location any amenities or other products or services we have not authorized, and you must discontinue selling and offering any amenities and other products or services that we at any time disapprove in writing. We may periodically change the types of authorized services and products for your Facility and the vendors and suppliers from whom they are purchased.

Our System Standards may regulate participation in and requirements for member/customer loyalty programs, reciprocity programs, membership transfer policies and programs, and similar programs for members of similarly situated Gold's Gym Facilities, including the terms and conditions we periodically specify for (a) providing Facility access to members of other Gold's Gym Facilities; (b) honoring memberships covering some or all Gold's Gym Facilities and providing Facility access to those members; (c) accepting memberships that we or our affiliates process or assist in processing for the Facility, including paying us and our affiliates reasonable fees for online membership applications that we process and other assistance we and they provide relating to your Facility's memberships; and (d) each Gold's Gym Facility's bearing, or sharing in, the costs and expenses associated with participating in any of these programs. Our System Standards also may regulate the terms of membership offerings and maximum, minimum and other pricing requirements for memberships and other products and services that the Facility offers, including requirements for promotions, special offers and discounts in which some or all Gold's Gym Facilities participate, in each case to the maximum extent the law allows (although you must ensure that your membership offerings and membership agreements comply with applicable laws and regulations). You also must participate in the manner we specify in any group membership reciprocity or other programs that we periodically establish.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	1.B of Franchise Agreement, 2 of Studio Program Addendum, and 9 of Development Rights Agreement	Franchise Agreement expires 10 years after the Facility first opens for member workouts. Studio Program Addendum runs concurrently with your Franchise Agreement (but we may discontinue one or both of the Studio Programs, in which case you would have to cease providing those Studio Programs). Development Rights Agreement expires on the earlier of (i) the date when the last franchise agreement under the Development Schedule is signed or (ii) when the Development Rights Agreement is otherwise terminated.
b. Renewal or extension of the term	14 of Franchise Agreement	If you (and guarantors) have substantially complied with the Franchise Agreement during its term and are then in full compliance, you may acquire one successor franchise under our then current form of franchise agreement (which may be materially different from the Franchise Agreement, including on Territory and fees). You will not have any additional renewal rights.
c. Requirements for franchisee to renew or extend	14 of Franchise Agreement	You (and your owners) meet our then applicable standards for franchisees; you maintain possession of and renovate, remodel, and/or expand the Facility to meet then current standards or secure a substitute site to develop as a new Facility; you provide at least 12 months' notice and information; you (and guarantors) remain in full compliance; you pay renewal fee; and you and your owners sign then current form of franchise agreement and ancillary agreements and general release (unless prohibited by law). "Renewal" means signing our then current franchise agreement, which could contain materially different terms (including on Territory and fees).

Provision	Section in franchise or other agreement	Summary
d. Termination by franchisee	15.A of Franchise Agreement	You may terminate the Franchise Agreement if we materially breach and fail to cure within 30 days after receiving notice from you (or, if breach cannot reasonably be cured in 30 days, then within a reasonable time). Except as applicable law allows, you may not terminate the Development Rights Agreement.
e. Termination by franchisor without cause	Not applicable to Franchise Agreement or Development Rights Agreement, 2 of Studio Program Addendum	We may not terminate the Franchise Agreement or Development Rights Agreement without cause. If we elect to require all Facilities to discontinue offering a particular Studio Program, you must discontinue offering that Studio Program.
f. Termination by franchisor with cause	15.B of Franchise Agreement, 5 of Studio Program Addendum, and 10 of Development Rights Agreement	We may terminate the Franchise Agreement, Studio Program Addendum, or the Development Rights Agreement if you or your owners commit any one of several violations. Termination of the Franchise Agreement will allow us to also terminate the Development Rights Agreement, but we do not have the right to terminate your Franchise Agreement based solely on the termination of your Development Rights Agreement.
g. "Cause" defined – curable defaults	15.B and 15.C of Franchise Agreement and 10 of Development Rights Agreement	Under the Franchise Agreement you have 72 hours to fully cure violations of law, 5 days to cure payment defaults and 30 days to cure other defaults not listed in (h) below. Upon your default we also may reduce Territory, stop System Website and marketing benefits, suspend other services or support, suspend or terminate fee reductions, and/or assume interim operation of the Facility. You have no right to cure defaults under the Development Rights Agreement.

Provision	Section in franchise or other agreement	Summary
h. “Cause” defined – non-curable defaults	15.B of Franchise Agreement and 10 of Development Rights Agreement	<p><u>Franchise Agreement</u>: Material misrepresentation or omission; failure to complete training to our satisfaction; failure to sign lease or open Facility on time; abandonment or failure to actively operate; surrender or transfer of your or Facility’s control; conviction of or pleading no contest to felony; any dishonest, unethical or illegal conduct that adversely impacts reputation or goodwill or violate social media policy by disparaging us, other Gold’s Gym Facilities, your members or the members of any other Gold’s Gym Facility, or the Gold’s Gym brand; failure to maintain insurance; interference with inspection rights; unauthorized transfer; termination of another franchise or other agreement (other than a development rights agreement); violation of non-compete or confidentiality restrictions; failure to pay taxes, suppliers or lenders; repeated defaults; and bankruptcy-related events.</p> <p><u>Development Rights Agreement</u>: Failure to meet Development Schedule, breach of any obligation under Development Rights Agreement, and termination of any franchise agreement with you or Affiliated Entity.</p>
i. Franchisee’s obligations on termination / non-renewal	16 of Franchise Agreement	Under the Franchise Agreement you must pay amounts due, assign or cancel registrations and electronic uses of Marks, assign telephone numbers with “GOLD” suffix, cease using or transfer to us social media accounts, stop using Marks, notify members of termination and offer refund of membership fees, de-identify Facility, cease using Confidential Information, return Operations Manual, comply with post-termination non-competition covenants, and, if applicable pay liquidated damages (see also (o) below).
j. Assignment of contract by franchisor	13.A of Franchise Agreement and 11 of Development Rights Agreement	We may assign and change our ownership or form without restriction.

Provision	Section in franchise or other agreement	Summary
k. "Transfer" by franchisee - defined	13.B of Franchise Agreement and 11 of Development Rights Agreement	Includes transfer (or attempted transfer) of any interest in the Franchise Agreement or Development Rights Agreement, the Facility or its assets (including membership arrangements), or any direct or indirect ownership interest in you if you are an entity.
l. Franchisor approval of transfer by franchisee	13.B to 13.E of Franchise Agreement and 11 of Development Rights Agreement	We have the right to approve all transfers under the Development Rights Agreement and Franchise Agreement.
m. Conditions for franchisor approval of transfer	13.B to 13.E of Franchise Agreement	Conditions for non-control transfer are full compliance with Franchise Agreement and other agreements, you provide notice and information, transferee and its owners meet standards, you and your owners sign transfer agreements and general release (unless prohibited by law), and you pay transfer fee. Conditions for control transfer are full compliance with Franchise Agreement and other agreements, you provide notice and information, transferee and its owners meet standards, transferee completes training, you (and your owners) and transferee (and its owners) sign transfer agreements and general release (unless prohibited by law), you pay transfer fee, price and payment terms do not adversely affect operation, transferee subordinates obligations, and you and your owners agree not to use Marks.
n. Franchisor's right of first refusal to acquire franchisee's business	13.H of Franchise Agreement	We have the right to match offers under certain conditions.
o. Franchisor's option to purchase franchisee's business	16.E of Franchise Agreement	We may purchase the Facility's assets for fair market value when the Franchise Agreement expires or terminates.
p. Death or disability of franchisee	13.F of Franchise Agreement	Must transfer to an approved transferee within 6 months. We may assume the Facility's management.
q. Non-competition covenants during the term of the franchise	12.A of Franchise Agreement	No owning interest in, performing services for, loaning or leasing to, or diverting Facility business or customers to a competitive business and no soliciting employees, subject to state law.

Provision	Section in franchise or other agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	12.B of Franchise Agreement	For 2 years following expiration or termination of the Franchise Agreement, no owning interest in, performing services for, loaning or leasing to, or diverting Facility business or customers to a competitive business within 5 miles of the Facility or any other Gold's Gym Facility, subject to state law.
s. Modification of the agreement	18.J of Franchise Agreement and 12 of Development Rights Agreement	Modifications only by written agreement of the parties, but we may change the Operations Manual, Franchise System and System Standards.
t. Integration/merger clause	18.M of Franchise Agreement and 12 of Development Rights Agreement	Only terms of the agreements are binding (subject to state law). Any representations or promises made outside of the disclosure document and those agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	18.F of Franchise Agreement and 12 of Development Rights Agreement	Subject to state law, we and you must arbitrate all disputes within 50 miles of our then-current principal business address (currently Dallas, Texas), subject to state law.
v. Choice of forum	18.H of Franchise Agreement and 12 of Development Rights Agreement	Subject to arbitration obligations and applicable state law, litigation under Franchise Agreement and Development Rights Agreement is in state and city of our then current principal business address.
w. Choice of law	18.G of Franchise Agreement and 12 of Development Rights Agreement	Subject to state law, except for Federal Arbitration Act and other federal law, Texas law applies.

Item 18

PUBLIC FIGURES

We do not currently use any public figure to endorse or recommend franchises to prospective franchisees.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document.

Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We provide two types of financial performance representations in this Item 19. The first reflects information on Gross Revenue (defined below) for the 2022 and 2023 calendar years, and the second reflects more detailed revenue and expense information for 2023 for certain of our affiliates' Gold's Gym Facilities. All of the Gold's Gym Facilities whose results are reflected in this Item 19 are full-amenity Gold's Gym Facilities.

In this Item 19, "average" is determined by taking the sum of all data points in a set, and dividing by the number of data points in that set. A "median" means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. If the number of data points is an odd number, the median will be the center number. If the set contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.

I. Gross Revenue – Franchised and Affiliate-Owned Gold's Gym Facilities

The Data and Data Sets: We show in the charts below the average Gross Revenue (defined below), by calendar years 2022 and 2023, for the system and, separately, for franchised and affiliate-owned Gold's Gym Facilities. Each Measurement Period is a calendar year, beginning January 1 and ending December 31 of the applicable year. The data for each Measurement Period has been pulled from all Gold's Gym Facilities that were in operation as of the end of the prior calendar year and, thus, operated for the entire calendar year of the particular Measurement Period. Gold's Gym Facilities typically have a ramp-up period after their initial opening, during which revenue is not yet stable. For most Gold's Gym Facilities, the ramp-up period lasts 18-24 months, but for purposes of this Item 19, we have considered all Gold's Gym Facilities that had been operating for at least 12 months as of the end of the applicable Measurement Period to be "mature" and included their results. All Gold's Gym Facilities included in the data sets are full amenity Gold's Gym Facilities.

The data set for each Measurement Period is comprised as follows:

2022 Measurement Period	Franchised	Affiliate-Owned	Total
Facilities Open at December 31 of the Measurement Period	158	63	221
Facilities Excluded for Lack of at Least 12 Months' Operating History	8	6	14
Facilities Included in the Data Set	150	57	207
2023 Measurement Period	Franchised	Affiliate-Owned	Total
Facilities Open at December 31 of the Measurement Period	158	52	210
Facilities Excluded for Lack of at Least 12 Months' Operating History	10	0	10
Facilities Included in the Data Set	148	52	200

Methodology: The results in this Part I reflect the historical average Gross Revenue of Gold's Gym Facilities during the 2022 and 2023 Measurement Periods. Gross Revenue was determined in the same manner you will determine your Facility's Gross Revenue under your Franchise Agreement for purposes of calculating royalties and other fees that are based on your Facility's Gross Revenue. The Franchise Agreement defines "Gross Revenue" as follows:

all revenue (without discounts except as expressly provided in this paragraph) that you receive, recognize or otherwise derive from operating the Facility, whether from cash, check, credit and debit card, barter, exchange, trade credit, or other credit transactions, and regardless of collection or when you actually provide the products or services in exchange for that revenue. If you receive any proceeds from any business interruption insurance applicable to loss of revenue at the Facility, an amount equal to the imputed gross revenue that the insurer used to calculate those proceeds will be considered Gross Revenue. However, "Gross Revenue" shall exclude (a) sales taxes, use taxes, and other similar taxes added to the sales price, collected from the customer and paid to the appropriate taxing authority; and (b) any bona fide refunds and credits that are actually provided to customers during the month in which the Gross Revenue is calculated.

**Statement of Average Gross Revenue for Each Measurement Period
(\$ in thousands)**

2022 Measurement Period

	Number of Facilities	Gross Revenue (\$)			Facilities That Met or Exceeded the Average	
		Median	Average	Range	%	Number
Affiliate-Owned Facilities	57	1723	1896	654 to 8057	40	23
Franchised Facilities	150	1419	1614	214 to 6168	41	62
All	207	1512	1692	214 to 8057	42	87

2023 Measurement Period

	Number of Facilities	Gross Revenue (\$)			Facilities That Met or Exceeded the Average	
		Median	Average	Range	%	Number
Affiliate-Owned Facilities	52	2038	2229	819 to 9594	38	20
Franchised Facilities	148	1564	1814	362 to 6317	36	53
All	200	1710	1922	362 to 9594	42	83

**Ranking (by Quartile) Based on Average Gross Revenue
(2023 Measurement Period)**

In this section, we rank the 200 Gold’s Gym Facilities that comprised the data set for the 2023 Measurement Period into four groups, or quartiles, in descending order based on their 2023 Gross Revenue.

Quartile	Facilities in Group		Median Gross Revenue (\$ in Thousands)	Average Gross Revenue (\$ in Thousands)	Gross Revenue Range (\$ in Thousands)	Facilities That Met or Exceeded Average (Number and %)	
Top Quartile	Franchised Units	33	3,040	3,419	2,381-6,317	11	33.3%
	Company Units	17	2,911	3,323	2,337-9,594	3	17.6%
	All Units	50	2,958	3,386	2,337-9,594	14	28.0%
2 nd Quartile	Franchised Units	31	2,005	1,993	1,757-2,284	17	54.8%
	Company Units	19	2,012	2,032	1,722-2,336	9	47.4%
	All Units	50	2,010	2,008	1,722-2,336	26	52.0%
3 rd Quartile	Franchised Units	40	1,451	1,444	1,220-1,684	21	52.5%
	Company Units	10	1,422	1,431	1,245-1,699	5	50.0%
	All Units	50	1,451	1,441	1,220-1,699	27	54.0%
4 th Quartile	Franchised Units	44	845	823	363-1,209	29	65.9%
	Company Units	6	1,127	1,086	820-1,209	4	66.6%
	All Units	50	888	854	363-1,209	27	54.0%

II. Gross Revenue and Costs – Affiliate-Owned Gold’s Gym Facilities

The Data and Data Sets: In this Part II, we set forth for the 2023 calendar year the average Gross Revenue, average Payroll Costs, average Occupancy Costs, average Other Costs and average EBITDA (each as defined below) for the 52 Affiliate-Owned Gold’s Gym Facilities that comprise the 2023 data set. We do not receive expense data from all franchised Gold’s Gym Facilities, and those that do report vary in their reporting of expense items. Accordingly, we do not include the performance of franchised Gold’s Gym Facilities in this Part II. All Gold’s Gym Facilities included in the data sets are full amenity Gold’s Gym Facilities. The characteristics of the Affiliate-Owned Gold’s Gym Facilities comprising the data set are similar to those of all existing Gold’s Gym Facilities in the United States.

Statement of Average Gross Revenue, Costs, and EBITDA for the 52 Affiliate-Owned Gold’s Gym Facilities Comprising the 2023 Measurement Period

	Gross Revenue	Payroll Costs (5)	Occupancy Costs (6)	Other Costs (7)	EBITDA (8)
Median	\$2,038,214	\$526,538	\$769,365	\$473,693	\$206,035
Average	\$2,229,227	\$553,500	\$811,673	\$510,262	\$353,792
Percent of Gross Revenue	100%	25%	36%	23%	16%
Range	\$819,651 to \$9,593,848	\$345,583 to \$1,082,395	\$340,595 to \$3,129,727	\$272,074 to \$2,208,249	-\$465,039 to \$3,173,477
Facilities That Met or Exceeded Average (Number and %)	20 (38%)	23 (44%)	19 (37%)	17 (33%)	20 (38%)

Notes to the Financial Performance Representations

1. We derived the figures for Affiliate-Owned Gold’s Gym Facilities based on their internal unaudited financial statements. We derived the figures for Franchised Facilities based solely on the information that the franchisees gave us.

2. The financial performance representation in Part I reports only the average Gross Revenue of the Facilities. Part I does not reflect payroll costs, real estate occupancy costs, operational expenses or any other costs or expenses associated with the Facilities’ operation that must be deducted from the Gross Revenue figures to obtain net income or profit. There are no inherent differences between the way in which affiliate-owned and franchised Facilities are operated that would have a material impact on Gross Revenue.

3. “Payroll Costs” reflect salaries/wages and benefits for facility employees, including managers. This figure also includes amounts that the Affiliate-Owned Gold’s Gym Facilities paid to independent contractors who perform housekeeping services at the facility. While our affiliates’ employees perform all of the services for the Affiliate-Owned Gold’s Gym Facilities, some franchisees may (subject to their franchise agreements) choose to have independent contractors perform some of the ancillary services. This might impact both the amount and characterization of the payments made to these independent contractors.

4. “Occupancy Costs” reflect the amounts paid for real estate, including amounts paid for utilities, common area maintenance, real estate taxes and insurance that are included as part of lease rent. All Affiliate-Owned Gold’s Gym Facilities operate from premises leased from a third party.

5. “Other Costs” reflect the other costs and expenses that relate directly to operating the Company Unit that are not included as Payroll Costs or Occupancy Costs. This category includes, for example, equipment lease payments; costs for advertising, marketing and promoting the Gold’s Gym Facility; expenses for upkeep; utility costs which are not covered in Occupancy Costs; other ongoing purchases of products and services necessary to operate the Gold’s Gym Facility; and insurance. Also included in “Other Costs” payments that are not due from our affiliates to us but which would be due from franchisees, including the Royalty (in the greater of the amount of 5% of the Facility’s Gross Revenue or \$2,000 per month) and contributions to the Marketing Fund (in the greater of the amount of 2% of the Facility’s Gross Revenue or \$1,350 per month).

6. “EBITDA” means earnings before interest, taxes, depreciation and amortization. We calculated EBITDA by deducting the aggregate of all of the Affiliate-Owned Gold’s Gym Facilities’ reported Payroll Costs, Occupancy Costs and Other Costs from the Facility’s Gross Revenue. As is customary, we did not deduct any debt service payments (whether principal or interest) before arriving at EBITDA

Some outlets have earned the amounts. Your individual results may differ. There is no assurance that you’ll earn as much.

We will provide written substantiation for the data we used to prepare this financial performance representation upon your reasonable request.

Other than the preceding financial performance representation, Gold’s Gym Franchise LLC does not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. 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 the franchisor’s management by contacting Kevin Christie, our Vice President of International Franchising, at 5420 Lyndon B. Johnson, Suite 300, Dallas, Texas 75240, (214) 574-4653, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1
Systemwide Outlet Summary
For years 2021 to 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	180	166	-14
	2022	166	158	-8
	2023	158	158	0
Company-Owned ⁽¹⁾	2021	61	60	-1
	2022	60	63	3
	2023	63	52	-11
Total Outlets	2021	241	226	-15
	2022	226	221	-5
	2023	221	210	-11

Notes to Table 1:

- (1) Company-owned outlets are owned by our affiliates.

**Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2021 to 2023**

State	Year	Number of Transfers
Georgia	2021	0
	2022	0
	2023	1
Illinois	2021	0
	2022	1
	2023	0
North Carolina	2021	0
	2022	2
	2023	0
Total	2021	0
	2022	3
	2023	1

Table No. 3
Status of Franchised Outlets
For years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
California	2021	24	1	0	0	0	0	25
	2022	25	3	0	0	0	0	28
	2023	28	1	0	0	0	0	29
Colorado	2021	4	0	0	0	0	1	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Florida	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	1	0	1	5
Georgia	2021	7	0	0	1	0	0	6
	2022	6	0	0	3	0	1	2
	2023	2	0	0	0	0	0	2
Idaho	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Illinois	2021	4	0	0	0	0	2	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Louisiana	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
Maine	2021	1	0	0	0	0	0	1
	2022	1	0	0	1	0	0	0
	2023	0	0	0	0	0	0	0
Maryland	2021	15	0	0	0	0	0	15
	2022	15	0	0	0	0	1	14
	2023	14	0	0	1	0	1	12
Massachusetts	2021	4	0	0	0	0	4	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Michigan	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New Jersey	2021	7	0	0	1	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	1	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
New York	2021	12	1	1	0	0	0	12
	2022	12	0	0	0	0	1	11
	2023	11	0	0	1	0	1	9
North Carolina	2021	10	1	0	1	0	0	10
	2022	10	0	0	0	0	1	9
	2023	9	6	0	0	0	0	15
Oregon	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	0	0	0	0	0	0	1
Pennsylvania	2021	3	0	0	1	0	2	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
South Carolina	2021	9	0	0	2	0	0	7
	2022	7	0	0	2	0	0	5
	2023	5	1	0	1	0	0	5
Tennessee	2021	15	0	0	0	0	0	15
	2022	15	0	0	0	0	0	15
	2023	15	1	0	0	0	0	16
Texas	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
	2023	10	1	0	0	0	0	11
Virginia	2021	32	0	0	0	0	2	30
	2022	30	0	0	0	0	3	27
	2023	27	0	0	0	0	1	26
Washington	2021	5	1	0	0	0	0	6
	2022	6	1	0	0	0	0	7
	2023	7	0	0	0	0	0	7
West Virginia	2021	1	0	0	0	0	0	1
	2022	1	0	0	1	0	0	0
	2023	0	0	0	0	0	0	0
Wisconsin	2021	2	0	0	1	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Wyoming	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
District of Columbia	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Totals	2021	180	5	1	7	0	11	166
	2022	166	6	0	7	0	7	158
	2023	158	10	0	5	0	5	158

Table No. 4
Status of Company-Owned Outlets
For years 2021 to 2023

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
California	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
North Carolina	2021	6	0	0	0	0	6
	2022	6	0	0	0	0	6
	2023	6	0	0	0	6	0
Oklahoma	2021	5	0	0	0	0	5
	2022	5	0	0	0	0	5
	2023	5	0	0	1	0	4
South Carolina	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	1	0
Texas	2021	48	0	0	1	0	47
	2022	47	6	0	3	0	50
	2023	50	0	0	3	0	47
Totals	2021	61	0	0	1	0	60
	2022	60	6	0	3	0	63
	2023	63	0	0	4	7	52

Table No. 5
Projected Openings as of December 31, 2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
California	13	2	0
Colorado	1	1	0
District of Columbia	1	1	0
Florida	3	2	0
Georgia	1	0	0
North Carolina	2	0	0
New York	1	0	0
Tennessee	5	1	0

Texas	1	1	1
Total	28	8	1

Unless otherwise indicated, all figures are as of December 31 of each year.

Exhibit F is a list of the names of all of our franchisees as of December 31, 2023 and the addresses and telephone numbers of their facilities. Exhibit G is a list of the name, city and state, and last known home or business telephone number of franchisees (some of whom owned multiple facilities) who had an outlet terminated, canceled, or not renewed, or who otherwise voluntarily or involuntarily ceased to do business under a franchise agreement with us, during our 2023 fiscal year or who have not communicated with us within 10 weeks of this disclosure document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, current and former franchisees have signed provisions restricting their ability to speak openly about their experience with the Gold's Gym franchise system. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Gold's Gym franchise system. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

We sponsor and support the Gold's Gym Franchisee Association, Inc., or GGFA, as a trademark-specific franchisee organization. GGFA's contact information is Deborah Hancock, Director, 320 Town Center Avenue, Suite C-11 #129, Suwanee, GA 30024, (678) 361-5385, deborah.hancock@ggfa.info, www.ggfa.info.

Item 21

FINANCIAL STATEMENTS

Exhibit H contains our unaudited financial statements as of April 30, 2024, and our audited financial statements for the years ended December 31, 2023, December 31, 2022, and December 31, 2021. Our fiscal year ends on December 31 of each year.

Item 22

CONTRACTS

The following agreements are exhibits to this disclosure document:

1. Franchise Agreement – Exhibit B
2. Studio Program Addendum – Exhibit C
3. Renewal Addendum – Exhibit D
4. Development Rights Agreement – Exhibit E
5. Representations and Acknowledgment Statement – Exhibit J
6. State-Specific Riders to Franchise Agreement – Exhibit K

Item 23

RECEIPT

Our and your copies of the Franchise Disclosure Document Receipt are the last pages of this disclosure document.

EXHIBIT A

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

CALIFORNIA

Department of Financial Protection &
Innovation:
1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013
(213) 576-7505

Sacramento

2101 Arena Blvd.
Sacramento, California 95834
(916) 445-7205

San Diego

1350 Front Street
San Diego, California 92101
(619) 525-4044

San Francisco

One Sansome Street, Ste. 600
San Francisco, California 94104
(415) 972-8559

HAWAII

(state administrator)

Business Registration Division
Department of Commerce and Consumer Affairs
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2722

(agent for service of process)

Commissioner of Securities of the
Department of Commerce and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

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

INDIANA

(state administrator)

Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

(agent for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

MARYLAND

(state administrator)

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(agent for service of process)

Maryland Securities Commissioner
at the Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

(state administrator)

Michigan Attorney General’s Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
(517) 373-7177

(agent for service of process)

Michigan Department of Commerce,
Corporations and Securities Bureau
P.O. Box 30054

6546 Mercantile Way
Lansing, Michigan 48909

MINNESOTA

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

(agent for service of process)

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

NEW YORK

(state administrator)

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8236 Phone
(212) 416-6042 Fax

(agent for service of process)

New York Secretary of State
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol - Fourteenth Floor - Dept 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

OREGON

Department of Insurance and Finance
Corporate Securities Section
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

RHODE ISLAND

Department of Business Regulation
Division of Securities
John O. Pastore Complex
Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9645

SOUTH DAKOTA

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

VIRGINIA

(state administrator)

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

(agent for service of process)

Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9672

WASHINGTON

(state administrator)

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

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Director
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

WISCONSIN

Securities and Franchise Registration
Wisconsin Securities Commission
345 West Washington Avenue, 4th Floor
Madison, Wisconsin 53703
(608) 266-3431

EXHIBIT B
FRANCHISE AGREEMENT



GOLD'S GYM® FACILITY
FRANCHISE AGREEMENT

Franchisee Name

Address of Facility

Gold's Gym – _____
Facility Name

Gold's Gym Number

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GOLD'S GYM® FACILITY FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made and entered into as of this _____ day of _____, 20__ (the “**Agreement Date**”), regardless of the date of the parties’ signatures, between **GOLD’S GYM FRANCHISE LLC**, a Delaware limited liability company with its principal business address at 5420 Lyndon B. Johnson Freeway, Suite 300, Dallas, Texas 75240 (“**we**”), and _____, whose principal business address is _____ (“**you**”).

1. Preambles and Grant of Franchise Rights.

1.A. Preambles.

(1) We and our affiliates claim ownership of and may further create and revise methods of developing and operating Gold’s Gym Facilities. “**Gold’s Gym Facilities**” are health clubs that use certain business systems, business formats, methods, procedures, signs, designs, layouts, trade dress, standards, and specifications that we specify from time to time (collectively, the “**System**”) and that are primarily identified by the trademark Gold’s Gym® and certain other trademarks, service marks and other commercial symbols that we specify from time to time (collectively, the “**Marks**”).

(2) We grant franchises for the ownership and operation of Gold’s Gym Facilities (each a “**Franchise**”) to persons we, in our discretion, approve to be our franchisees. You or your owners have applied for a Franchise and, in support of your or their application, have provided us with certain information regarding your or their desires, experience, skills, financial status and ability to develop, own and operate a Gold’s Gym Facility (the “**Information**”). In reliance on the Information, we have approved your application and are willing to grant you a Franchise on the terms and conditions contained in this Agreement.

1.B. Grant of Franchise and Term. Subject to the terms of this Agreement, we grant you the Franchise to develop, own and operate a Gold’s Gym Facility (the “**Facility**”) at the location specified on Exhibit A (the “**Site**”), which is located within the territory also described on Exhibit A (the “**Territory**”). (If the Site and Territory are not determined as of the Agreement Date, they will be determined in accordance with Sections 2.A and 2.B.) The term of the Franchise (the “**Term**”) begins on the Agreement Date and ends on the date which is 10 years after the Actual Opening Date, unless sooner terminated in accordance with this Agreement. The “**Actual Opening Date**” is the date on which the Facility first opens, as permitted or required under this Agreement, for member workouts of any kind, regardless of the date on which the Facility’s “grand opening” occurs. If the Facility is open and operating under the Marks on the Agreement Date, then the Actual Opening Date is the Agreement Date. If the Facility is not open and operating on the Agreement Date, then we will send you an amended and restated Exhibit A or other communication identifying the Actual Opening Date.

1.C. Best Efforts. Only you are authorized to operate the Facility. You must at all times faithfully, honestly and diligently perform your obligations and fully exploit the rights granted

under this Agreement, including by continuously operating the Facility in accordance with this Agreement from the Actual Opening Date through the remainder of the Term.

1.D. Business Entity Franchisee. If you are not an individual (collectively, an “**Entity**”), you agree and represent that:

(1) Your business form is as described on Exhibit A, and all of the persons having an Ownership Interest (each an “**Owner**”) in you are listed on Exhibit A. “**Ownership Interests**” means any direct or indirect interest (whether of record, beneficially, or otherwise) in you or your business that allows the holder of that interest to vote on or to direct or control the direction of the management of you or your business, or to share in the revenue, profits or losses of, or any capital appreciation relating to, you or your business.

(2) Each of your Owners who at any time during the Term owns (whether directly or indirectly) twenty percent (20%) or more of your Ownership Interests and each other individual or Entity that we specify (each a “**Guarantor**”) must sign a “**Full Guaranty**” in the form we designate (the current version of which is attached as Exhibit B) undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. In addition, each of your other Owners at any time during the Term who is not a Guarantor must sign a principal’s agreement in the form we designate undertaking personally to comply with certain confidentiality, non-competition, transfer and dispute resolution provisions of this Agreement (a “**Principal’s Agreement**”), the current version of which is Exhibit C to this Agreement.

(3) The Facility and other Gold’s Gym Facilities, if applicable, will be the only businesses you own or operate (although your Owners and affiliates may have other business interests, subject to Section 12).

1.E. Liquidity. You will, at all times, maintain sufficient working capital reserves as necessary and appropriate to comply with your obligations under this Agreement. On our request, you will provide us with evidence of working capital availability. We may, from time to time, to establish certain levels of working capital reserves, and you will comply with such requirements. We may from time to time designate the maximum amount of debt that Gold’s Gym Facilities may service, and you will ensure that you will comply with such limits.

2. Site Selection, Development and Opening of Facility.

2.A. Site Selection. The Facility must be located at a Site that we have accepted. If you have not yet located the Site as of the Agreement Date, then promptly after the Agreement Date, you must deliver to us for our review a complete site report and other materials and information we request for a suitable site within the “**Site Selection Area**” identified on Exhibit A.

Your proposed Site must meet our then-current site selection criteria and must be available for lease or purchase in time for you to develop and open the Facility at that Site on or before the “**Opening Deadline**.” If the Facility is open and operating on the Agreement Date, then the

Opening Deadline is the Agreement Date, otherwise the Opening Deadline is 18 months after the Agreement Date. We will not unreasonably withhold our acceptance of a site that meets our criteria, but in making our decision, we may consider all factors we believe to be important, including demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; other commercial characteristics; and the proposed site's size, appearance, and other physical characteristics; and the site's proximity both to the Site Selection Area's boundaries and to other existing or potential sites for Gold's Gym Facilities located outside the Site Selection Area. We will use our reasonable efforts to review and either accept or reject a site you propose within 15 days after receiving the complete site report and other materials we request.

Despite any assistance, information or recommendations that we provide (whether before or after the Agreement Date) with respect to the Site, and despite our acceptance of the Site, our acceptance of the Site is not a representation or warranty of any kind, express or implied, of the Site's suitability for a Gold's Gym Facility or any other purpose. Applying criteria that have appeared effective for other sites might not accurately reflect the potential for all sites, and, after we accept a Site, demographic and/or other factors included in or excluded from our site criteria could change, thereby altering a site's potential. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if the Site fails to meet our or your expectations. Your decision to move forward with the Site is and will be based on your own independent investigation and acceptance of the Site without giving any weight to, and without relying on, our acceptance of the Site in making your decision.

2.B. Lease and Designation of Territory. You must obtain our prior written acceptance of any lease or sublease for the Site (the "**Lease**") before you sign it. The Lease must contain terms and provisions that are acceptable to us, including provisions to protect our rights as your franchisor. Our acceptance of the Lease is not a guarantee or warranty, express or implied, of or representation as to the likely performance or profitability of a Gold's Gym Facility operated at the Site or as to the favorability of the Lease terms. Our acceptance of the Lease indicates only that we believe the Lease's terms meet our then-acceptable criteria that have been developed entirely for our own purposes. You must give us a copy of the fully signed Lease within 5 days after you and the landlord have signed it. You may not sign any renewal or amendment of the Lease that we have not accepted.

Subject to your obligation to develop and open the Facility on or before the Opening Deadline, you must sign a Lease that we have accepted, for a Site that we have accepted, within 9 months after the Agreement Date. After you sign a Lease, we will define the Territory as a circle with a radius of a specified distance that we determine from the Facility's main front entrance. We will determine that distance based on the factors that we deem relevant, which might include demographics, the character of the Site and nearby residences and businesses (including the Facility's proximity both to other existing or potential sites for Gold's Gym Facilities located outside the Territory). We will insert the Site's address and the Territory's description on Exhibit A. Once we define the Territory, you will have no further territorial or other rights in those portions of the Site Selection Area that are outside the Territory.

2.C. Developing and Equipping Facility. We will provide you mandatory and suggested specifications and layouts for a Gold's Gym Facility, which might include recommendations

and/or requirements for dimensions, design, image, interior layout, decor, Operating Assets, and color scheme. “**Operating Assets**” means all required furniture; computer equipment (including all hardware, software and connectivity components and Gym Management System components); exercise features, facilities and equipment; lighting components; and fixtures and other equipment, furnishings and signs that we periodically require for the Facility. “**Gym Management System**” means the integrated, computer-based systems and services that we periodically specify for administering the management and operation of your Facility, which might include any one or more of point of sale, member management, prospect management, sales and marketing, billing and collections, accounting and payroll, and communications functions. The Facility must contain all of the Operating Assets, and only the Operating Assets. The Facility must offer all amenities and services that we specify as mandatory and may not offer any amenities or services that we have not authorized. At our option, you must use only the architect, design firm, and other contractors that we designate or approve to develop the Facility.

It is your responsibility to prepare all required construction plans and specifications to suit the Site and to make sure that they comply with the Americans with Disabilities Act (the “**ADA**”) and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions. At our option, you must submit for our review and acceptance construction plans and specifications to us for approval before you begin constructing the Facility and all revised or “as built” plans and specifications during construction. Our review and acceptance are limited to ensuring your compliance with our design requirements. Our review is not designed to assess compliance with federal, state, or local laws and regulations, including the ADA, as compliance with those laws and regulations is your responsibility. You must remedy, at your expense, any noncompliance or alleged noncompliance with those laws and regulations. We may periodically inspect the Site while you are developing the Facility.

At your expense, you must construct, install trade dress and furnish all Operating Assets in, and otherwise develop the Facility at the Site according to our standards, specifications and directions. If we require, you must purchase or lease only approved brands, types and/or models of Operating Assets and/or purchase or lease them only from suppliers we designate or approve (which may include or be limited to us or our affiliates).

2.D. Presale of Memberships. You may not offer or sell Facility memberships before the Actual Opening Date unless (1) we have authorized you in writing to presell memberships to the public; (2) we have approved the location and facilities from which you will presell memberships; (3) either you (or your managing owner) or the Facility’s proposed general manager has completed to our satisfaction the pre-opening training described in Section 4.A; and (4) you have secured all financing and permits necessary to develop, build and fully equip the Facility. You certify that you have obtained, or agree that you will obtain, before preselling or selling any memberships, all necessary bonds and otherwise have complied, and will comply, with all applicable laws relating to your presale and sale of memberships.

2.E. Facility Opening. You must open the Facility for member workouts in compliance with this Agreement on or before the Opening Deadline.

You agree not to open the Facility for member workouts until: (1) you have properly developed and equipped the Facility according to our standards and specifications and in compliance with all applicable laws and regulations; (2) all pre-opening training for the Facility's personnel has been completed to our satisfaction; (3) all amounts then due to us have been paid; (4) you have satisfied all bonding, licensing and other legal requirements for the Facility's operation; (5) you have secured and given us copies of all insurance policies required under this Agreement, or any other evidence of insurance coverage and payment of premiums as we request; (6) you give us a copy of your fully signed Lease; and (7) if we (at our sole option) require, we have conducted a pre-opening inspection and certified the Facility for opening. Our determination that you have met all of our pre-opening requirements will not constitute a waiver of your non-compliance or of our right to demand full compliance with those requirements.

2.F. Relocation. If you lease the Site from a lessor who is not your affiliate and you choose not to, or do not have the right to, renew the Lease or otherwise remain in possession of the Site after the Lease term expires (a "**Lease Expiration**"), or if the Site or Facility is destroyed, condemned or otherwise rendered unusable, you may relocate the Facility to a new location that we accept in advance. You must comply with our then-applicable relocation policies and reimburse us for all out-of-pocket expenses that we incur in connection with the relocation. If you are relocating the Facility because of a Lease Expiration, then (1) you acknowledge that we typically will not accept a proposed new location unless we and you determine, in each of our and your respective sole judgments, that the Facility operating at the new location is likely to retain at least 75% of the Facility's then existing members (although our acceptance of the new location is not a representation or warranty as to the likelihood of retaining those members); and (2) you must develop and open the Facility for member workouts at the new location, in accordance with this Agreement, before the Lease expires.

3. Your Rights in Territory and Rights We Maintain.

3.A. No Gold's Gym Facilities in Site Selection Area or Territory. Except as provided below, if you are complying with this Agreement, then neither we nor our affiliates will, during the Term, operate or authorize any other party to operate a Gold's Gym Facility the physical premises of which are located within (i) the Site Selection Area (until we designate the Territory under Section 2.B) or (ii) the Territory (once we have designated the Territory under Section 2.B). Notwithstanding the foregoing, we and our affiliates may:

(1) operate, and/or authorize any other party to operate, a Gold's Gym Facility located at any hotels, motels or similar operations ("**Hotels**") located within the Site Selection Area or Territory, but they will be authorized to sell goods and provide services only to guests of the Hotel; and

(2) acquire the assets or Ownership Interests of an Entity (in either case, regardless of the form of transaction) that operates, and/or grants rights to other persons to operate, one or more health and fitness center(s) within the Site Selection Area or Territory, as applicable. If any of those health and fitness center(s) are located or are under development within the Site Selection Area (prior to our designation of the Territory) or the Territory (after the designation of the Territory) on the date upon which that acquisition closes, then we and our affiliates may, following that acquisition, convert or authorize the

conversion of any or all of those health and fitness center(s) to Gold's Gym Facilities, and those health and fitness center(s) may continue to operate as Gold's Gym Facilities throughout the remaining Term (and after that).

3.B. **Rights We Maintain.** The exclusivity granted under Section 3.A is the only restriction on our and our affiliates' activities. You do not acquire any rights through innuendo, extrapolation or inference. We and our affiliates reserve all rights to engage, and are not prohibited in any manner from engaging, in any activities that do not violate the expressed restrictions described in Section 3.A, including:

(1) establishing and operating, and granting rights to other persons to establish and operate, on any terms, Gold's Gym Facilities at any locations outside the Site Selection Area (until we have designated the Territory) or outside the Territory (once we have designated the Territory);

(2) establishing and operating, and granting rights to other persons to establish and operate, on any terms, health and fitness facilities or any similar or dissimilar businesses that are not primarily identified by the Marks at any locations, whether within or outside the Site Selection Area or Territory;

(3) using or licensing the use of the Marks, and all products and services associated with any of the Marks, in connection with any methods of distribution, except as specifically set forth in Section 3.A. This includes providing, and granting rights to other persons to provide (except as specifically set forth in Section 3.A), products and services that are similar or dissimilar to, or competitive with, any products and services provided at Gold's Gym Facilities, whether identified by the Marks or other trademarks or service marks, regardless of the method of distribution, and at any locations, whether within or outside the Site Selection Area or Territory;

(4) acquiring the assets or Ownership Interests of, or being acquired (regardless of the form of transaction) by any businesses providing products and services similar or dissimilar to those provided at Gold's Gym Facilities, and franchising, licensing or creating other arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, whether within or outside the Site Selection Area or Territory; and

(5) selling the assets or Ownership Interests of any Gold's Gym Facilities owned by us or our affiliates, even if the buyer of such assets or Ownership Interests intends to reimage the Gold's Gym Facilities and/or such sale causes the number of Gold's Gym Facilities within your general market area to decrease. You acknowledge that we have no obligation to ensure that there exists a certain minimum number of Gold's Gym Facilities within any particular area.

4. Training and Assistance.

4.A. **Initial Training Program.** Before selling or preselling any Facility memberships to the public (or, if the Facility is operating under the Marks on the Agreement Date, within 30 days

after the Agreement Date), your personnel whom we describe below must attend and complete to our satisfaction our initial training program on the operation of a Gold's Gym Facility. The initial training program may take any form and be of any duration that we designate from time to time, and we may offer such training virtually, such as via virtual-conferencing software (e.g., Zoom[®] or Microsoft Teams[®]). You (or, if you are an Entity, your managing Owner or other manager whom you designate and we approve) and one other individual associated with the Facility whom you designate, including the individual who will act as the Facility's general manager, must complete the initial training program to our satisfaction. If we determine that you or any of your personnel cannot complete the initial training programs to our satisfaction, then we may require you or your personnel to attend additional training programs at your expense (for which we may charge reasonable fees). If you and your personnel satisfactorily complete our initial training program and you do not expressly inform us at the end of the initial training program that you feel that you or they have not been adequately trained, then you and they will be deemed to have been trained sufficiently to operate a Gold's Gym Facility.

4.B. Ongoing Training and Conventions. During the Term, we may require you and/or your personnel, including newly hired managers and previously trained and experienced employees at the Facility, to attend and satisfactorily complete various training courses and programs that we choose to provide periodically at the times and locations we designate. We may provide such training virtually. We also may require you to conduct periodic training for Facility personnel using the formats and procedures that we periodically specify. You (or, if you are an Entity, one of your Owners) or the Facility's general manager must attend each annual convention that we (at our sole option) organize for Gold's Gym Facility operators. We may charge reasonable fees for these training courses, programs and conventions. We may authorize third parties to provide the ongoing training described in this Section 4.B. If you (or a required attendee) fail to attend a mandatory annual convention, you will still be required to pay the full-price convention fee that we assess for other attendees.

4.C. Expenses During Training. You will be responsible for your and your personnel's travel, living and other expenses (including local transportation expenses) and compensation incurred in connection with attendance at any training courses and programs, conventions or work at any Gold's Gym Facility that is part of their development.

4.D. General Guidance. We will advise you from time to time regarding the Facility's operation, including with respect to:

- (1) standards, specifications, operating procedures and methods that Gold's Gym Facilities use;
- (2) purchasing required or recommended Operating Assets and other products;
- (3) employee training methods and procedures (although you are solely responsible for the terms and conditions of employment of your employees); and
- (4) administrative, bookkeeping and accounting procedures.

Our guidance may be provided in whatever form we determine to be appropriate, including via our operating manual and/or other written or electronic manuals (including memos and information posted from time to time on our intranet or any other electronic platform we make accessible to you) (the “**Operations Manual**”), bulletins or other written materials, electronic media, telephone consultation, and/or at our office or the Facility. If you request and we agree to provide additional or special guidance, assistance or training, you must pay our then applicable charges, including our personnel’s per diem charges and any travel and living expenses. Any specific ongoing training, conventions, advice or assistance that we provide does not create an obligation to continue providing that specific training, convention, advice or assistance, all of which we may discontinue and modify at any time.

4.E. Operations Manual and System Standards. We will provide you, solely for your use in operating the Facility under this Agreement, electronic access to our Operations Manual. The Operations Manual contains both mandatory and suggested specifications, standards, operating procedures and rules that we periodically specify for developing and/or operating a Gold’s Gym Facility (“**System Standards**”) and information on your other obligations under this Agreement. We may, at any time, modify the Operations Manual (including the form in which it appears and the manner of access to it) to, among other things, reflect changes in System Standards. If provided to you electronically, you agree to regularly access the Operations Manual to check for updates. Any passwords or other digital identifications necessary to access the Operations Manual will be deemed to be part of Confidential Information (defined in Section 11.A). If provided to you in printed form, you agree to keep your copy current and in a secure location at the Facility. If there is a dispute over its contents, our master copy of the Operations Manual controls. You agree that the contents of the Operations Manual are confidential and that you will not disclose the Operations Manual to any person other than Facility employees who need to know its contents and who are bound by confidentiality obligations. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Operations Manual, except as we periodically authorize for training and operating purposes.

The System Standards do not include any employment-related policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Operations Manual or otherwise for your optional use. You shall determine to what extent, if any, these policies and procedures may be applicable to your operations at the Facility. We and you recognize that we neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of Facility employees or members.

4.F. Delegation of Performance. You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to our affiliates or other third-party designees, whether these designees are our agents or independent contractors with whom we contract to perform these obligations.

4.G. Safety of Our Personnel. Notwithstanding any obligations we may have under this Agreement, we will not be required to send any of our representatives to the Facility to provide any assistance or services if, in our determination, it is unsafe to do so. Such determination by us will not relieve you from your obligations under this Agreement (including, to pay monies owed) and will not serve as a basis for your termination of this Agreement.

5. Fees.

5.A. Initial Franchise Fee. You agree to pay us an initial franchise fee in the amount listed on Exhibit A when you sign this Agreement. This fee is fully earned by us when you sign this Agreement and is not refundable under any circumstances.

5.B. Royalty. You agree to pay us, on or before the day of each month that we periodically specify (the “**Payment Day**”), a royalty (“**Royalty**”) in an amount equal to the greater of: (1) 5% of the Facility’s Gross Revenue (defined below) during the previous month, or (2) \$2,000. Royalty is paid in arrears. The first payment is due on the Payment Day of the month following the month during which the Actual Opening Date falls and will include all Gross Revenue derived at any time prior to the Actual Opening Date (including Gross Revenue derived during presale).

5.C. Definition of Gross Revenue. “**Gross Revenue**” means all revenue (without discounts except as expressly provided in this paragraph) that you receive, recognize or otherwise derive from operating the Facility, whether from cash, check, credit and debit card, barter, exchange, trade credit, or other credit transactions, and regardless of collection or when you actually provide the products or services in exchange for that revenue. If you receive any proceeds from any business interruption insurance applicable to loss of revenue at the Facility, an amount equal to the imputed gross revenue that the insurer used to calculate those proceeds will be considered Gross Revenue. However, “Gross Revenue” shall exclude (a) sales taxes, use taxes, and other similar taxes added to the sales price, collected from the customer and paid to the appropriate taxing authority; and (b) any bona fide refunds and credits that are actually provided to customers during the month in which the Gross Revenue is calculated.

5.D. Automatic Debit. You must sign and deliver to us the documents we periodically require authorizing us to debit your bank account automatically for the Royalty, Marketing Contribution (defined in Section 7.A) and other amounts due under this Agreement or any related agreement between us (or our affiliates) and you. You agree to make the funds available for withdrawal by electronic transfer before each due date and until all amounts owed are withdrawn. If you fail to report the Facility’s Gross Revenue, we may debit your account for 150% of the last Royalty and Marketing Contribution that we debited. Once we have determined the Facility’s actual Gross Revenue, we will debit from your account on the day we specify any additional amounts owed (including amounts owed under Section 5.E) or, if we debited more than you actually owe us, we will apply the excess (without interest and less any amounts owed under Section 5.E) as a credit against the amounts owed to us during the following month(s). We may periodically change the mechanism for your payments of Royalties, Marketing Contributions, and other amounts you owe to us and our affiliates under this Agreement or any related agreement.

5.E. Administrative Fee and Interest on Late Payments. All amounts that are not timely paid will bear interest beginning on their due date at 1.5% per month or the highest commercial contract interest rate the law allows, whichever is less. In addition, to cover the increased costs and expenses we will incur as a result of your failure to pay the amounts when due, you will owe us a \$100 administrative fee for each payment that is not timely made (or for each dishonored payment). If we institute an automatic debit program for the Facility, we may debit your account automatically for these amounts. You acknowledge that this Section 5.E is not our agreement to

accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Facility. Your failure to pay all amounts that you owe us when due constitutes grounds for our terminating this Agreement under Section 15, notwithstanding this Section 5.E.

6. Facility Operation and System Standards.

6.A. Condition and Appearance of Facility. You may not use the Facility or any part of the Site (including any parking area) for any purpose other than operating a Gold's Gym Facility in compliance with this Agreement. You must place or display at the Site (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos and display and advertising materials that we require or authorize. You must maintain the condition and appearance of your Facility, its Operating Assets and the Site (including any parking area) in accordance with our System Standards. Without limiting that obligation, you agree, at your expense, to: (1) thoroughly clean, repaint and redecorate the interior and exterior of the Site at intervals that we may periodically designate and at our direction; (2) repair the interior and exterior of the Site as needed; and (3) repair or replace any damaged, worn-out or obsolete Operating Assets (including exercise equipment) at intervals that we may periodically specify (or, if we do not specify an interval for replacing any Operating Asset, as that Operating Asset needs to be repaired or replaced).

In addition, once during the Term (after the Actual Opening Date), we may require you to substantially alter the Facility's and the Site's appearance, branding, layout and/or design, and/or replace a material portion of your Operating Assets (including exercise equipment), in order to meet our then-current requirements for new similarly situated Gold's Gym Facilities. You acknowledge that this obligation could result in your making extensive structural changes to, and significantly remodeling and renovating, the Facility, and/or in your spending substantial amounts for new Operating Assets, and you agree to incur, without limitation, any capital expenditures required in order to comply with this obligation and our requirements (even if those expenditures cannot be amortized over the remaining Term). Within 60 days after receiving written notice from us, you must have plans prepared according to the standards and specifications we prescribe and, if we require, using architects, design firms, and contractors we designate or approve, and you must submit those plans to us for our approval. You must complete all work according to the plans we approve within the time period that we reasonably specify. However, nothing in this paragraph in any way limits your obligation to comply with all mandatory System Standards we periodically specify.

6.B. Amenities, Products and Services Your Facility Offers. You agree that: (1) your Facility will offer all amenities and other products and services that we periodically specify as being mandatory; (2) you will not offer, sell, provide or otherwise distribute at the Facility, the Site or any other location any amenities or other products or services we have not authorized; and (3) you will discontinue selling and offering any amenities and other products or services that we at any time disapprove in writing.

6.C. Approved Products, Distributors and Suppliers. We may periodically designate and approve standards, specifications, suppliers and/or distributors of the Operating Assets and other products and services that we periodically authorize for use at or sale by the Facility. You must purchase or lease all Operating Assets and other products and services for the Facility only

according to our System Standards and, if we require, only from suppliers or distributors that we designate or approve (which may include or be limited to us or our affiliates). We and/or our affiliates may derive revenue and other benefits based on your purchases and leases, including from charging you for products and services we or our affiliates provide to you and from promotional allowances, volume discounts and other payments made to us by suppliers and/or distributors that we designate or approve for some or all of our franchisees. We and our affiliates may use or not use any such revenue or benefits without restriction for any purposes we or our affiliates deem appropriate.

If you want to use any Operating Assets or other products or services for or at the Facility that we have not yet evaluated, or purchase or lease any Operating Assets or other products or services from a supplier or distributor that we have not yet approved (for Operating Assets or other products and services that we require you to purchase only from designated or approved suppliers or distributors), you must submit your request in writing before purchasing any Operating Assets, other products, or services from that supplier or distributor. We will not be obligated to respond to your request, and any actions we take in response to your request will be at our discretion, including the assessment of a fee to compensate us for the time and resources we spend in evaluating the proposed supplier or distributor. We will make all determinations about whether to approve an alternative vendor or product based on our then-current criteria, which may change periodically. We may, with or without cause, revoke our approval of any supplier, distributor, product, or service at any time.

6.D. Management of the Facility. You must at all times retain and exercise direct management control over all aspects of the Facility's business and all amenities and other products and services it offers. You may not enter into any management agreement, subcontracting arrangement or other arrangement under which any other party (including your affiliate) provides or exercises management control over any aspect of the Facility's operations or the amenities or other products and services it offers. Only your employees may provide services at the Facility, and neither you nor your Owner may engage consultants or independent contractors to provide any products or services at or relating to the Facility. Without limiting the foregoing, neither you nor your Owners may engage or contract with any consultant or independent contractor (including your affiliate) to provide personal training services, massage services or any other health-related services to Facility members or guests (whether those services are provided at the Facility or any other location), or to operate any retail location providing any products or services that are ancillary to the Facility's business to Facility members or guests (such as, for example, a juice or smoothie bar) which is located in the Facility or at or near the Site. The Facility must be managed by an individual who devotes his or her full working time and best efforts to the day-to-day, on-premises operation of the Facility, has satisfactorily completed our management training program, and is not engaged in any other business endeavor except passive investments which do not interfere with the performance of his or her duties as manager. At our option, you must ensure that all of your Facility's managers and other employees having access to Confidential Information sign agreements in a form we reasonably specify under which they agree to comply with the restrictions in Sections 11.A, 11.C and 12.

6.E. Gym Management System. You agree to obtain, maintain, and use in operating the Facility the Gym Management System that we periodically specify. The Gym Management

System shall permit twenty-four (24) hours per day, seven (7) days per week electronic communications between us and you, including allowing us continuous independent and unrestricted access to all Member Information (defined in Section 11.B) and other information in the Gym Management System. We may, at our option, periodically change the Gym Management System or components of the Gym Management System that we designate or approve for all similarly situated Gold's Gym Facilities. If we do, you agree to acquire the components and other products and services required for the replacement Gym Management System and switch the Facility's operations to the replacement Gym Management system in the manner we specify.

Notwithstanding any products and services for the Gym Management System that we or our approved suppliers or distributors provide to you and the fact that you must buy, use and maintain the Gym Management System under our standards and specifications, you will have sole and complete responsibility for: (a) the acquisition, operation, maintenance and upgrading of the Gym Management System; (b) the manner in which your Gym Management System is interconnected with our computer system and those of other third parties; and (c) any and all consequences that may arise if the system is not properly operated, maintained and upgraded or if the Gym Management System (or any of its components) fails to operate on a continuous basis or as we or you expect.

6.F. Membership Agreements. You must ensure that every membership agreement you use complies with all System Standards and all applicable laws, rules, and regulations of any governmental authority with jurisdiction over the Facility. You must send us copies of all membership agreements you intend to use at least 30 days before you begin offering memberships and copies of any revised membership agreements within 10 days after you make any revisions.

6.G. Group Membership Programs. We may from time to time establish programs in which some or all Gold's Gym Facilities will provide products and services to certain groups of members and prospective members ("**Group Membership Programs**"). You must participate in, use, support and comply with all elements of any Group Membership Programs that we establish. You may not alter your standard membership terms for, or withhold access to, any Facility amenities or other products or services from, any one or more Group Membership Program participants or otherwise treat any Group Membership Program participant differently from your Facility's other members, except as we specify or approve. You must provide products and services to all valid members of the Group Membership Program according to the standards and other terms that we specify. If those standards or other terms include maximum, minimum or other pricing requirements, you must comply with those requirements to the maximum extent the law allows. We and our affiliates have the right to receive payments and other benefits from companies, organizations and other groups representing any Group Membership Program participants, because of establishing the Program or otherwise because of their dealings with you and other Gold's Gym Facility owners, and to use or not use any or all such payments and benefits without restriction for any purposes.

6.H. Compliance with Laws and Good Business Practices. You must secure and maintain in force throughout the Term all required licenses, permits and certificates relating to the Facility's operation, obtain all bonds, comply with all escrow requirements, and otherwise operate the Facility in full compliance with all applicable laws, ordinances and regulations (including all present and future laws, regulations, policies, lists and other requirements of any governmental

authority addressing or relating to terrorism, terrorist acts or acts of war). Notwithstanding the foregoing, in the event any guidance or recommendation issued by any federal, state, or local authority directly or indirectly affects the operation of the Facility, you will not close the Facility unless you obtain our prior written consent.

The Facility must in all dealings with its members, prospective members, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which might injure your business, our business or the goodwill associated with the Marks or other Gold's Gym Facilities. You must notify us in writing within 5 days of: (1) the commencement of any action, suit or proceeding relating to the Facility; (2) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality which might adversely affect your operation or financial condition or that of the Facility; (3) any notice of violation of any law, ordinance or regulation relating to the Facility, and/or that any audit, investigation, or similar proceeding is pending or threatened against you or your Facility; and (4) receipt of any notice of complaint from the Better Business Bureau, any local, state or federal consumer affairs department or division, or any other government or independent third party involving a complaint from a client or potential client relating to your Facility.

You agree to apply for and diligently pursue any government-issued, government-sponsored, or governmental-guaranteed grants, non-recourse loans, and/or bailouts for which you qualify and that are made available to small businesses as an economic stimulus.

6.I. Insurance. During the Term you must maintain in force at your sole expense (1) all insurance coverages required by applicable law, (2) all insurance coverages you determine to be necessary and appropriate for your business, and (3) all insurance coverage in at least the amounts, covering the risks, containing only the exceptions and exclusions that we periodically specify for all similarly situated Gold's Gym Facilities, and issued by carriers who satisfy our minimum criteria. Our specific requirements regarding the minimum insurance we require will be described in our Operations Manual. You agree to send us a valid certificate of insurance or duplicate insurance policy evidencing that you have maintained the required coverage and paid the applicable premiums. If you fail to obtain or maintain (or to prove that you have obtained or maintained) the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the Facility on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance.

6.J. Compliance with System Standards. Operating and maintaining the Facility according to System Standards, as we may periodically modify and supplement them, are essential to preserve the goodwill of the Marks and all Gold's Gym Facilities. Therefore, you will at all times operate and maintain the Facility according to each and every such System Standard. System Standards may, in our discretion, regulate any aspect of the Facility's development, operation and maintenance, including any one or more of the following:

- (1) staffing levels for the Facility, dress/appearance and uniforms for your employees, standards and requirements for training Facility employees, insurance requirements for staff, and standards for providing competent and courteous service to

Facility members and guests (provided that you are solely responsible for all of your hiring decisions and your employees' terms and conditions of employment);

(2) evaluation, quality-assurance, and customer-satisfaction programs used to evaluate the quality of the experience that Gold's Gym Facility members and guests have at their facilities, including all equipment, processes and systems used in those programs;

(3) participation in and requirements for sales, promotional, public relations, advertising and/or marketing programs and materials and media used in these programs;

(4) the design and appearance of the Facility and its Operating Assets, including the Facility's branding and cleanliness and schedules for the maintenance, repair and replacement of equipment;

(5) minimum and required standards and specifications for products, equipment, materials, supplies and services that your Facility uses and/or sells;

(6) participation in and requirements for group purchasing programs for certain Operating Assets and/or other products and services that Gold's Gym Facilities use or sell;

(7) participation in and requirements for member/customer loyalty programs, reciprocity programs, membership transfer policies and programs, and similar programs for members of similarly situated Gold's Gym Facilities, including the terms and conditions we periodically specify for (a) providing Facility access to members of other Gold's Gym Facilities; (b) honoring memberships covering some or all Gold's Gym Facilities and providing Facility access to those members; (c) accepting memberships that we or our affiliates process or assist in processing for the Facility, including paying us and our affiliates reasonable fees for online membership applications that we process and other assistance we and they provide with respect to your Facility's memberships; and (d) each Gold's Gym Facility's bearing, or sharing in, the costs and expenses associated with participating in any of these programs;

(8) the terms of membership offerings and maximum, minimum and other pricing requirements for memberships and other products and services that the Facility offers, including requirements for promotions, special offers and discounts in which some or all Gold's Gym Facilities participate, in each case to the maximum extent the law allows (provided that you are solely responsible for ensuring that your membership offerings comply with applicable laws and regulations);

(9) participation in market research and test programs that we periodically require or approve concerning various aspects of the System, including new or updated procedures, systems, equipment, signs, trade dress, supplies, marketing materials and strategies, merchandising strategies, amenities, products and/or services;

(10) standards and procedures for your and your employees' and other representatives' authorization to use, and use of, blogs, common social networks like Facebook[®], professional networks like LinkedIn[®], live-blogging tools like X, virtual

worlds, file, audio and video sharing sites like Pinterest® and Instagram®, and other similar social networking or media sites or tools (collectively, “**Social Media**”) that in any way reference the Marks or involve your Facility;

(11) use and display of the Marks and required signage and postings, including notices of independent ownership on signs, membership agreements, employee handbooks and other materials;

(12) days and hours of operation;

(13) accepting credit and debit cards, other payment systems and check verification services;

(14) bookkeeping, accounting, data processing and recordkeeping systems and forms, including document retention requirements;

(15) participation in the International Health, Racquet and Sportsclub Association and/or other industry organization(s) that we periodically specify; and

(16) any other aspects of developing, operating and maintaining the Facility that we determine to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and Gold’s Gym Facilities.

You acknowledge that our modification of the System Standards (including to accommodate changes to the Gym Management System and the Marks), including those we make to accommodate regional and/or local variations, may obligate you to invest additional capital in the Facility and incur higher operating costs, and you agree to comply with those obligations within the time period we specify. Although we retain the right to establish and modify the System and System Standards that you have agreed to follow, you retain the responsibility for the day-to-day management and operation of the Facility and implementing and maintaining System Standards at the Facility.

6.K. Telephone Numbers. You agree that each telephone or facsimile number, directory listing, and any other type of contact information used by or that identifies or is associated with the Facility (any “**Contact Identifiers**”) will be used solely to identify the Facility in accordance with this Agreement. Upon termination or expiration of this Agreement, you agree to transfer, assign or otherwise convey to us full control of all Contact Identifiers and Social Media accounts that you used to operate your Facility or that displays any of the Marks or any reference to the franchise system. Notwithstanding the foregoing, you agree that all liabilities and obligations arising from any such Contact Identifiers or Social Media accounts prior to the date of the transfer, assignment or conveyance to us will remain your sole responsibility in all respects, and any costs we incur in connection therewith will be indemnifiable under Section 17.D. You hereby appoint us your true and lawful attorney-in-fact to take such actions and execute such documents on your behalf as may be required to effect the foregoing purposes.

6.L. Modification of System. Because complete and detailed uniformity under many varying conditions might not be possible or practical, we may vary the System and/or System

Standards for any Gold's Gym Facility or group of Gold's Gym Facilities based upon the peculiarities of any conditions or factors that we consider important to its operations. You have no right to require us to grant you a similar variation or accommodation.

7. Marketing.

7.A. Marketing Fund and Marketing Contribution. We have established, and (subject to this Section 7.A) will administer and control, a marketing fund (the "**Marketing Fund**") for the advertising, marketing, promotional, customer relationship management, public relations and other brand-related programs and materials for all or a group of Gold's Gym Facilities that we deem appropriate. You agree to pay us each month, via electronic funds transfer or another payment method we specify and together with each payment of the Royalty, a "**Marketing Contribution**" equal to the greater of: (1) 2% of the Facility's Gross Revenue during the previous month, or (2) \$1,350. The first Marketing Contribution payment is due when your first Royalty payment is due and will include all Gross Revenue derived at any time prior to the Actual Opening Date (including Gross Revenue derived during presale).

We may periodically increase your Marketing Contribution by any amount if at least $\frac{2}{3}$ of the owners of all Gold's Gym Facilities located in the United States (including those operated by us, our affiliates, and our franchisees and licensees) vote for the increase, with each owner receiving 1 vote for each Gold's Gym Facility that it owns. However, we will give you at least 30 days' prior written notice of any such increase.

We will designate and direct all programs that the Marketing Fund finances, with sole control over the creative and business concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Marketing Fund may pay for preparing, producing and placing materials; electronic media and Social Media; developing, maintaining and administering one or more System Websites, including online membership capabilities, lead management and customer retention programs; administering international, national, regional, multi-regional and local marketing, advertising, promotional and customer relationship management programs, including purchasing advertising and advertising space and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public and member relations, market research, and other advertising, promotion, marketing and brand-related activities. We will not use the Marketing Fund to pay any of our general operating expenses, but we may use it to compensate us and our affiliates for the reasonable salaries, administrative costs, travel expenses, overhead and other costs we and they incur in connection with activities performed for the Marketing Fund and its programs, including conducting market research, preparing advertising, promotion and marketing materials, maintaining and administering the System Website, collecting and accounting for Marketing Fund contributions, and paying taxes on contributions. The Marketing Fund also may reimburse Gold's Gym Facility operators (including us and/or our affiliates) for expenditures consistent with the Marketing Fund's purposes that we periodically specify.

We will not be required to segregate contributions to the Marketing Fund from our general operating funds, but we will account for such contributions separately from our other funds. The Marketing Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Marketing Fund or any other reason. The Marketing

Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Marketing Fund contributions to pay costs before using the Marketing Fund's other assets. We will prepare an annual, unaudited statement of Marketing Fund collections and expenses and give you the statement upon written request. We may have the Marketing Fund audited periodically at the Marketing Fund's expense by an independent accountant we select. We may incorporate the Marketing Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section 7.A.

We intend the Marketing Fund to promote recognition of the Marks and patronage of Gold's Gym Facilities generally. Although we will try to use the Marketing Fund to develop and/or implement advertising and marketing materials and programs and for other uses (consistent with this Section 7.A) that will benefit all contributing Gold's Gym Facilities, we need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Marketing Fund contributions from Gold's Gym Facilities operating in that geographic area, or that any Gold's Gym Facility benefits directly or in proportion to the Marketing Fund contributions that it makes. We have the right, but no obligation, to use collection agents and institute legal proceedings at the Marketing Fund's expense to collect Marketing Fund contributions. We also may forgive, waive, settle and compromise all claims by or against the Marketing Fund. Except as expressly provided in this Section 7.A, we assume no direct or indirect liability or obligation to you for maintaining, directing or administering the Marketing Fund.

We may at any time defer or reduce a Gold's Gym Facility operator's contributions to the Marketing Fund and, upon at least 30 days' written notice to you, reduce or suspend Marketing Contributions and/or Marketing Fund operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the Marketing Fund, we will (at our option) either spend the remaining Marketing Fund assets in accordance with this Section 7.A or distribute the unspent assets to Gold's Gym Facility operators (including us and our affiliates, if applicable) then contributing to the Marketing Fund in proportion to their contributions during the preceding 12-month period.

You acknowledge that other Gold's Gym Facility operators (including our affiliates) might contribute to the Marketing Fund or to another advertising, marketing or promotion fund, and/or make contributions toward advertising, marketing, promotional, customer relationship management, public relations and other brand-related programs and materials, at a rate that is different from the Marketing Contribution. You agree that we have the right, but no obligation, from time to time to allocate some or all of your Marketing Contributions for programs, materials or other uses (consistent with this Section 7.A) that are designed primarily to benefit you and other Gold's Gym Facility operators (including us and our affiliates, if applicable) that make marketing contributions or similar payments at the same or a similar rate as you. This might include allocating some Marketing Contributions to one or more separate accounts or funds designed (in our judgment) primarily to benefit those Gold's Gym Facility operators (including us and our affiliates, if applicable) that contribute to those separate accounts or funds. We may allocate costs for such programs, materials and other uses, and allocate such contributions, on any reasonable

basis and may periodically change the allocation and other methods of utilizing Marketing Contributions. You agree that our determinations are final.

7.B. Advertising Cooperatives. We may designate geographic areas as areas for an advertising or marketing cooperative (a “**Cooperative**”). The Cooperative’s members in any area are the owners of all of the Gold’s Gym Facilities located and operating in that area (including us and our affiliates, if applicable) that we have the right to require to participate in the Cooperative. Each Cooperative will be organized and governed in a form and manner, and begin operating on a date, that we determine. We may change, dissolve and merge Cooperatives. Each Cooperative’s purpose is, with our approval, to develop, administer or implement advertising, marketing and promotional materials and programs for the area that the Cooperative covers. If, as of the Agreement Date, we have established a Cooperative for the geographic area in which the Facility is located, or if we establish a Cooperative in that area during the Term, you agree to sign the documents that we require to become a member of the Cooperative and to participate in the Cooperative as those documents require. In addition to the Marketing Contribution, you agree to contribute to the Cooperative the amounts that the Cooperative determines, subject to our approval and the Marketing Spending Requirement (defined below).

All material decisions of the Cooperative, including contribution levels (which also require our approval), will require the affirmative vote of more than 50% of all Gold’s Gym Facilities that are required to participate in the Cooperative (including, if applicable, those operated by us or our affiliate), with each Gold’s Gym Facility receiving 1 vote. You agree to send us and the Cooperative any reports that we or the Cooperative periodically requires. The Cooperative will operate solely to collect and spend Cooperative contributions for the purposes described above. The Cooperative and its members may not use any advertising, marketing or promotional programs or materials that we have not approved.

7.C. Local Marketing. You agree at your expense to participate in the manner we specify in all advertising, marketing, promotional, customer relationship management, public relations and other brand-related programs that we designate for the Facility, subject to the Marketing Spending Requirement. You must also list the Facility with the online directories and subscriptions we periodically prescribe (such as Yelp® and Google®). You must ensure that all of your advertising, marketing, promotional, customer relationship management, public relations and other brand-related programs and materials that you or your agents or representatives develop or implement relating to the Facility (collectively, “**Local Marketing**”) are completely clear, factual and not misleading, comply with all applicable laws and regulations, and conform to the highest ethical standards and the advertising and marketing policies that we periodically specify. Before using them, you agree to send to us, for our approval, descriptions and samples of all proposed Local Marketing that we have not prepared or previously approved within the preceding 6 months. If you do not receive written notice of approval from us within 10 business days after we receive the materials, they are deemed disapproved. You may not conduct or use any Local Marketing that we have not approved or have disapproved. At our option, you must contract with one or more suppliers that we designate or approve to develop and/or implement Local Marketing. We assume no liability to you or any other party due to our specifying any programs or our approval or disapproval of any Local Marketing.

7.D. Marketing Spending Requirement. The “**Marketing Spending Requirement**” is the maximum amount that we can require you to spend on Cooperative contributions (if applicable) and approved Local Marketing for the Facility during each calendar quarter, and is an amount equal to 3% of the Facility’s Gross Revenue during that calendar quarter. Although we may not require you to spend more than the Marketing Spending Requirement on Cooperative contributions (if applicable) and approved Local Marketing for the Facility during any calendar quarter, you may choose to do so. We will not count towards your Marketing Spending Requirement your Marketing Contributions, free membership or other service offers, discounts off of a base membership price or similar price reductions that you provide as a promotion, permanent on-premises signs, lighting, personnel salaries, administrative costs, transportation vehicles (even if they display the Marks), employee incentive programs, or other amounts that we, in our reasonable judgment, deem inappropriate for meeting the Marketing Spending Requirement. We may periodically review your books and records and require you to submit reports periodically to determine your Cooperative contributions and Local Marketing expenses. If you fail to spend (or prove that you spent) the Marketing Spending Requirement in any quarter, then we may, in addition to and without limiting our other rights and remedies, require you to pay us the shortfall as an additional Marketing Contribution or to pay us the shortfall for us to spend on Local Marketing for the Facility.

7.E. System Websites. We or one or more of our designees may establish a website or series of websites for the Gold’s Gym Facility network to advertise, market and promote Gold’s Gym Facilities, the amenities and other products and services they offer, and the Gold’s Gym Facility franchise opportunity, to facilitate the operations of Gold’s Gym Facilities (including, at our option, online membership sales), and/or for any other purposes that we determine are appropriate for Gold’s Gym Facilities (collectively, the “**System Website**”). If we include information about the Facility on the System Website, then you agree to give us the information and materials that we periodically request concerning the Facility and otherwise participate in the System Website in the manner that we periodically specify. We have the final decision concerning all information that appears on the System Website and will update or modify the System Website according to a schedule that we determine. By posting or submitting to us information or materials for the System Website, you are representing to us that the information and materials are accurate and not misleading and do not infringe any third party’s rights. You must notify us whenever any information about you or your Facility on the System Website changes or is not accurate.

We own all intellectual property and other rights in the System Website and all information it contains, including the domain name or URL for the System Website and all subsidiary websites, the log of “hits” by visitors, and any personal or business data that visitors (including you and your personnel) supply. We may use the Marketing Fund’s assets and your Marketing Contributions to develop, maintain, support and update the System Website. We may implement and periodically modify System Standards relating to the System Website and, at our option, may discontinue the System Website, or any services offered through the System Website, at any time.

All Local Marketing that you develop for the Facility must contain notices of the URL of the System Website in the manner that we periodically designate. Except for using Social Media according to our System Standards, you may not develop, maintain or authorize any other website, other online presence or other electronic, virtual, or digital medium (such as mobile applications,

kiosks and other interactive properties or technology-based programs) that mentions or describes you or the Facility or displays any of the Marks. Except for the System Website and using Social Media according to our System Standards, you may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet or using any other technology-based program without our approval.

With regard to Social Media, you will adhere to any Social Media policies that we establish from time to time and will require all of your employees to do so as well. Use of Social Media must comply with the Operations Manual and System Standards, including our then-current take-down policy, and all applicable laws. You acknowledge that we may maintain administrative privileges over any Social Media associated with your Facility (for instance, by acting as the administrator of Facebook's "Locations" functionality or any similar "parent-child" functionality for any other Social Media site).

Nothing in this Section 7.E shall limit our right to maintain websites other than the System Website or to offer and sell products or services under the Marks from the System Website, another website or otherwise over the Internet without payment or obligation of any kind to you.

8. Records, Reports and Financial Statements.

You agree to establish and maintain at your own expense a bookkeeping, accounting and recordkeeping system conforming to the requirements and formats that we periodically specify. We may require you to use the Gym Management System to maintain certain sales and expense data, financial statements, Member Information (defined in Section 11.B) and other information, in the formats that we periodically specify, and to transmit that data and information to us on a schedule that we periodically specify. You also must, at your expense, purchase and maintain the computer system we designate in order to allow us unlimited, independent access to, and the ability to download, all information in your computer system at any time.

You also agree to give us in the manner and format that we periodically specify:

- (1) on or before the 10th day of each month, a report on the Facility's Gross Revenue during the previous month;
- (2) within 30 days after the end of each calendar quarter, a report on your expenditures to satisfy the Marketing Spending Requirement for the previous quarter;
- (3) within 90 days after the end of each of your fiscal years, annual profit and loss and source and use of funds statements and a balance sheet for the Facility as of the end of the previous fiscal year; and
- (4) within 15 days after our request, exact copies of federal and state income and other tax returns and any other forms, records, books, reports and other information that we periodically require relating to the Facility or you.

You agree to certify or validate each report and financial statement in the manner that we periodically specify. We may disclose data derived from these reports, including by creating and

circulating reports on the financial results of the Facility and/or some or all other Gold's Gym Facilities to other Gold's Gym Facility owners and prospective franchisees, but we will not (without your consent) disclose your identity in any materials that we circulate publicly.

You agree to preserve and maintain all records in a secure location at the Facility or other safe location during the Term and for at least 5 years afterward. If we determine that you have failed to comply with your reporting or payment obligations under this Agreement, including by submitting any false reports, we may require you to have audited financial statements prepared annually at your expense during the remaining Term, in addition to our other remedies and rights under this Agreement and applicable law.

9. Inspections and Audits.

9.A. Inspections. To determine whether you and the Facility are complying with this Agreement and all System Standards, we and our designated agents and representatives may at all times, and without prior notice to you: (a) inspect the Facility; (b) examine and copy the Facility's business, bookkeeping and accounting records, sales and income tax records and returns, and other records and documents; (c) inspect your Gym Management System, including hardware, software, security, configurations, connectivity, and data access; (d) observe, photograph, videotape and otherwise monitor and record activity in the Facility's operation (including so-called "mystery shopping") for consecutive or intermittent periods we deem necessary; and (e) interview the Facility's personnel, members and prospective members. You agree to cooperate with us and our designated agents and representatives fully. If we exercise any of these rights, we will use commercially reasonable efforts not to interfere unreasonably with the Facility's operation. You agree that your failure to achieve the minimum quality scores (as described in the Operations Manual) or otherwise satisfy our System Standards in any quality assurance inspection we conduct at the Facility is a default under this Agreement. Without limiting our other rights and remedies under this Agreement, you agree promptly to correct at your own expense all failures to comply with this Agreement (including any System Standards) that our inspectors note within the time period we specify following your receipt of our notice. We then may conduct one or more follow-up inspections to confirm that you have corrected these deficiencies and otherwise are complying with this Agreement and all System Standards. You must reimburse all of our costs (including supplier fees, travel expenses, room and board, and compensation of our employees) associated with re-inspections or follow-up visits that we conduct after any audit or inspection of your Facility identifies one or more failures of the System Standards, and/or if any follow-up visit is necessary because we or our designated representatives were for any reason prevented from properly inspecting any of all of your Facility (including because you or your personnel refuse entry to your Facility) . You also agree to present to your members the evaluation forms that we periodically specify and to participate and/or request that your members participate in any surveys performed by or for us.

9.B. Audits. We may at any time during your business hours, and without prior notice to you, examine the Facility's business, bookkeeping and accounting records, sales and income tax records and returns, and other records. You agree to fully cooperate with our representatives and/or any independent accountants we hire to conduct any such inspection or audit. If any inspection or audit discloses an understatement of the Facility's Gross Revenue, you must pay us, within 15 days after receiving the inspection or audit report, the Royalties, Marketing

Contributions and any other amounts due on the amount of the understatement, plus interest and administrative fees (in the amount described in Section 5.E) from the date originally due until the date of payment. If we reasonably determine that an inspection or audit is necessary due to your failure to furnish reports, supporting records or other information as required, or to furnish these items on a timely basis, or if our examination reveals a Royalty or Marketing Contribution understatement exceeding 2% of the amount that you actually reported to us for the period examined, you agree to reimburse us for the cost of our examination, including legal fees and independent accountants' fees, plus the travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

10. Marks.

10.A. Ownership and Goodwill of Marks. Your right to use the Marks and the System is derived only from this Agreement and is limited to your operating the Facility according to this Agreement and all System Standards we implement during the Term. Your unauthorized use of the Marks or the System is a breach of this Agreement and infringes our and our licensor's intellectual property rights. Your use of the Marks and the System, and any goodwill established by that use, are for our and our licensor's exclusive benefit, and this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Facility under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional and substitute trademarks and service marks that we periodically authorize you to use. You may not at any time during or after the Term contest or assist any other person or Entity in contesting the validity, or our and our licensor's ownership, of the Marks.

10.B. Limitations on Your Use of Marks. You agree to use the Marks as the Facility's sole identification, subject to the notices of independent ownership that we periodically designate. You may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any domain name, electronic address, metatag or otherwise in connection with any website or other electronic medium without our consent, (5) in connection with any advertisement of any prospective transfer that would require our approval under Section 13; or (6) in any other manner we have not expressly authorized in writing. You may not use any Mark in advertising the transfer, sale or other disposition of the Facility or any direct or indirect Ownership Interest in you without our prior written consent, which we will not unreasonably withhold. You may not manufacture, use, sell, or distribute, or contract with any party other than our or our affiliate's authorized licensees to manufacture, use, sell, or distribute, any products, merchandise, or equipment bearing any of the Marks. Subject to our approval of the form of the proposed use, which we will not unreasonably withhold, you may include in your fictitious name filing and in the references to your Facility a geographic reference relating to the Facility's location that we approve, as long as the reference does not interfere with the proper use of the Marks under our System Standards and the required use of the Marks under trademark law (e.g., Gold's Gym Venice Beach). You agree to display the Marks prominently as we periodically specify at the Facility and on forms, advertising, supplies, vehicles, employee uniforms and other materials we designate. You agree to give the notices of trademark and service mark registrations that we periodically specify and to obtain any fictitious

or assumed name registrations required under applicable law. You may not grant licenses or sublicenses for any Mark.

10.C. Notification of Infringements and Claims. You must notify us immediately of any actual or apparent infringement of or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our licensor, and our and our licensor's attorneys, and your attorneys, regarding any infringement, challenge or claim. We or our licensor may take the action that we or it deems appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding or other proceeding arising from any infringement, challenge or claim or otherwise concerning any Mark. You agree to sign any documents and take any reasonable actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our and our licensor's interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our and our licensor's interests in the Marks. At our option, we or our licensor may defend and control the defense of any litigation or proceeding relating to any Mark.

10.D. Discontinuance of Use of Marks. If we believe at any time that it is advisable for us and/or you to modify or discontinue any Mark and/or use one or more additional or substitute trademarks or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses in complying with these directions (such as costs you incur in changing the Facility's signs or replacing supplies), for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

10.E. Indemnification for Use of Marks. We agree to reimburse you for all damages and expenses you incur or for which you are liable in any proceeding challenging your right to use any Mark under this Agreement, provided your use has been consistent with this Agreement, the Operations Manual, and System Standards and you have timely notified us of, and comply with our directions in responding to, the proceeding.

11. Confidential Information, Member Information and Innovations.

11.A. Confidential Information. You and your affiliates, your Owners and personnel may from time to time be provided and/or have access to certain confidential information, some of which constitutes trade secrets under applicable law (the "**Confidential Information**"), relating to developing and operating Gold's Gym Facilities, whether or not marked confidential, including:

- (1) site selection criteria and methodologies;
- (2) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating Gold's Gym Facilities, including information in the Operations Manual and System Standards;
- (3) marketing research and promotional, marketing, advertising, public relations, customer relationship management and other brand-related materials and programs for Gold's Gym Facilities;

- (4) knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets and other products that Gold's Gym Facilities use and/or sell;
- (5) knowledge of the operating results and financial performance of Gold's Gym Facilities (including the Facility);
- (6) contact information, financial information and other personal information of or relating to the Facility's members and prospective members ("**Member Information**"), customer communication and retention programs, along with data used or generated in connection with those programs;
- (7) graphic designs and related intellectual property; and
- (8) any other information we reasonably designate from time to time as confidential or proprietary.

You acknowledge and agree that by entering into this Agreement and/or acquiring the Facility you will not acquire any interest in our Confidential Information, other than the right to use certain Confidential Information that we periodically designate in operating the Facility during the Term and according to the System Standards and this Agreement's other terms and conditions, and that your use of any Confidential Information in any other business would constitute an unfair method of competition with us and our franchisees. We and our affiliates own all right, title and interest in and to the Confidential Information. You further acknowledge and agree that the Confidential Information is proprietary, includes our trade secrets. You therefore agree that during and after the Term you will, and will cause your spouses, immediate family members, affiliates, and assigns to:

- (a) process retain, use, collect, and disclose our Confidential Information strictly to the limited extent, and in such a manner, as necessary for the development and operation of the Facility in accordance with this Agreement, and not for any other purpose of any kind;
- (b) process, retain, use, collect, and disclose the Confidential Information strictly in accordance with the privacy policies and System Standards we establish from time to time, and our and our representative's instructions;
- (c) keep confidential and not disclose, sell, distribute, or trade our Confidential Information to any person other than those of your employees and representatives who need to know such Confidential Information for the purpose of assisting you in operating the Facility in accordance with this Agreement; and you agree that you will be responsible for any violation of this requirement by any of your representatives or employees;
- (d) not make unauthorized copies of any of our Confidential Information;
- (e) adopt and maintain administrative, physical and technical safeguards to prevent unauthorized use or disclosure of any of our Confidential Information, including by establishing reasonable security and access measures, restricting its disclosure to key

personnel, and/or by requiring persons who have access to such Confidential Information to be bound by contractual obligations to protect such Confidential Information and preserve our rights and controls in such Confidential Information, in each case that are no less protective or beneficial to us than the terms of this Agreement; and

(f) at our request, destroy or return any of the Confidential Information.

The restrictions on your disclosure of the Confidential Information will not apply to the: (i) disclosure of information, processes, or techniques which are lawfully known and used in the health club industry or by the public generally (as long as the availability is not because of a violation of applicable law or an obligation to us or our affiliates by you), provided that you have first given us written notice of your intended disclosure; (ii) disclosure of the Confidential Information in judicial or administrative proceedings when and only to the extent you are legally compelled to disclose it, provided that you have first given us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially; and (iii) disclosure of the Facility's operating results and financial performance to your existing and prospective lenders, and, provided they are bound by confidentiality obligations, to potential investors in you or purchasers of the Facility.

11.B. Member and Personal Information. You may from time to time have access to Member Information and other information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit-report information (“**Personal Information**”). You may gain access to such Personal Information from us, our affiliates, our vendors, or your own operations. You acknowledge and agree that all Personal Information (other than Restricted Data, defined below) is our Confidential Information and is subject to the protections in Section 11.A.

During and after the Term, you (and if you are conducting business as an Entity, each of your owners) agree to, and to cause your respective current and former employees, representatives, affiliates, successors and assigns to: (a) process, retain, use, collect, and disclose all Personal Information only in strict accordance with all applicable laws, regulations, orders, the guidance and codes issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Social Media platform; (b) assist us with meeting our compliance obligations under all applicable laws and regulations relating to Personal Information, including the guidance and codes of practice issued by industry or regulatory agencies; and (c) promptly notify us of any communication or request from any customer or other data subject to access, correct, delete, opt-out of, or limit activities relating to any Personal Information.

If you become aware of a suspected or actual breach of security or unauthorized access involving the Gym Management System or any Personal Information, you will notify us immediately and specify the extent to which Personal Information was compromised or disclosed. You also agree to follow our instructions regarding curative actions and public statements relating to the breach. We may conduct a data security and privacy audit of any of the Facility and your computer systems at any time, from time to time, to ensure that you are complying with our requirements. You must promptly notify us if you receive any complaint, notice, or

communication, whether from a governmental agency, customer or other person, relating to any Personal Information, or your compliance with your obligations relating to Personal Information under this Agreement, and/or if you have any reason to believe you will not be able to satisfy any of your obligations relating to Personal Information under this Agreement.

Notwithstanding anything to the contrary in this Agreement or otherwise, you agree that we do not control or own any of the Restricted Data. Regardless of any guidance we may provide generally and/or any specifications that we may establish for other Personal Information, you have sole and exclusive responsibility for all Restricted Data, including establishing protections and safeguards for such Restricted Data; provided, that in each case you agree to comply with all applicable laws, regulations, orders, and the guidance and codes issued by industry or regulatory agencies applicable to such Restricted Data). “**Restricted Data**” means (a) any Personal Information of the employees, officers, contractors, owners or other personnel of you, your affiliates, or the Facility; and (b) such other Personal Information as we may from time to time expressly designate as Restricted Data

11.C. **Innovations.** All ideas, concepts, techniques or materials relating to a Gold’s Gym Facility (collectively, “**Innovations**”), whether or not protectable intellectual property and whether created by or for you or your Owners, employees or contractors, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any Innovation does not qualify as a work made-for-hire for us, by this paragraph you assign ownership of that Innovation, and all related rights to that Innovation, to us and agree to sign (and to cause your Owners, employees and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person with respect to any Innovations. You may not use any Innovation in operating the Facility or otherwise without our prior approval.

12. **Exclusive Relationship.**

12.A. **In-Term.** We have granted you the Franchise in consideration of and reliance upon your and your Owners’ agreement to deal exclusively with us in connection with health clubs and related services during the Term. You therefore agree that, during the Term, neither you nor any of your Owners, directors or officers, nor any members of your or their Immediate Families (defined below), will:

(a) have any direct or indirect, controlling or non-controlling Ownership Interest – whether of record, beneficial or otherwise – in a Competitive Business (defined below), wherever located or operating, provided that this restriction will not apply to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market and quoted on a national inter-dealer quotation system that represent less than 3% of the number of shares of that class of securities issued and outstanding;

(b) perform services as a director, officer, manager, employee, consultant, lessor, representative or agent for a Competitive Business, wherever located or operating;

(c) directly or indirectly loan any money or other thing of value to, or guarantee any other person's loan to, or lease any real or personal property to, any Competitive Business or any owner, director, officer, manager, employee or agent of any Competitive Business, wherever located or operating;

(d) divert or attempt to divert any actual or potential supplier, business, consultant, or customer of the Facility to another Competitive Business; or

(e) interfere, or attempt to interfere, with our or our affiliates' relationships with any suppliers, franchisees, or consultants.

The term “**Competitive Business**” means any gymnasium, an athletic or fitness center, a health club, an exercise or aerobics facility, or one or more similar facilities or businesses, or an entity that grants franchises or licenses for any of these types of businesses, other than a Gold's Gym Facility operated under a franchise agreement with us. The term “**Immediate Family**” includes the named individual, his or her spouse, and all natural and adopted children of the named individual or his or her spouse and other members of the household.

12.B. Post-Term. We would be unable to adequately protect the valuable goodwill associated with the Marks and the confidentiality of our Confidential Information if we did not restrict involvement with a Competitive Business following the expiration or termination of this Agreement. Therefore, you agree that the same restrictions that, under Section 12.A, apply during the Term, will also apply for 2 years following the expiration or termination of this Agreement, except that the restrictions described in clauses 12.A(a) and 12.A(b) will be limited to Competitive Businesses that are located either at or within 5 miles of the Site or of any other Gold's Gym Facility. Notwithstanding the foregoing, the restrictions described in clauses 12.A(d) and 12.A(e) shall survive indefinitely following termination or expiration of this Agreement.

13. Transfer.

13.A. Transfer by Us. You represent that you have not signed this Agreement in reliance on any owner's, officer's or employee's remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement between us and you (or any of your owners or affiliates) without restriction. This Agreement and any other agreement will inure to the benefit of any transferee or other legal successor to our interest in it. After our assignment of this Agreement to a third party who expressly assumes our obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement. Such an assignment shall constitute a release of us and novation with respect to this Agreement, and the assignee shall be liable to you as if it had been an original party to this Agreement.

13.B. Transfer by You – Defined. The rights and duties this Agreement creates are personal to you (or, if you are an Entity, to your Owners), and we have granted you the Franchise in reliance upon our perceptions of your (or your Owners') individual or collective character, skill, aptitude, attitude, business ability and financial capacity. Accordingly, neither a Control Transfer (defined below) nor a Non-Control Transfer (defined below) may be consummated (or attempted to be consummated) without our prior written approval and satisfying the applicable conditions of this Section 13, subject to Section 13.C and our right of first refusal under Section 13.H. A transfer

of the ownership, possession or control of the Facility, the Operating Assets, and/or all or a material part of the Membership Arrangements (defined below) may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect.

In this Agreement, a “**Control Transfer**” means any transfer (as defined below) or attempted transfer (including by listing any of the following for sale on any sales directory or platform) of (a) this Agreement or any interest in this Agreement; (b) the Facility or all or substantially all of the Operating Assets; (c) all or any material part of the membership agreements or other aspect of the relationship or prospective relationship between the Facility and its members, including the Member Information (collectively, the “**Membership Arrangements**”); or (d) any Controlling Ownership Interest (defined below) in you (if you are an Entity), whether directly or indirectly through a transfer of Ownership Interests in any Owner that is an Entity, and whether in one transaction or a series of related transactions, regardless of the time period over which these transactions take place. A “**Non-Control Transfer**” means any transfer (as defined below) or attempted transfer (including by listing any of the following for sale on any sales directory or platform) of any non-Controlling Ownership Interest in you (if you are an Entity), whether directly or indirectly through a transfer of Ownership Interests in any Owner that is an Entity. References to a “**Controlling Ownership Interest**” in you mean either (a) 20% or more of your direct or indirect Ownership Interests, or (b) an interest the acquisition of which grants the power (whether directly or indirectly) to direct or cause the direction of management and policies of you or the Facility to any individual or Entity, or group of individuals or Entities, that did not have that power before that acquisition.

In this Agreement, the term “**transfer**,” whether or not capitalized, includes any voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition and includes the following events, whether they impact you (or your Owners) directly or indirectly:

- (1) transfer of record or beneficial ownership of any Ownership Interest or the right to receive all or a portion of your profits or losses or any capital appreciation relating to you or the Facility (whether directly or indirectly);
- (2) a merger, consolidation or exchange of Ownership Interests, or issuance of additional Ownership Interests or securities representing or potentially representing Ownership Interests, or a redemption of Ownership Interests;
- (3) any sale or exchange of voting interests or securities convertible to voting interests, or any management agreement or other agreement granting the right to exercise or control the exercise of the voting rights of any Owner or to control your or the Facility’s operations or affairs;
- (4) transfer of a direct or indirect Ownership Interest or other interest in you, this Agreement, the Operating Assets, all or any material part of the Membership Arrangements or the Facility in a divorce, insolvency or entity dissolution proceeding, or otherwise by operation of law;
- (5) if you or one of your Owners dies, transfer of a direct or indirect Ownership Interest or other interest in you, this Agreement, the Operating Assets, all or any material

part of the Membership Arrangements or the Facility by will, declaration of or transfer in trust, or under the laws of intestate succession; or

(6) the grant of a mortgage, charge, pledge, collateral assignment, lien or security interest in any Ownership Interest or other interest in you, this Agreement, the Facility, the Operating Assets, or all or any material part of the Membership Arrangements; foreclosure upon or attachment or seizure of the Facility, any of its Operating Assets or all or any material part of the Membership Arrangements; or your transfer, surrender or loss of the possession, control or management of all or any material portion of the Facility (or its operation) or you. If we consent to a transfer described in this Section 13.B(6), we may condition such consent on the financial institution or other party that provides financing signing our then-current form of lender consent to protect our rights under this Agreement, the current form of which is Exhibit D to this Agreement.

13.C. Conditions for Approval of Non-Control Transfer. We will not unreasonably withhold our approval of a Non-Control Transfer if:

(1) you are then in full compliance with all of your obligations under this Agreement and all other agreements with us or our affiliate;

(2) you provide us written notice of the proposed transfer and all information we reasonably request concerning the proposed transferee, its direct and indirect owners (if the proposed transferee is an Entity) and the transfer at least 30 days before its effective date;

(3) the proposed transferee and its direct and indirect owners (if the proposed transferee is an Entity) have no Ownership Interest in and do not perform services for a Competitive Business and meet our then applicable standards for non-controlling owners of Gold's Gym Facility franchisees;

(4) you and your Owners sign the form of agreement and related documents (including, as applicable pursuant to Section 1.D, Full Guarantees) that we then specify to reflect your new ownership structure and a general release, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective owners, officers, directors, employees, representatives, agents, successors and assigns; and

(5) you pay us a transfer fee equal to \$2,500.

13.D. Conditions for Approval of Control Transfer. Subject to Section 13.H, we will not unreasonably withhold our approval of a Control Transfer if:

(1) you are then in full compliance with all of your obligations under this Agreement and all other agreements with us or our affiliate;

(2) you provide us written notice of the proposed transfer and all information we reasonably request concerning the proposed transferee, its direct and indirect owners

(if the proposed transferee is an Entity) and the transfer at least 45 days before its effective date;

(3) the proposed transferee and its direct and indirect owners (if the proposed transferee is an Entity) have no Ownership Interest in and do not perform services for a Competitive Business, have sufficient business experience, aptitude and financial resources to operate the Facility, and otherwise meet our then applicable standards for Gold's Gym Facility franchisees;

(4) the transferee (or its direct or indirect owners) and its management personnel, if they are different from your management personnel, satisfactorily complete our then current initial training program;

(5) you and your Owners (if the transfer is of a direct or indirect Controlling Ownership Interest), or you, your Owners, the transferee and its direct and indirect owners (if the transfer is of this Agreement), sign the form of agreement and related documents (including, as applicable pursuant to Section 1.D, Full Guarantees) that we then specify to reflect your new ownership structure or the assignment of this Agreement to the transferee, as applicable, and a general release, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective owners, officers, directors, employees, representatives, agents, successors and assigns;

(6) you or the transferee pays us a transfer fee of \$10,000 to partially cover our costs and expenses, including attorneys', accountants' and similar fees and costs, incurred in evaluating the transferee and the transfer;

(7) we have determined that the purchase price and payment terms will not adversely affect the operation of the Facility, and if you or your Owners finance any part of the purchase price, you and they agree that all obligations under promissory notes, agreements or security interests reserved in the Facility are subordinate to the transferee's obligation to pay all amounts due to us and our affiliates and otherwise to comply with this Agreement; and

(8) beginning when the transfer closes, you (if the transfer is of this Agreement) and/or your transferring Owners agree to comply with Section 16.B(3).

If the proposed transfer is to or among your Owners or Immediate Family members, then Subsection (6) will not apply, although you must reimburse us for the costs we incur in the transfer, up to the amount of the transfer fee described in Subsection (6). At our sole option, we may review all information regarding the Facility that you give the transferee and give the transferee copies of any reports that you have given us or we have made regarding the Facility. You acknowledge that we have legitimate reasons to evaluate the qualifications of potential transferees (and their direct and indirect owners) and the terms of the proposed transfer, and that our contact with potential transferees (and their direct and indirect owners) to protect our business interests will not constitute tortious, improper or unlawful conduct.

13.E. Transfer to a Wholly Owned Entity. Despite Section 13.D, if you are in full compliance with this Agreement, then upon at least 10 days' prior written notice to us, you may transfer this Agreement, together with the Operating Assets, the Membership Arrangements and all other assets associated with the Facility, to an Entity which conducts no business other than the Facility and, if applicable, other Gold's Gym Facilities and of which you own and control 100% of the equity and voting power of all Ownership Interests, provided that all of the Facility's assets are owned, and the Facility's business is conducted, only by that single Entity. Transfers of Ownership Interests in that Entity are subject to all of the restrictions in this Section 13. You (including, if you are a group of individuals, any individual who will not have an Ownership Interest in the transferee Entity), your Owners, and the transferee Entity must sign the form of agreement and related documents (including, as applicable pursuant to Section 1.D, Full Guarantees) that we then specify to reflect the assignment of this Agreement to the transferee Entity and a general release, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective owners, officers, directors, employees, representatives, agents, successors and assigns.

13.F. Death or Disability. Upon your or your Owner's death or disability, your or the Owner's executor, administrator, conservator, guardian or other personal representative (the "**Representative**") must transfer your interest in this Agreement, the Operating Assets and the Facility, or direct or indirect Ownership Interest in you, to a third party whom we approve. That transfer (including transfer by bequest or inheritance) must occur, subject to our rights under this Section 13.F, within a reasonable time, not to exceed 6 months from the date of death or disability, and is subject to all of the terms and conditions in this Section 13. A failure to transfer such interest within this time period is a breach of this Agreement. If at any time following your or your Owner's death or disability, we determine that the Facility is not being managed properly according to our System Standards, then we have the right (but no obligation) to assume the interim operations of the Facility ourselves or appoint a third party (who may be our affiliate) to operate the Facility on an interim basis pursuant to the terms of Section 15.C(7). The term "**disability**" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or the Owner from supervising your or the Facility's management and operation for 90 or more consecutive days.

13.G. Effect of Consent to Transfer. Our consent to any transfer is not, and may not be relied upon by any party as, a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Facility's or transferee's prospects of success, or a waiver of any claims we have against you (or your Owners) or of our right to demand the transferee's full compliance with this Agreement's terms or conditions.

13.H. Our Right of First Refusal. If you or any of your Owners at any time determines to engage in a Control Transfer, you agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may be in the form of a letter of intent) relating exclusively to an interest in this Agreement and the Facility (and its assets) or a direct or indirect Controlling Ownership Interest in you. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price, and you must provide us evidence that the proposed buyer has provided an earnest money deposit of not less than \$25,000. To be a valid, bona fide offer, the

proposed purchase price must be in a fixed dollar amount and without any contingent payments of purchase price (such as earn-out payments) and the proposed transaction must relate exclusively to an interest in this Agreement and the Facility (and its assets) or a direct or indirect Controlling Ownership Interest in you and not to any other interests or assets.

We may, by delivering written notice to you within 30 days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest for the price and on the terms and conditions contained in the offer, provided that: (1) we may substitute cash for any form of payment proposed in the offer; (2) our credit will be deemed equal to the credit of any proposed buyer; (3) the closing will be not less than 60 days after notifying you of our election to purchase or, if later, the closing date proposed in the offer; and (4) we must receive, and you and your Owners agree to make, all customary representations, warranties and indemnities given by the seller of the assets of a business or Ownership Interests in an Entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) Ownership Interests, liens and encumbrances on assets, validity of contracts and agreements, and the liabilities, contingent or otherwise, relating to the assets or Ownership Interests being purchased, and indemnities for all actions, events and conditions that existed or occurred in connection with the Facility or your business prior to the closing of our purchase. If we do not exercise our right of first refusal, you or your Owners may complete the sale to the proposed buyer on the original offer's terms, but only if we approve the transfer as provided in this Section 13. If you do not complete the sale to the proposed buyer (with our approval) within 60 days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the offer (which you must tell us promptly), we will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or our receipt of notice of the material change in the offer's terms, either on the terms originally offered or the modified terms, at our option.

We may assign our right of first refusal under this Section 13.H to any Entity (who may be our affiliate), and that Entity will have all of the rights and obligations under this Section 13.H.

14. Successor Franchise Rights.

14.A. Right to a Successor Franchise Agreement. When this Agreement expires if:

(1) you (and your Guarantors) have substantially complied with this Agreement during the Term and are, both on the date you give us written notice of your election to exercise the Successor Franchise Right (as defined below) and on the date on which the term of the successor franchise commences, in full compliance with this Agreement, including all System Standards;

(2) you and your Owners then meet our then applicable standards for franchisees and owners of franchisees of Gold's Gym Facilities; and

(3) either (i) you maintain possession of the Site for the 10-year successor franchise term and agree (regardless of cost) to renovate, remodel, and/or expand the Facility, add or replace Operating Assets, and otherwise modify the Facility as we require to comply with the System and System Standards then applicable for new similarly situated

Gold's Gym Facilities; or (ii) at your option, or if we determine (using our reasonable judgment, based on changed market and economic conditions then in effect in the Facility's market) that the Facility should be relocated, you secure possession of a substitute site that we accept within the Territory for the 10-year successor franchise term and agree to construct and develop that site according to the System and System Standards then applicable for new similarly situated Gold's Gym Facilities,

we will offer you the right to enter into a successor franchise agreement to operate the Facility as a Gold's Gym Facility for a term commencing immediately upon the expiration of this Agreement and expiring 10 years after that date (the "**Successor Franchise Right**") in accordance with Section 14.C. If you (and each Guarantor) are not, both on the date you give us written notice of your election to exercise the Successor Franchise Right and on the date on which the term of the successor franchise agreement is scheduled to commence, in full compliance with this Agreement, including all System Standards, you acknowledge that we need not enter into a successor franchise agreement with you, whether or not we had, or chose to exercise, the right to terminate this Agreement during the Term.

14.B. Grant of a Successor Franchise. You agree to give us written notice of your election to exercise or not to exercise the Successor Franchise Right no more than 15 months, and no less than 12 months, before the Term expires. If you elect to exercise your Successor Franchise Right, then together with that notice, you must send us the information concerning you and your Owners that we then specify to enable us to determine whether you and they meet our then applicable standards for franchisees and owners of franchisees of Gold's Gym Facilities. If you timely elect to exercise the Successor Franchise Right, we agree to give you written notice (the "**Response Notice**"), within 90 days after we receive your notice, of our decision:

- (1) to enter into a successor franchise agreement with you (subject to the other terms and conditions of this Section 14);
- (2) to enter into a successor franchise agreement with you on the condition that you correct existing deficiencies of the Facility or in your operation of the Facility (subject to the other terms and conditions of this Section 14); or
- (3) not to enter into a successor franchise agreement with you based on our determination that you and/or your Owners have not satisfied any one or more of the conditions in Section 14.A.

If applicable, the Response Notice will:

- (a) describe the renovation, remodeling, expansion, improvements, and/or modifications required to bring the Facility compliance with the System and System Standards then applicable for similarly situated new Gold's Gym Facilities, which the successor franchise agreement will require you to complete to our satisfaction within the time period we specify after that agreement takes effect; and
- (b) state the actions you must take to correct operating deficiencies and the time period in which you must correct these deficiencies.

If we elect not to enter into a successor franchise agreement with you, the Response Notice will describe the reasons for our decision. If we elect to enter into a successor franchise agreement with you, your effective exercise of the Successor Franchise Right is subject to your full compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in the Response Notice.

If the Response Notice states that you must cure certain deficiencies of the Facility or its operation as a condition to our entering into a successor franchise agreement with you, we will give you written notice of our decision not to enter into a successor franchise agreement with you based upon your failure to cure those deficiencies at least 60 days before this Agreement expires. However, we need not give you this 60 days' notice if we decide not to enter into a successor franchise agreement with you due to your breach of this Agreement during the 60-day period before it expires. If we fail to give you:

(i) notice of deficiencies in the Facility, or in your operation of the Facility, within 90 days after we receive your timely election to exercise the Successor Franchise Right (if we elect to enter into a successor franchise agreement with you under subparagraphs (2) and (b) above); or

(ii) notice of our decision not to enter into a successor franchise agreement with you at least 60 days before this Agreement expires, if this notice is required,

then we may unilaterally extend the Term for the time period necessary to give you (at our option) either reasonable time to correct deficiencies or the 60 days' notice of our refusal to grant a successor franchise. If you fail to notify us of your election to enter into a successor franchise agreement within the prescribed time period, we will deem this to be your decision not to exercise the Successor Franchise Right.

14.C. Agreements/Releases. If you satisfy all of the other conditions for a successor franchise agreement, you and your Owners (as applicable) agree to sign the form of franchise agreement and any ancillary agreements we then customarily use in granting franchises for Gold's Gym Facilities (modified as necessary to reflect the fact that it is for a successor franchise and that there will be no further renewal or successor franchise rights), which may contain provisions (including the Territory and territorial rights) that differ materially from any and all of those contained in this Agreement, except that we will not charge an initial or successor franchise fee that exceeds 50% of the initial franchise fee that we are then charging to new Gold's Gym Facility franchisees signing their first franchise agreement with us. You and your Owners further agree to sign a general release, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective owners, officers, directors, employees, representatives, agents, successors, and assigns. We will consider your or your Owners' failure to sign these agreements and releases and to deliver them to us for acceptance and execution within 30 days after their delivery to you to be an election not to enter into a successor franchise agreement.

15. Termination of Agreement

15.A. Termination by You. You may terminate this Agreement if we commit a material breach of any of our obligations under this Agreement and fail to correct such breach within 30

days after your delivery of written notice to us of such breach; provided, however, that if we cannot reasonably correct the breach within this 30-day period but provide you, within this 30-day period, with reasonable evidence of our effort to correct the breach within a reasonable time period, then the cure period shall run through the end of such reasonable time period. Your termination of this Agreement (including by taking steps to de-identify the Facility or otherwise cease operations under this Agreement) other than in accordance with this Section 15.A is a termination without cause and a breach of this Agreement.

15.B. Termination by Us. We may, at our option, terminate this Agreement, effective upon delivery of written notice of termination to you, if:

- (1) you or any of your Owners has made or makes a material misrepresentation or omission in acquiring any of the rights under this Agreement or operating the Facility;
- (2) you, your Owner or other Facility personnel that we required to attend our initial training program do not satisfactorily complete that training;
- (3) you fail to sign a Lease that we have accepted, for a Site that we have accepted, within 9 months after the Agreement Date or you fail to open the Facility for member workouts in compliance with this Agreement on or before the Opening Deadline (unless we extend the Opening Deadline pursuant to Section 2.E);
- (4) you abandon or fail actively to operate the Facility offering full services to its members during the required hours of operation for 2 or more consecutive calendar days, or for 3 or more calendar days during any month, unless you close the Facility for a purpose we approve or because of casualty or government order;
- (5) you surrender or transfer control of your or the Facility's management operation without our prior written consent;
- (6) you or any of your Owners is convicted by a trial court of, or pleads no contest to, a felony;
- (7) you or any of your Owners engages in any dishonest, unethical or illegal conduct which, in our opinion, adversely affects the Facility's reputation, the reputation of other Gold's Gym Facilities or the goodwill associated with the Marks or constitutes an act of moral turpitude, or violate our policies regarding Social Media by disparaging us, other Gold's Gym Facilities, the members of your Gold's Gym Facility or of any other Gold's Gym Facility; or the Gold's Gym brand.
- (8) you fail to maintain the insurance we require from time to time and/or you fail to provide us with proof of such insurance as this Agreement requires;
- (9) you interfere with our right to inspect the Facility or observe its operation;
- (10) you or any of your Owners makes an unauthorized transfer in breach of this Agreement;

(11) any other franchise agreement or other agreement between us (or any of our affiliates) and you (or any of your Owners or affiliates), other than a development rights agreement for the development of multiple Gold's Gym Facilities, is terminated before its term expires, regardless of the reason;

(12) you or any of your Owners, directors or officers (or any members of your or their Immediate Families) breaches Section 12 or knowingly makes any unauthorized use or disclosure of any part of the Operations Manual or any other Confidential Information;

(13) you violate any law, ordinance or regulation relating to the ownership or operation of the Facility (including any law pertaining to bonding, licensing or membership offerings), or operate the Facility in an unsafe manner, and (if the violation can be corrected) you do not begin to correct the violation immediately, and correct the violation fully within 72 hours, after you receive notice of the violation from us or any other party, regardless of any longer period of time that any governmental authority or agency may have given you to cure such violation;

(14) you fail to pay when due any federal, state or local income, service, sales or other taxes due on the Facility's operation, or repeatedly fail to make or delay making payments to your suppliers or lenders, unless you are in good faith contesting your liability for these taxes or payments;

(15) you or any of your Guarantors fails on 3 or more separate occasions within any 12-consecutive-month period to comply with any one or more obligations under this Agreement, whether or not any of these failures are corrected after we deliver written notice to you and whether these failures involve the same or different obligations under this Agreement;

(16) you or any of your Guarantors fails on 2 or more separate occasions within any 6 consecutive month period, or on 3 or more separate occasions within any 36 consecutive month period, to comply with the same obligation under this Agreement, whether or not any of these failures are corrected after we deliver written notice to you;

(17) you or any Guarantor makes an assignment for the benefit of creditors or admits in writing your or its insolvency or inability to pay your or its debts generally as they become due; you or any Guarantor consents to the appointment of a receiver, trustee or liquidator of all or the substantial part of your or its property; the Facility or any of the Operating Assets is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant or levy is vacated within 30 days; or any order appointing a receiver, trustee or liquidator of you, any Guarantor or the Facility is not vacated within 30 days following the order's entry;

(18) you fail to pay us (or our affiliates) any amounts due, whether arising under this Agreement or any other agreement, and do not correct the failure within 5 days after we deliver written notice of that failure to you; or

(19) you fail to comply with any other provision of this Agreement or any mandatory System Standard and do not correct the failure within 30 days after we deliver written notice of the failure to you.

15.C. Our Other Remedies Upon Default. In addition to and without limiting our other rights and remedies under this Agreement, any other agreement and applicable law, upon the occurrence of any of the events that give rise to our right to terminate this Agreement under Section 15.B, we may, at our sole option and upon delivery of written notice to you, elect to take any or all of the following actions without terminating this Agreement:

(1) temporarily or permanently reduce the size of the Territory, in which event the restrictions on us and our affiliates under Section 3.A will not apply in the geographic area that was removed from the Territory;

(2) temporarily remove information concerning the Facility from the System Website and/or stop your or the Facility's participation in any other programs or benefits offered on or through the System Website;

(3) suspend your right to participate in one or more programs or benefits that the Marketing Fund provides and/or your Marketing Contributions fund;

(4) suspend any other services that we or our affiliate provides to you under this Agreement or any other agreement, including any billing services or other services relating to the Gym Management System;

(5) suspend or terminate any temporary or permanent fee reductions to which we might have agreed (whether as a policy, in an amendment to this Agreement or otherwise);

(6) refuse to provide any operational support that this Agreement requires or we have elected to provide; and/or

(7) enter the Facility's premises and assume interim operations of the Facility (or to appoint a third party to operate the Facility on an interim basis) for any period of time that we deem appropriate, but not to exceed one hundred eighty (180) consecutive days. All funds from the Facility's operation during the period of our (or our designee's) interim operations shall be kept in a separate account and all Facility expenses shall be charged to such account. In addition to all other fees and payments owed hereunder, we may charge you a fee equal to 3% of the Facility's Gross Revenue during the period of our or our designee's interim operations, plus any direct out-of-pocket costs and expenses. We or our designee shall have a duty only to use reasonable efforts upon assuming the Facility's operations and will not be liable to you for any debts, losses, or obligations that the Facility incurs, or to any creditors for any supplies or other products or services purchased for the Facility, in connection with such operations.

Our exercise of our rights under this Section 15.C will not be a defense for you to our enforcement of any other provision of this Agreement or waive or release you from any of your

other obligations under this Agreement. Our exercise of these rights will not constitute an actual or constructive termination of this Agreement nor be our sole or exclusive remedy for your default. You must continue to pay all fees and otherwise comply with all of your obligations under this Agreement (except as set forth in Section 15.C(7)) following our exercise of any of these rights. If we exercise any of our rights under this Section 15.C, we may thereafter terminate this Agreement without providing you any additional corrective or cure period, unless the default giving rise to our right to terminate this Agreement has been cured to our reasonable satisfaction.

16. Rights and Obligations Upon Termination or Expiration.

16.A. Payment of Amounts Owed and Termination Damages. You agree to pay within ten (10) days after this Agreement expires or is terminated, or on any later date that the amounts due are determined, all amounts owed to us or our affiliates under this Agreement or any related agreement which then are unpaid, which includes the Termination Damages (defined below) for any termination of this Agreement other than your termination in accordance with Section 15.A.

(1) Except as provided in paragraph (2) below, “**Termination Damages**” means an amount equal to the Royalty fees and the Marketing Contributions that would have become due had the Agreement not been terminated, from the date of termination to the scheduled expiration of the then-current Term of this Agreement (the “**Measurement Period**”). For this purpose, Termination Damages shall be calculated by multiplying (1) the number of calendar months in the Measurement Period by (2) the aggregate of the percentages of Royalty fees and Marketing Contributions, by (3) the average monthly Gross Revenue of the Facility during the 12 full calendar months immediately preceding the termination date; however, if as of the termination date, the Facility has not been operating for at least 12 months, Termination Damages will be calculated based on the average monthly Gross Revenue during our previous fiscal year immediately preceding the termination date of all units operating under the Marks during the entirety of that fiscal year.

(2) You acknowledge that, in addition to lost future Royalties and Marketing Contributions (as described in paragraph (1) above), we will suffer additional damages if (x) the Facility operates at its existing location as a Competitive Business at any time during the 6-month period following termination or (y) any Competitive Business that is located in the Territory and has then been in operation for at least 12 months gains access, by any means, to the Operating Assets or Membership Arrangements of the Facility. These additional damages include loss of market penetration and goodwill relating to the Marks, loss of representation by the Gold’s Gym[®] brand in the market, a diminished base of Gold’s Gym Facilities from which to leverage benefits in relationships with actual and potential vendors, franchisees and other parties, confusion of the public (especially Facility members), and lost business opportunities and other opportunity costs (collectively, “**Brand Damages**”). To compensate us for these additional Brand Damages, if either of the circumstances described in clause (x) or (y) exist, “**Termination Damages**” means an amount equal to (a) the average monthly Royalties and Marketing Contributions that you owed us during the 12-month period before the month of termination (or for such lesser period that the Facility has been open, if less than 12 months); multiplied by (b) 150%; multiplied by (c) the number of calendar months in the Measurement Period.

You agree that the Termination Damages calculated under this Section 16.A represent the best estimate of our damages for lost future Royalties and Marketing Contributions and, as applicable, Brand Damages arising from any termination of this Agreement before the Term expires. The Termination Damages are not a penalty. Your payment of the Termination Damages is compensation to us only for lost future Royalties and Marketing Contributions and, as applicable, Brand Damages, is in addition to, and not in lieu of, your obligation to pay other amounts owed to us and our affiliates and otherwise to comply with the post-termination obligations under this Agreement, nor does it relieve or replace any other obligations under this Agreement that arise from the Agreement's termination.

16.B. De-Identification. When this Agreement expires or is terminated for any reason:

(1) you must take any actions that are required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any of the Marks and, at our option, to assign to us (or our designee) or cancel any electronic address, domain name or website, or rights maintained in connection with any search engine, that directly or indirectly associates you or the Facility with us, the Marks, the System or the network of Gold's Gym Facilities;

(2) you must notify the telephone company and all telephone directory publishers (whether in printed or electronic form) of the termination or expiration of your right to use any telephone, facsimile, or other numbers with a suffix of "GOLD" (*i.e.*, the last four numbers are "4653"), any directory listings associated with any of the Marks, and any other Contact Identifier, authorize the transfer of those numbers, directory listings, and Contact Identifiers to us or our nominee, or instruct the telephone company to forward all calls made to your telephone numbers with a suffix of "GOLD" (*i.e.*, the last four numbers are "4653") to numbers we specify;

(3) (i) cease using or operating any Social Media related to the Facility or the Marks, and (ii) take any action as may be required to disable such Social Media, or transfer exclusive control and access of such Social Media to us, as we determine in our sole discretion;

(4) beginning on the De-identification Date (defined below) or the closing of the acquisition of the Purchased Assets (defined in Section 16.E) under Section 16.E, you and your Owners shall not directly or indirectly at any time thereafter or in any manner (except in connection with other Gold's Gym Facilities you or they own and operate): (a) identify yourself or themselves or any business as a current or former Gold's Gym Facility or as one of our current or former franchisees or licensees; (b) use any Mark, any colorable imitation of a Mark, any trademark, service mark or commercial symbol that is confusingly similar to any Mark, or other indicia of a Gold's Gym Facility in any manner or for any purpose, including in or on any advertising or marketing materials, forms, membership agreements, billing statements, or any website, Social Media or other electronic media; or (c) use for any purpose any trade dress, trade name, trademark, service mark or other commercial symbol that indicates or suggests a connection or association with us or the network of Gold's Gym Facilities;

(5) beginning on the De-identification Date, you must (a) immediately following the De-identification Date, post a temporary notice or sign at the Facility's entrance announcing that the Facility will no longer operate as a Gold's Gym Facility and otherwise stop identifying the Facility as a Gold's Gym Facility or as part of the network of Gold's Gym Facilities; (b) within 3 days after the De-identification Date, remove and deliver to us (or, at our option, destroy) all exterior and interior signs, Local Marketing and other advertising, marketing and promotional materials, membership agreements, billing statements, forms and other documents containing any of the Marks or otherwise identifying or relating to a Gold's Gym Facility; and (c) within 5 days after the De-identification Date, make such alterations as we reasonably specify to distinguish the Facility and its assets clearly from their former appearance as a Gold's Gym Facility and from other Gold's Gym Facilities so as to prevent a likelihood of confusion by the public and otherwise take the steps that we specify to de-identify the Facility, including permanently removing all Marks and trade dress from the Facility's walls and Operating Assets and altering the Facility's color scheme, layout and other aspects of the trade dress associated with the System; and

(6) within 3 days after the De-identification Date, in addition to any procedures that applicable law requires, you must notify all of the Facility's members of the termination or expiration of this Agreement and offer each of them the option to terminate their membership and receive a pro rata refund of all membership fees and other charges that they prepaid related to any period after the effective date of termination or expiration of this Agreement. You also agree to provide us a copy of, or access to, all Member Information existing when this Agreement expires or is terminated.

You must provide us written evidence (including pictures, as applicable) of your compliance with this Section 16.B upon our request. If you fail to comply with any of your obligations under this Section 16.B, then, without limiting our other rights and remedies under this Agreement or applicable law, we or our designee may take any action that this Section 16.B requires on your behalf and at your expense, including by entering the Facility and adjacent areas, without prior notice or liability, to remove the items and/or make the alterations that this Section 16.B requires. The "**De-identification Date**" means: (i) the closing date of our (or our assignee's) purchase of the Purchased Assets; or (ii) if that closing does not occur, the date upon which the option under Section 16.E expires or the date upon which we provide you written notice of our decision not to exercise, or to withdraw our previous exercise, of that option, whichever occurs first. If we or our assignee acquires the Purchased Assets under Section 16.E, then the De-identification Date will not occur and your obligations under this Section 16.B that apply only on or after the De-identification Date will be of no force or effect.

16.C. Confidential Information. You agree that, when this Agreement expires or is terminated, you will immediately cease using any Confidential Information in any business or otherwise and return to us all copies of the Operations Manual and any other confidential materials that we have loaned you. You may not sell, trade or otherwise profit in any way from any Confidential Information at any time following the expiration or termination of this Agreement.

16.D. Compliance with Post-Term Non-Compete. On expiration or termination of this Agreement, you, your directors and officers, your Owners and your and their Immediate Family

members must comply with the obligations regarding Competitive Businesses as described in Section 12.B above.

16.E. Our Right to Purchase Facility Assets.

(1) **Exercise of Option.** Upon termination of this Agreement for any reason (other than your termination in accordance with Section 15.A) or expiration of this Agreement without our and your signing a successor franchise agreement, we have the option, exercisable by giving you written notice within 15 days after the date of termination or expiration (the “**Exercise Notice**”), to purchase those Operating Assets, Membership Arrangements and other assets used in the operation of the Facility that we designate (the “**Purchased Assets**”). We have the unrestricted right to exclude any assets we specify relating to the Facility from the Purchased Assets and not acquire them. You agree to provide us the financial statements and other information we reasonably require, and to allow us to inspect the Facility and its assets, to determine whether to exercise our option under this Section 16.E. If you or one of your affiliates owns the Site, we may elect to include a fee simple interest in the Site as part of the Purchased Assets or, at our option, lease the Site from you or that affiliate for an initial 5-year term with 1 renewal term of 5 years (at our option) on commercially reasonable terms. You (and your Owners) agree to cause your affiliate to comply with these requirements. If you lease the Site from an unaffiliated lessor, you agree (at our option) to assign the Lease to us or to enter into a sublease for the remainder of the Lease term on the same terms (including renewal options) as the Lease.

(2) **Operations Pending Purchase.** While we are deciding whether to exercise our option under this Section 16.E, and, if we do exercise that option, during the period beginning with our delivery of the Exercise Notice and continuing through the closing of our purchase or our decision not to complete the purchase, you must continue to operate the Facility according to this Agreement and all System Standards. However, we may, at any time during that period, assume the management of the Facility ourselves or appoint a third party (who may be our affiliate) to operate the Facility on an interim basis pursuant to the terms of Section 15.C(7).

(3) **Purchase Price.** The purchase price for the Purchased Assets will be their fair market value for use in the operation of a Competitive Business (but not a Gold’s Gym Facility). However, the purchase price will not include any value for any rights granted by this Agreement, goodwill attributable to the Marks, our brand image, any Confidential Information or our other intellectual property rights, or participation in the network of Gold’s Gym Facilities. For purposes of determining the fair market value of all equipment (including the exercise equipment and Gym Management System) used in operating the Facility, the equipment’s useful life shall be determined to be no more than 3 years.

(4) **Appraisal.** If we and you cannot agree on fair market value for the Purchased Assets, fair market value will be determined by 3 independent appraisers, each of whom in doing so will be bound by the criteria specified in subparagraph (3). We will appoint one appraiser, you will appoint one appraiser, and these two appraisers will appoint the third appraiser. You and we agree to appoint our and your respective appraisers within

15 days after we deliver the Exercise Notice (if you and we have not agreed on fair market value before then), and the two appraisers so chosen must appoint the third appraiser within 10 days after the last of them is appointed. If either we or you do not appoint our or your respective appraiser by that deadline, then the other party's appointed appraiser shall be the sole appraiser to determine the purchase price under this Subsection (4). We and you each will bear the costs of our and your own appointed appraiser and share equally the fees and expenses of the third appraiser. Within 30 days after we deliver the Exercise Notice, each party shall submit its respective calculation of fair market value to the appraisers in such detail as the appraisers request and according to the criteria specified in subparagraph (3). Within 10 days after receiving both calculations, the appraisers shall determine, by a majority vote, and notify you and us which of the calculations is the most correct. The appraisers must choose either your or our calculation, and may not develop their own fair market value calculation. The appraisers' choice shall be the purchase price.

(5) **Closing.** We will pay the purchase price at the closing, which will take place within 60 days after the purchase price is determined, although we may decide after the purchase price is determined not to complete the purchase. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you owe us or our affiliates. We are entitled to all customary representations, warranties and indemnities in our asset purchase, including representations and warranties as to ownership and condition of, and title to, assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise, and indemnities for all actions, events and conditions that existed or occurred in connection with the Facility or your business prior to the closing of our purchase. At the closing, you agree to deliver instruments transferring to us: (a) good and merchantable title to the Purchased Assets, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; and (b) all of the Facility's licenses and permits which may be assigned or transferred. If you cannot deliver clear title to all of the Purchased Assets, or if there are other unresolved issues, the sale will be closed through an escrow. You and your Owners further agree to sign general releases, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective owners, officers, directors, employees, agents, representatives, successors and assigns.

(6) **Assignment.** We may assign our rights under this Section 16.E to any Entity (who may be our affiliate), and that Entity will have all of the rights and obligations under this Section 16.E.

16.F. **Continuing Obligations.** All of our and your (and your Owners') obligations under this Agreement which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until these obligations are satisfied in full or by their nature expire, including obligations described in Section 11.A (Confidential Information); Section 11.B (Member and Personal Information); Section 16 (Rights and Obligations Upon Termination or Expiration); Section 17 (Relationship of Parties/Indemnification); and Section 18 (Enforcement).

17. Relationship of the Parties/Indemnification.

17.A. Independent Contractors. This Agreement does not create a fiduciary relationship between you and us. You have no authority, express or implied, to act as the agent of us or any of our affiliates for any purpose or to incur any debt or other obligation in our name. You are, and shall remain, an independent contractor responsible for all obligations and liabilities of, and for all loss or damage to, the Facility and its business, including any personal property, equipment, fixtures or real property and for all claims or demands based on damage or destruction of property or based on injury, illness or death of any person or persons, directly or indirectly, resulting from the operation of the Facility. Further, we and you are not and do not intend to be partners, associates, or joint employers in any way, and we shall not be construed to be jointly liable for any of your acts or omissions under any circumstances. We have no relationship with your employees and you have no relationship with our employees. You agree to identify yourself conspicuously in all dealings with members, prospective members, customers, employees, suppliers, public officials and others as the Facility's owner under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, invoices, and other materials we require from time to time.

17.B. No Liability for Acts of Other Party. We and you agree not to make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchisee. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Facility's operation or the business you conduct under this Agreement.

17.C. Taxes. We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied upon you or the Facility, due to the business you conduct (except any taxes we are required by law to collect from you for purchases from us and our income taxes). You are responsible for paying these taxes.

17.D. Indemnification and Defense of Claims.

(1) You agree to indemnify and hold harmless us, our affiliates, and our and their respective owners, directors, officers, employees, agents, representatives, successors and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties for, all Losses (defined below) directly or indirectly arising out of or relating to: (a) the Facility's operation; (b) the business you conduct under this Agreement; (c) your breach of this Agreement; (d) your noncompliance or alleged noncompliance with any law, ordinance, rule or regulation, including those concerning the Facility's construction, design or operation, and including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees; or (e) claims alleging either intentional or negligent conduct, acts or omissions by you (or your contractors or any of your or their employees, agents or representatives), or by us or our affiliates (or our or their contractors or any of our or their employees, agents or representatives), subject to Section 17.D(3). "**Losses**" means any and all losses, expenses, obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs that an Indemnified Party incurs, including accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and

proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

(2) You agree to defend the Indemnified Parties against any and all claims asserted or inquiries made (formally or informally), or legal actions, investigations, or other proceedings brought, by a third party and directly or indirectly arising out of or relating to any matter described in Subsection 17.D(1)(a) through (e) above (collectively, “**Proceedings**”), including those alleging the Indemnified Party’s negligence, gross negligence, willful misconduct and/or willful wrongful omissions. Each Indemnified Party may, at your expense, defend and otherwise respond to and address any claim asserted or inquiry made, or Proceeding brought, including choosing and retaining its own legal counsel, that is subject to this Section 17.D (instead of having you defend it as required above), and agree to settlements or take any other remedial, corrective, or other actions, for all of which defense and response costs and other Losses you are solely responsible, subject to Section 17.D(3). An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you, and you agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 17.D. Your obligations in this Section 17.D will continue in full force and effect subsequent to and notwithstanding this Agreement’s expiration or termination.

(3) Despite Section 17.D(1), you have no obligation to indemnify or hold harmless an Indemnified Party for, and we will reimburse you for, any Losses (including costs of defending any Proceeding under Section 17.D(2)) to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party’s willful misconduct or gross negligence, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or employment) or our failure to compel you to comply with this Agreement. However, nothing in this Section 17.D(3) limits your obligation to defend us and the other Indemnified Parties under Section 17.D(2).

18. Enforcement.

18.A. Severability and Substitution of Valid Provisions. Except as expressly provided to the contrary in this Agreement (including in Section 18.F), each Section, Subsection, paragraph, term and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or arbitrator with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties. If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant’s validity. If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement

requires, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

18.B. Waiver of Obligations and Force Majeure. We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. But, no interpretation, change, termination or waiver of any of this Agreement's provisions shall be binding upon us unless in writing and signed by one of our officers, and which is specifically identified as an amendment to this Agreement. No modification, waiver, termination, rescission, discharge or cancellation of this Agreement shall affect the right of any party hereto to enforce any claim or right hereunder, whether or not liquidated, which occurred prior to the date of such modification, waiver, termination, rescission, discharge or cancellation. Any waiver we grant will be without prejudice to any other rights we have, will be subject to our continuing review, and may be revoked at any time and for any reason, effective upon delivery to you of 10 days' prior written notice.

No right, power, or option you or we are provided under this Agreement will be impaired or waived because of any custom or practice at variance with its terms; or your or our failure, refusal or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including any System Standard; our waiver of or failure to exercise any right, power or option, whether of the same, similar or different nature, with other Gold's Gym Facilities; the existence of franchise agreements for other Gold's Gym Facilities which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement or accord and satisfaction. We are authorized to remove any legend or endorsement, and they shall have no effect.

No party to this Agreement shall be in breach of this Agreement if, and only while, its performance is rendered impossible (as opposed to inconvenient or more costly) by a Force Majeure Event. As used herein, the term "**Force Majeure Event**" shall mean any act, event or condition which is beyond the reasonable control of, and is neither caused nor contributed to by, the party seeking to invoke the Force Majeure Event as an excuse for performance, including, civil disturbance or unrest; injunctions; fire, explosion or other serious casualty; terrorist attack (or threats thereof); epidemics; natural disasters (including lightning strikes, hurricanes, earthquakes, tornadoes, landslides or floods); war (whether declared or not) or threats thereof; blockades; embargoes; or governmental action or change in law. A Force Majeure Event shall include the direct and immediate consequences of the Force Majeure Event but only if, and while, the party invoking the Force Majeure Event as an excuse for performance uses its best efforts to correct or overcome those consequences that are making its performance impossible, and, except that a Force

Majeure Event will not excuse payment of amounts owed at the time of the occurrence or payment of Royalties, Marketing Contributions and other amounts due afterward.

18.C. Costs and Attorneys' Fees. If we incur expenses due to your failure to pay when due amounts owed to us or otherwise to comply with this Agreement, you agree, whether or not we initiate a legal proceeding (and, in the event either we or you do initiate a legal proceeding, if we prevail in such proceeding), to reimburse us for any costs and expenses which we incur, including reasonable accounting, attorneys', arbitrators' and related fees.

18.D. Applying and Withholding Payments. Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us (or our affiliates). We may set-off any amounts you or your Owners owe us or our affiliates against any amounts we or our affiliates might owe you or your Owners, whether in connection with this Agreement or otherwise. You agree that you will not withhold payment of any amounts owed to us or our affiliates on the grounds of our or their alleged nonperformance of any of our or their obligations under this Agreement or any other agreement.

18.E. Rights of Parties are Cumulative. Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy under this Agreement which we or you are entitled by law to enforce.

18.F. Arbitration. All controversies, disputes or claims between us (or any of our affiliates and our and their respective owners, officers, directors, managers, agents and employees, as applicable) and you (and your affiliates and your and their respective owners, officers, directors, managers, agents and employees, as applicable) arising out of or related to:

- (1) this Agreement or any other agreement between you and us or any provision of any of such agreements (including this Section 18.F);
- (2) our relationship with you;
- (3) the scope and validity of this Agreement or any other agreement between you and us or any provision of any of such agreements (including the scope and validity of the arbitration obligations under this Section 18.F, which you and we acknowledge is to be determined by an arbitrator and not a court); or
- (4) any System Standard

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the American Arbitration Association's then current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our or, as applicable, our successor's or assign's, then-current principal place of business (currently, Dallas, Texas). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final

awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). In any arbitration brought pursuant to this Section, and in any action in which a party seeks to enforce compliance with this provision, the prevailing party shall be awarded its costs and expenses, including attorneys' fees, incurred in connection therewith.

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

WE AND YOU AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT AN ARBITRATION PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING, (III) JOINED WITH ANY SEPARATE CONTROVERSY, DISPUTE OR CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

We and you agree that, in any arbitration arising as described in this Section, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." You and we further

agree that no interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

With respect to any discovery of electronically stored information, you and we agree that such requests must balance the need for production of electronically stored information relevant and material to the outcome of a disputed issue against the cost of locating and producing such information.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Any provisions of Section 18 of this Agreement that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

18.G. Governing Law. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, all controversies, disputes or claims arising from or relating to this Agreement and any related agreements, any System Standard, and the relationship between us (or any of our affiliates, and our and their respective owners, officers, directors, agents, representatives, and employees) and you (and your Owners, guarantors, affiliates, and employees) will be governed by the laws of the State of Texas, without regard to its conflict of laws rules, except that any law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship between us and you will not apply unless its jurisdictional requirements are met independently without reference to this Section 18.G.

18.H. Consent to Jurisdiction. Subject to the arbitration obligations in Section 18.F, you and your Owners agree that all judicial actions arising under this Agreement, or otherwise as a result of the relationship between you (and your Owners, guarantors, affiliates, and employees) and us (or any of our affiliates, and our and their respective owners, officers, directors, agents, representatives, and employees) must be brought exclusively in a state or federal court in the state, and in (or closest to) the city, where we, or our successors or assigns, maintain our principal business address at the time that the action is brought (currently Dallas, Texas). You and each of your Owners irrevocably submits to the jurisdiction of such courts and waives any objection that any of them may have to either jurisdiction or venue.

18.I. Waiver of Punitive Damages, Jury Trial and Class Action. EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD-PARTY CLAIMS UNDER SECTION 17.D, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS. WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING, BROUGHT BY EITHER OF US.

WE AND YOU AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN US AND ANY OF OUR

AFFILIATES, OR OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

18.J. Binding Effect. This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns and successors in interest. Subject to our rights to modify the Operations Manual, System Standards and System, and our right to modify Exhibit A to reflect the Site's address and Territory pursuant to Section 2.B, this Agreement may not be modified except by a written agreement signed by both you and us.

18.K. Limitations of Claims. EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS AGREEMENT WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS OR, IF APPLICABLE LAW REQUIRES A GREATER PERIOD, THEN THE SHORTEST PERIOD OF TIME ALLOWED UNDER APPLICABLE LAW.

NO PREVIOUS COURSE OF DEALING SHALL BE ADMISSIBLE TO EXPLAIN, MODIFY, OR CONTRADICT THE TERMS OF THIS AGREEMENT. NO IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING SHALL BE USED TO ALTER THE EXPRESS TERMS OF THIS AGREEMENT.

18.L. Injunctive Relief. Nothing in this Agreement, including the provisions of Section 18.F, bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby). The right to obtain injunctive relief set forth in this Section 18.L is direct and independent of the obligation to arbitrate set forth in Section 18.F and can be exercised without resort to filing a demand for arbitration.

18.M. Construction. The preambles and exhibits are a part of this Agreement which, together with any riders or addenda signed at the same time as this Agreement, constitutes our and your entire agreement and supersedes all prior and contemporaneous oral or written agreements and understandings between us and you relating to the subject matter of or relationships created

by this Agreement. There are no other oral or written representations, warranties, understandings or agreements between us and you relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that we made in the disclosure document (including its exhibits and amendments) that we delivered to you or your representative. Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement and are not binding on us. Except as provided in Sections 17.D (Indemnification and Defense of Claims) and 18.F (Arbitration), nothing in this Agreement is intended nor deemed to confer any rights or remedies upon any person or Entity not a party to this Agreement.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

References in this Agreement to “we” “us” and “our,” with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal in connection with the Facility. The term “**affiliate**” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling the party indicated. “**Control**” means the power to direct or cause the direction of management and policies.

If two or more persons are at any time the owners of the rights under this Agreement and the Facility, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. “**Person**” (whether or not capitalized) means any individual, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative or other legal or functional Entity. The term “**Facility**” includes all of the assets of the Gold’s Gym Facility you operate under this Agreement, including its revenue and income.

The headings of the Sections, Subsections and paragraphs are for convenience only and do not define, limit or construe their contents. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. The words “**include**,” “**including**,” and words of similar import shall be interpreted to mean “including, without limitation” and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter. This Agreement may be executed in multiple copies, each of which will be deemed an original.

18.N. The Exercise of Our Judgment. We have the right to operate, develop and change the System and System Standards in any manner that is not specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right to take or to withhold an action, or to grant or decline to grant you a right to take or omit an action, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on

information readily available to us and our judgment of what is in the best interests of us or our affiliates, the Gold's Gym Facility network generally, or the System at the time our decision is made, without regard to whether we could have made other reasonable or even arguably preferable alternative decisions or whether our decision promotes our or our affiliates' financial or other individual interest. You agree that whenever this Agreement allows or requires us to take actions or make decisions, we may do so in our sole and unfettered discretion, even if you believe our action or decision is unreasonable, unless the Agreement expressly and specifically requires that we act reasonably or refrain from acting unreasonably in connection with the particular action or decision.

19. Notices and Payments.

All written notices, reports and payments permitted or required to be delivered by the provisions of this Agreement or the Operations Manual will be deemed so delivered:

(1) at the time delivered via computer transmission if the sender has confirmation of a successful transmission and, in the case of Royalties and other amounts due, at the time we actually debit your account (if we institute an automatic debit program for the Facility);

(2) 1 business day after transmission by facsimile or other electronic system if the sender has confirmation of successful transmission;

(3) 1 business day after being placed in the hands of a reputable commercial courier service for next business day delivery; or

(4) 3 business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid;

and must be addressed to the party to be notified at its most current principal business address of which the notifying party has notice and/or, with respect to any approvals or notices that we provide to you or your Owners, at the Facility's address. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least 2 days before then) will be deemed delinquent.

20. Prohibited Parties.

You hereby represent and warrant to us, as an express consideration for the franchise granted hereby, that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been:

1. Listed on: (a) the U.S. Treasury Department's List of Specially Designated Nationals, (b) the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders, (c) the U.S. State Department's Debarred List or Nonproliferation Sanctions, or (d) the Annex to U.S. Executive Order 13224.
2. A person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or is owned or controlled by terrorists or sponsors of terrorism.

You further represent and warrant to us that you are now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you to us or our affiliates are and will be legally obtained in compliance with these laws. You agree not to, and to cause all employees, agents, representatives, and any other person or entity associated with you not to, during the term of this Agreement, take any action or refrain from taking any action that would cause such person or entity to become a target of any such laws and regulations.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement effective on the date stated on the first page above.

FRANCHISOR

GOLD’S GYM FRANCHISE LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE

_____,
an _____ limited liability company/corporation

By: _____

Name

Title

Date: _____

Notice Address:

Attn: _____

Email: _____

EXHIBIT A
to the
GOLD'S GYM FACILITY FRANCHISE AGREEMENT

BASIC TERMS; OWNERS

1. The Site is _____.
2. If you have not yet located an approved Site as of the Agreement Date, the Site will not be identified until you find and we accept the Site, as provided in Section 2.B, but you may look for the Site within the following Site Selection Area: _____.
3. The Territory is a circle with a radius of _____ (__) mile(s) from the Facility's main front entrance.
4. The Facility's Actual Opening Date is _____, 20__.
5. The initial franchise fee is \$_____.
6. If you are not an individual, you are a _____ formed on _____ under the laws of the State of _____, and your Owners as of the Agreement Date are as follows:

Name: _____ % of Total Shares/Units: _____
Address: _____

Name: _____ % of Total Shares/Units: _____
Address: _____

Name: _____ % of Total Shares/Units: _____
Address: _____

Name: _____ % of Total Shares/Units: _____
Address: _____

FRANCHISOR:
GOLD'S GYM FRANCHISE LLC

FRANCHISEE:
[_____]

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

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

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

EXHIBIT B
to the
GOLD'S GYM FACILITY FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given by _____
_____ on the same day and year as the Agreement
(hereinafter defined) was executed.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "**Agreement**") on this date by **Gold's Gym Franchise LLC** ("**we,**" "**us,**" or "**our**"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ ("**Franchisee**") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement); and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including, without limitation, the arbitration, non-competition, confidentiality, and transfer requirements.

Each of the undersigned acknowledges that he, she or it is either an owner (whether direct or indirect) of Franchisee or otherwise has a direct or indirect relationship with Franchisee or its affiliates; that he, she or it will benefit significantly from our entering into the Agreement with Franchisee; and that we would not enter into the Agreement unless each of the undersigned agrees to sign and comply with the terms of this Guaranty.

Each of the undersigned consents and agrees that: (1) his, her or its direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he, she or it will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person or entity; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchisee or to any other person or entity, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including, without limitation, the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or any of its owners or guarantors, and for so long as we have any actual or potential cause of action against Franchisee or any of its owners or guarantors; (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any direct or indirect interest in the Agreement or Franchisee, and each of the undersigned waives notice of any

and all renewals, extensions, modifications, amendments, or transfers; (6) upon our request, he or she must submit to us suitable credit and financial information to allow us to make a reasonable decision as to the undersigned's creditworthiness and financial position including, without limitation, a personal net worth statement and such other information which would reasonably be considered relevant to us in determining whether or not the undersigned has the ability to satisfy his or her obligations under this Guaranty; and (7) for so long as any performance is or might be owed under the Agreement by Franchisee or any of its owners or guarantors, and for so long as we have any actual or potential cause of action against Franchisee or any of its owners or guarantors, we (and/or any third party authorized by us) are authorized to conduct a credit investigation of him or her and obtain credit reports on him or her.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty, for the express purpose that none of the undersigned shall be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to us; (ii) all rights to require us to proceed against Franchisee for any payment required under the Agreement, proceed against or exhaust any security from Franchisee, take any action to assist any of the undersigned in seeking reimbursement or subrogation in connection with this Guaranty or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Franchisee; (iii) any benefit of, or any right to participate in, any security now or hereafter held by us; and (iv) acceptance and notice of acceptance by us of his, her or its undertakings under this Guaranty, all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled. We shall have no present or future duty or obligation to the undersigned under this Guaranty, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Franchisee, any other guarantor, or any collateral securing any obligations of Franchisee to us. Without affecting the obligations of the undersigned under this Guaranty, we may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Agreement or any indebtedness or obligation of Franchisee, or settle, adjust, release, or compromise any claims against Franchisee or any other guarantor, make advances for the purpose of performing any obligations of Franchisee under the Agreement, and/or assign the Agreement or the right to receive any sum payable under the Agreement, and the undersigned each hereby jointly and severally waive notice of same. The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of the Agreement.

In addition, the undersigned each waive any defense arising by reason of any of the following: (a) any disability, counterclaim, right of set-off or other defense of Franchisee, (b) any lack of authority of Franchisee with respect to the Agreement, (c) the cessation from any cause whatsoever of the liability of Franchisee, (d) any circumstance whereby the Agreement shall be void or voidable as against Franchisee or any of Franchisee's creditors, including a trustee in bankruptcy of Franchisee, by reason of any fact or circumstance, (e) any event or circumstance that might otherwise constitute a legal or equitable discharge of the undersigned's obligations

hereunder, except that the undersigned do not waive any defense arising from the due performance by Franchisee of the terms and conditions of the Agreement, (f) any right or claim of right to cause a marshaling of the assets of Franchisee or any other guarantor, and (g) any act or omission of Franchisee.

If any of the undersigned is a business entity, retirement or investment account, or trust, such undersigned acknowledges and agrees that if Franchisee (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, no dividends or distributions may be made by such undersigned (or on such undersigned's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

If we are required to enforce this Guaranty in a judicial proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Subject to the arbitration obligations and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where we maintain our principal business address at the time that the action is brought. Each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he, she or it might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he, she or it is domiciled or has assets. **EACH OF THE UNDERSIGNED IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, ARISING UNDER OR RELATING TO THIS GUARANTY OR ITS ENFORCEMENT.**

By signing below, the undersigned spouse of each guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse and personally agrees to be bound to the obligations in the Agreement regarding Confidential Information (Section 11) and Competitive Businesses (Section 12). Such consent also serves to bind the assets of the marital estate to such guarantor's performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely for the purposes described above and, as necessary, to bind the assets of the marital estate as described herein and for no other purpose. For the avoidance of doubt, a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) does not bind the spouse's own separate property hereunder.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on this ____ day of _____, 20__.

GUARANTOR(S)	SPOUSE(S)
#1: [Name] Sign: _____ Address: _____ _____	#1: [Name] Sign: _____
#2: [Name] Sign: _____ Address: _____ _____	#2: [Name] Sign: _____

EXHIBIT C
to the
GOLD'S GYM FACILITY FRANCHISE AGREEMENT

PRINCIPAL'S AGREEMENT

This Principal's Agreement (the "**Agreement**") is made and entered into as of this _____ day of _____, 20__, regardless of the date of the parties' signatures, between **Gold's Gym Franchise LLC**, a Delaware limited liability company ("**GGF**"), and the individuals and/or entities whose names and signatures appear below (collectively, the "**Principals**" or, individually, a "**Principal**").

1. **Preambles.** GGF and _____ ("**Franchisee**") have signed, or are considering signing, a franchise agreement under which Franchisee will operate a Gold's Gym® facility in/at _____ (the "**Franchise Agreement**"). All capitalized terms used but not defined in this Agreement shall have the meanings in the Franchise Agreement. Principals acknowledge that (a) they are Owners, officers, managers and/or key employees of Franchisee and will benefit significantly from GGF's entering into the Franchise Agreement with Franchisee, and (b) GGF would not have signed or will not sign (as applicable) the Franchise Agreement unless each Principal agrees to sign and comply with the terms of this Agreement, and each Principal agrees to do so

2. Each Principal agrees, on behalf of himself, herself or itself and not on behalf of any other Principal, that:

(a) during the period of his, her or its association with Franchisee as an Owner, officer, manager and/or key employee, Principal agrees to be personally bound by and comply with Sections 11.B, 11.C and 12 of the Franchise Agreement;

(b) if Principal is an Owner, then during the period during which he, she or it remains an Owner, Principal agrees to be personally bound by and comply with Sections 13.B through 13.H, 14.C and 16.D of the Franchise Agreement;

(c) beginning with the date upon which the Franchise Agreement expires or terminates or the date upon which Principal has no further association with Franchisee (whether as an Owner, officer, manager and/or key employee or otherwise), whichever is earlier, Principal agrees to be personally bound by and comply with Sections 16.B(1), 16.B(3)(a) through (c) and 16.C of the Franchise Agreement; and

(d) during the period beginning on the date of this Agreement and ending on the date upon which these obligations are satisfied in full or by their nature expire, Principal agrees to be personally bound by and comply with Sections 10.A, 11.A, and 18.F through 18.L. of the Franchise Agreement.

3. Each Principal represents and warrants to GGF that he, she or it has reviewed the Franchise Agreement and understands the obligations arising under this Agreement. The obligations described the Sections of the Franchise Agreement listed above shall apply to each

Principal pursuant to this Agreement, regardless of whether those obligations (as they appear in the Franchise Agreement) are imposed upon Franchisee, its Owners, or both, as if Principal were the Franchisee under the Franchise Agreement. The liabilities and obligations arising under Section 2 are independent liabilities and obligations of each Principal and are not contingent or conditioned upon GGF's pursuit of any remedies against Franchisee, any other Principal, or any other person or entity. The liabilities and obligations arising under Section 2 will not be diminished, relieved, or otherwise affected by any extension of time or credit, the acceptance of any partial payment or performance, or the compromise or release of any claims. Each Principal waives all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Franchisee arising as a result of the signing of and performance under this Agreement.

4. Each provision of this Agreement is severable, and if any provision or part of a provision is held to be invalid or in conflict with any applicable present or future law or regulation, the other portions of this Agreement that remain otherwise intelligible will continue to be given full force and effect and bind the parties. If any covenant is deemed unenforceable by virtue of its scope, but would be enforceable by reducing any part or all of it, the parties agree that such covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. Any waiver of any Principal's obligations under this Agreement must be in writing to be enforceable and will be without prejudice to any other rights GGF may have. GGF's failure to enforce any of the provisions of this Agreement is not a waiver of such provision.

5. This Agreement, together with the Franchise Agreement, supersedes all prior agreements and understandings, whether oral and written, among the parties relating to its subject matter, and there are no oral or other written understandings, representations, or agreements among the parties relating to the subject matter of this Agreement. This Agreement may be executed in multiple counterparts, but all such counterparts together shall be considered one and the same instrument. The provisions of this Agreement may be amended or modified only by written agreement signed by the party to be bound.

6. If any party incurs any costs or expenses, including, without limitation, attorneys' fees, as a result of another party's non-compliance with this Agreement, the non-compliant party must promptly reimburse the other party for costs and expenses incurred in connection with any judicial or arbitration proceeding or action if such other party prevails in such proceeding or action.

[Signature Page Follows]

FRANCHISOR:

GOLD'S GYM FRANCHISE LLC, a
Delaware limited liability company

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

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

PRINCIPALS:

[Signature]

[Print Name]

[Position]

[Signature]

[Print Name]

[Position]

[Signature]

[Print Name]

[Position]

EXHIBIT D
to the
GOLD'S GYM FACILITY FRANCHISE AGREEMENT

LENDER CONSENT

DATE

Re: Loan to _____

Dear _____:

You have advised us that _____ (“Franchisee”) has applied for a loan in an aggregate principal amount not to exceed \$ _____ (the “Loan”) pursuant to a loan agreement (together with any promissory notes, security agreements, guarantees, forms of UCC-1 Financing Statements, and any other related agreements, documents and instruments, as amended, supplemented or otherwise modified, collectively, the “Loan Agreement,” a copy of which is attached hereto as Attachment A) between Franchisee and _____ (the “Lender”). We understand that the Loan will be secured in part by a lien (the “Lien”) on some of Franchisee’s business assets including, but not limited to, all furniture and fixtures, machinery and equipment, inventory, raw material, work in process, and permits now owned or hereinafter acquired by Franchisee and the products and proceeds thereof (subject to the provisions of this Lender Consent, collectively, the “Collateral”), relating to the Franchisee’s health and fitness facility located at _____ and commonly known as Gold’s Gym _____ (the “Facility”).

Gold’s Gym Franchise LLC (“Company”) has entered into the Franchise Agreement attached to this Lender Consent as Attachment B (as amended, supplemented or otherwise modified, collectively, the “Franchise Agreement”) pursuant to which Franchisee will operate the Facility under the “Gold’s Gym®” name and other Marks. All capitalized terms not defined herein shall have the meanings set forth in the Franchise Agreement.

Subject to the terms of this Lender’s Consent, Company consents to the existence of Lender’s Lien on the Collateral. However, notwithstanding the forgoing or anything to the contrary in the Loan Agreement, the Lien does not apply to, and the Collateral shall not include, any direct or indirect, beneficial or legal right or title to, or interest in, (i) the Ownership Interests in Franchisee, (ii) the Franchise Agreement or any rights of Franchisee thereunder, or (iii) any Company Property (defined below). “Company Property” includes all right and title to and interest

in and to the following assets, which the parties acknowledge and agree are the sole and exclusive property of Company or its affiliates:

- (a) the Marks, all other trademarks, service marks, trade names, logos and other commercial symbols that are associated with or used by the Facility from time to time during the term of the Franchise Agreement, and all related goodwill;
- (b) the System Website;
- (c) the Franchise System, Operations Manual and System Standards and all plans, designs and specifications relating to a Gold's Gym Facility; and
- (d) the Confidential Information and all written or electronic materials provided during any training program or otherwise containing any Confidential Information.

Additionally, Company, Lender and Franchisee agree as follows:

(1) Company and Lender mutually agree to use reasonable efforts to furnish each other, contemporaneously with transmittal to Franchisee, copies of all written notices of default under the Franchise Agreement or the Loan Agreement, as applicable, and Franchisee consents to the providing of such notices. Each of Company and Lender reserve, in their absolute discretion, the right to determine whether to issue a written notice of default. Company's or Lender's failure to provide the other with a copy of any such written notice of default will not constitute a breach of this Lender Consent or affect Company's or Lender's ability to enforce its rights against Franchisee under the Franchise Agreement or the Loan Agreement, as applicable.

(2) Company shall have the right, but no obligation, in Franchisee's name and on its behalf, to cure any failure of Franchisee under the Loan Agreement, provided Company cures any such failure on or before (a) the last day of the cure period afforded to Franchisee under the Loan Agreement to cure such failure, if any, or (b) five (5) days after Lender's delivery to Company of notice of such failure, whichever is later. Franchisee shall promptly reimburse Company for all amounts that Company pays under this Section (3) and any costs and expenses (including, without limitation, attorneys' fees) that Company incurs in connection therewith.

(3) By its signature below, Franchisee acknowledges that this Lender Consent was provided to Lender at Franchisee's request and in consideration thereof, Franchisee hereby releases Lender and Company, as well as each of their respective affiliates, officers, directors, employees, agents, representatives, successors and assigns, of and from any and all actions, causes of action, suits, claims, demands, contingencies, debts, accounts and judgments whatsoever, at law or in equity, whether known or unknown, arising from the exercise by Lender or Company of any of the rights granted hereunder and the recognition and compliance with such exercise by the other parties hereto.

Notwithstanding anything to the contrary in this Lender Consent or the Loan Agreement, nothing in this Lender Consent constitutes Company's consent to Lender's acquiring any possessory or other rights in the Collateral or otherwise assuming possession of the Facility (for

example, through foreclosure or conveyance in lieu of foreclosure) (a “Foreclosure”). Any Foreclosure constitutes a Transfer requiring Company’s prior written consent pursuant to Section 13 of the Franchise Agreement. If Lender desires to operate the Facility under the Marks following the Foreclosure, then, before the Foreclosure, either (a) Lender and/or Franchisee shall comply with the appropriate provisions of Section 13 of the Franchise Agreement, or (b) Lender shall comply with Company’s then current procedures and requirements concerning the grant of new franchises. Nothing in this Lender Consent is a warranty or guaranty, express or implied, that Company will consent to any transfer or grant a new franchise to Lender (or its designee).

If, at any time after a Foreclosure, Lender decides to sell its interest in the Facility or its direct or indirect Ownership Interests in Franchisee, Lender shall notify Company in a writing that describes the interest proposed to be sold and the terms of the proposed sale. Company shall have a right of first refusal, exercisable at any time within thirty (30) days after Company’s receipt of Lender’s notice, to acquire such interest on the same terms and conditions as those agreed to between Lender and the prospective buyer.

Nothing in this Lender Consent shall limit Company’s ability to enforce any of its rights or remedies under the Franchise Agreement (whether before or after a default thereunder) or applicable law.

Lender agrees and consents that any or all of Company’s rights and obligations under this Lender Consent may be assigned to any affiliate of Company or to any successor or assign of Company under the Franchise Agreement, and that following such assignment, Company will have no liability, contingent or otherwise, hereunder. Company agrees and consents that any or all of Lenders’ rights and obligations under this Lender Consent may be assigned to any affiliate of Lender and that following such assignment, Lender will have no liability, contingent or otherwise, hereunder. This Lender Consent is binding upon the parties hereto and their respective permitted successors and assigns and inures to the benefit of the parties hereto and their respective permitted successors and assigns.

All notices, request or demands hereunder shall be in writing and deemed delivered at the time delivered by hand; or one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; and must be addressed to the party to be notified at its most current principal business address of which the notifying party has been notified and/or, with respect to any notices to Franchisee, at the Facility’s address.

If to Lender:

Attn: _____
Facsimile No.: _____

If to Franchisee:

Attn: _____
Facsimile No.: _____

If to Company:

Gold's Gym Franchise LLC
5420 Lyndon B. Johnson Freeway, Suite 300
Dallas, Texas 75240
Attn: Franchise Department
Facsimile No.: (888) 301-7377

If to _____:

Attn: _____
Facsimile No.: _____

With a Copy to:

Attn: _____
Facsimile No.: _____

THIS LENDER CONSENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE SUBSTANTIVE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This Lender Consent may be executed in any number of counterparts, each of which when executed and delivered, will be deemed an original, but all counterparts together will constitute but one and the same instrument.

Very truly yours,

GOLD'S GYM FRANCHISE LLC

By: _____
Name: _____
Title: _____

AGREED TO AND ACCEPTED this _____ day of _____, 20__:

_____ (Lender)

By: _____
Name: _____
Title: _____

AGREED TO AND ACCEPTED this _____ day of _____, 20__:

_____ (Franchisee)

By: _____
Name: _____
Title: _____

ATTACHMENT A
LOAN AGREEMENT
(Attached)

Attachment A

ATTACHMENT B
FRANCHISE AGREEMENT
(Attached)

Attachment B

EXHIBIT C
ADDENDUM TO FRANCHISE AGREEMENT
(GOLD'S STUDIO PROGRAM)

**ADDENDUM TO FRANCHISE AGREEMENT
(Gold’s Studio Program)**

THIS ADDENDUM TO FRANCHISE AGREEMENT (the “**Addendum**”) is made as of the ___ day of _____, 20__ (the “**Effective Date**”) between **GOLD’S GYM FRANCHISE LLC** (“**we**”) and the undersigned Gold’s Gym franchisee (“**you**”).

RECITALS

A. You and we are parties to a franchise agreement as identified on Exhibit A hereto (the “**Franchise Agreement**”) pursuant to which we granted you the franchise, and you undertook the obligation, to develop, own and operate a Gold’s Gym Facility at the location identified on Exhibit A hereto (the “**Facility**”).

B. We have developed and may further develop and revise certain additional programs that, from time to time, we make available to Gold’s Gym Facility franchisees that we determine meet our operational and financial criteria.

C. You have applied for and requested our permission to offer one or more of the additional programs in your Facility. We are willing to grant your request on the terms and conditions contained in this Addendum.

AGREEMENT

IN CONSIDERATION of the foregoing Recitals (which are incorporated herein), the covenants contained herein, and other valuable consideration, receipt and sufficiency of which are acknowledged, you and we agree as follows:

1. **Approval to Offer Optional Programs.** Provided you remain in compliance with the Franchise Agreement, we authorize you, and you undertake the obligation, to participate in and offer to the customers of your Facility each of the programs designated on Exhibit A hereto (the “**Studio Programs**”). You acknowledge that we have developed and may, from time to time, supplement or amend, rules applicable to the conduct of each Studio Program (the “**Program Rules**”) to, among other things, ensure consistency among all Gold’s Gym Facilities that offer the programs and to further protect the Gold’s Gym Marks and brand. You agree that you will, at all times, comply with the then-applicable Program Rules for each Studio Program in which you participate, including, for example, by subscribing to and implementing third-party software programs (and paying all fees associated with such programs) that are required under the Program Rules.

2. **Program Term.** The term of this Addendum shall begin on the Effective Date and run concurrently with the Term of the Franchise Agreement. You agree that you will offer each Studio Program for the entire term of this Addendum unless (1) we approve, in writing, your request to discontinue one or more of the Studio Programs, (2) we require all Gold’s Gym Facilities to discontinue a particular Studio Program, or (3) we notify you, in writing, of our decision to suspend or revoke our approval of your participation in a particular Studio Program because of your default of the Franchise Agreement, this Addendum, or the Program Rules applicable to the Studio Program. In any of the three (3) instances described in the preceding sentence, you will

cease providing the affected Studio Program immediately on our written approval or notice, as applicable.

3. **Implementation of Programs.** You agree that you will not begin offering any Studio Program in your Facility until such time as you have purchased all required equipment and supplies, completed to our satisfaction all required training, and completed all required leasehold improvements to the Facility. You agree to complete all implementation items and be prepared to commence offering each Studio Program within six (6) months following the Effective Date. Once implemented, each Studio Program will form part of the operation of your Gold's Gym Facility and will, in all respects, be subject to and governed by the Franchise Agreement except as expressly provided in this Addendum.

4. **Program Fees.** In addition to the fees and other amounts due under the Franchise Agreement, you will pay us the following additional amounts for your participation in each approved Studio Program:

- a. An initial fee ("**Initial Program Fee**") of \$500, due and payable on your execution of this Addendum; and
- b. Our then-current initial training fee for each of your owners or employees who attend our required training program applicable to each Studio Program, due and payable as each trainee is enrolled in the training program for the Studio Program. You will also be entirely responsible for making arrangements with your trainees regarding payment of their compensation, expenses and other amounts to which they are entitled or which you desire to provide to them while attending training. We will have no responsibility for the payment of any such amounts. If our instructors must travel to your Facility (or other location) to conduct training, you will pay us the travel expenses incurred by such instructors.

Fees payable under Subsections 4.a and 4.b above are fully earned by us on our execution of this Agreement and are not refundable under any circumstances.

5. **Termination.** Section 15.B of the Franchise Agreement is supplemented and amended by adding the following to the end of the Section:

In addition to any other rights we have under this Section, if you fail to comply with your obligations under this Addendum or under any Program Rules for the Studio Programs in which you participate, we may, at our option and in lieu of terminating the Franchise Agreement in its entirety, terminate your rights to participate in some or all of the Studio Programs.

6. **Miscellaneous.** This Addendum forms an integral part of, and is incorporated into, the Franchise Agreement and supplements and amends the provisions of the Franchise Agreement as and to the extent provided herein. This Addendum shall govern, control and supersede any inconsistent or conflicting the terms or provisions in the Franchise Agreement. This Addendum may be signed in counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument. Signatures transmitted by facsimile or scanned-and-emailed are hereby authorized and shall have the same force and effect as an original.

All capitalized terms used but not defined in this Addendum shall have the meanings given them in the Franchise Agreement.

IN WITNESS WHEREOF, you and we have signed this Addendum on the dates shown below and made effective as of the Effective Date.

GOLD'S GYM FRANCHISE LLC

[FRANCHISEE NAME]

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

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

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

**EXHIBIT A
TO
ADDENDUM TO FRANCHISE AGREEMENT
(Gold's Studio Program)**

The Franchise Agreement to which this Addendum is attached is dated [_____], and the Facility is located at: _____

**THE STUDIO PROGRAMS
(check all applicable below)**

_____ **Gold's Fit**
_____ **Gold's Burn**

GOLD'S GYM FRANCHISE LLC

[FRANCHISEE NAME]

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

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

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

EXHIBIT D
RENEWAL ADDENDUM

GOLD'S GYM FRANCHISE LLC
RENEWAL ADDENDUM

THIS RENEWAL ADDENDUM (the “**Addendum**”) is made and entered into as of this _____ day of _____, 20__ (the “**Agreement Date**”), regardless of the date of the parties’ signatures, between **GOLD’S GYM FRANCHISE LLC**, a Delaware limited liability company with its principal business address at 5420 Lyndon B. Johnson Freeway, Suite 300, Dallas, Texas 75240 (“**we,**” “**us**” or “**our**”), and _____, whose principal business address is _____ (“**you**” or “**your**”).

RECITALS

WHEREAS, we (or our predecessor) and you (or your predecessor) signed a certain Franchise Agreement effective as of _____ (together with all addenda, riders, amendments, and modifications thereto, collectively, the “**Former Agreement**”) granting you the right to operate a fitness and health club facility under the Gold’s Gym® name located at _____ (the “**Facility**”); and

WHEREAS, under the Former Agreement, if you are not operating under our current requirements for a newly built Gold’s Gym Facility, as a condition to acquiring a renewal or successor franchise to continue to operate the Facility under the Gold’s Gym® name, you are required to either (1) remodel and/or expand the Facility, repair or replace improvements, fixtures, furnishings, equipment and signs, and otherwise modify the Facility as we require to bring it into compliance with our requirements for a newly built Gold’s Gym Facility, or (2) relocate the Facility to a site that we accept; and

WHEREAS, simultaneously with signing this Addendum, we and you are signing the Franchise Agreement effective as of the Agreement Date under which we are granting you a renewal or successor franchise to continue operating the Facility under the Gold’s Gym® name (together with any addenda and related agreements signed by us and you, collectively, the “**Franchise Agreement**”) (all initial capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Franchise Agreement).

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Addendum and in the Franchise Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Termination of Former Agreement.** The term of the Former Agreement shall be deemed to have expired as of the Agreement Date and you will have no further rights under the Former Agreement subsequent to the Agreement Date.

2. **Amendments.** We and you agree to amend the Franchise Agreement as follows, regardless of whether you upgrade or relocate the Facility pursuant to Section 3 or 4 of this Addendum:

(a) **Initial Training.** Notwithstanding anything to the contrary in Section 4.A of the Franchise Agreement, it will be our option to require, or not require, you (or, if you are an Entity, your managing Owner or other manager whom you designate and we approve) and one other individual associated with the Facility whom you designate, including the individual who will act as the Facility’s general manager, to complete the initial training program to our satisfaction.

(b) **Expiration of this Agreement.** Section 14 of the Franchise Agreement is deleted in its entirety and replaced with the following:

When this Agreement expires, you have no right or option to extend the Term, to acquire a renewal franchise or successor franchise, or to enter into a new relationship with us. The decision to offer you the right to enter into a new contractual relationship with us after this Agreement expires is entirely up to us.

3. **Agreement to Upgrade the Facility.**

Initial here if you are upgrading the Facility, in which case this Section 3 will apply:

[] []

As a condition to our agreement to grant you the rights under the Franchise Agreement, you agree to make the upgrades, repairs, modifications, expansions and improvements to the Facility specified on the attached Schedules A, B and C (the “**Schedules**”), and to otherwise modify the Facility in accordance with your obligations under the Franchise Agreement. You agree to complete each task listed in the Schedules to our satisfaction, in accordance with the Franchise Agreement, on or before the applicable due date. Your failure to do so will be a breach of the conditions for renewal contained in the Former Agreement and a breach of the Franchise Agreement, allowing us to terminate the Franchise Agreement.

4. **Agreement to Relocate the Facility.**

Initial here if you are relocating the Facility, in which case this Section 4 will apply:

[] []

We have determined, and/or you have decided, that upgrading, repairing, modifying, expanding or improving the Facility in accordance with Section 3 of this Addendum will not resolve significant problems with the Facility. Therefore, you agree to relocate the Facility to a site that we accept (the “**New Site**”), and to develop a new Gold’s Gym Facility at the New Site, in accordance with this Section 4 and the other terms and conditions of the Franchise Agreement, including Section 2 of the Franchise Agreement. However:

(a) You must operate the Facility at the Site, in accordance with the Franchise Agreement, until you open the Facility for member workouts at the New Site in accordance with the Franchise Agreement and this Addendum.

(b) You will not receive any Site Selection Area within which to locate the New Site. Instead, subject to your compliance with the Franchise Agreement, you will retain your rights in the Territory pursuant to Section 3.A of the Franchise Agreement during your process of locating the New Site and developing the Facility at the New Site, subject to Section 4(b) below.

(c) Promptly after the Agreement Date, you must deliver to us for our review a complete site report and other materials and information we request for a suitable location for the proposed New Site. The Facility must be located at a New Site that we have accepted. You must comply with Section 2.A of the Franchise Agreement to select the New Site and must open the Facility at the New Site for member workouts in compliance with this Addendum and the Franchise Agreement on or before the Opening Deadline listed on Exhibit A of the Franchise Agreement. You may look for the New Site within or outside the Territory. We typically will not accept a proposed New Site under this Section 4 unless we and you determine, in each of our and your respective sole judgments, that the Facility operating at the New Site is likely to retain at least seventy-five percent (75%) of the Facility's existing members (although our acceptance of the New Site is not a representation or warranty of any kind, express or implied, of your likelihood of retaining the Facility's existing members or of the New Site's suitability for a Gold's Gym Facility).

(d) You must obtain our prior written acceptance of the Lease for the New Site before you sign it and comply with Section 2.B of the Franchise Agreement with respect to that Lease. After you sign a Lease, we may, at our sole option, redefine the Territory as a result of your relocating the Facility to the New Site. We have no obligation to redefine the Territory. If we do elect to redefine the Territory, we and you agree that Section 2.B applies to the redefinition of the Territory. Once we redefine the Territory, you will have no further territorial or other rights in your former Territory.

(e) Your failure to comply with any of the terms and conditions of this Section 4 will be a breach of the conditions for renewal contained in the Former Agreement and a breach of the Franchise Agreement, allowing us to terminate the Franchise Agreement.

5. **Release.** As partial consideration for our granting you the rights under this Addendum and the Franchise Agreement, and as required by the Former Agreement, you, for yourself and your predecessors and affiliates, each of your and their respective owners, directors, officers, employees, agents and representatives (as applicable), and all of your and their respective heirs, executors, administrators, personal representatives, successors and assigns (collectively, the "**Franchisee Parties**"), do hereby forever release, remise, requit and forever discharge us, our predecessors, our and their affiliates, each of our and their respective owners, directors, officers, employees, agents and representatives (as applicable), and all of our and their respective heirs, executors, administrators, personal representatives, successors and assigns (collectively, the "**GGF Parties**"), from any and all manner of obligation, right, duty, debt, liability, covenant, contract, agreement, undertaking and account, and any and all claims, demands, losses, damages, actions or causes of action, that any of the Franchisee Parties had, has, or, to the fullest extent permitted under applicable law, may have against any of the GGF Parties, whether known or unknown, foreseen or unforeseen, direct or indirect, contingent or actual, liquidated or

unliquidated, suspected or unsuspected, which occurred and/or arose prior to or as of the Agreement Date, that were or could have been asserted and which arise from or relate, directly or indirectly, in any way to the Former Agreement, the Facility, the business that you conducted under the Former Agreement, or the relationship between us and any of Franchisee Parties arising under or relating to the Former Agreement (collectively, the “**Released Claims**”). You, for yourself and the other Franchisee Parties, represent and warrant to us that none of the Franchisee Parties has assigned any of the Released Claims to any person or Entity that is not bound by this paragraph and covenant not to sue any of the GGF Parties on any of the Released Claims.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

It is the parties’ express intention that this release be general and as broad as permitted by law for such matters existing or arising at any time prior to the Agreement Date. Each of Franchisee Parties acknowledges a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:

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

Each of the Franchisee Parties hereby waives and relinquishes every right or benefit which he, she, or it may have under Section 1542 of the Civil Code of the State of California and any other law limiting the effect of releases, to the fullest extent that he, she, or it may lawfully waive such right or benefit. In connection with this waiver and relinquishment, with respect to the Released Claims, each of the Franchisee Parties acknowledges that he, she, or it may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of this release, but that it is the parties’ intention, subject to the terms and conditions of this Addendum, fully, finally and forever, to settle and release all such Released Claims, known or unknown, suspected or unsuspected, which now exist, may exist or did exist, and, in furtherance of such intention, the releases given in this Section 5 shall be and remain in effect as full and complete releases of all such Released Claims, notwithstanding the discovery or existence of any such additional or different facts.

If the Facility is located in Maryland or if you are a resident of Maryland, the following shall apply:

Any release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

If the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 et seq, governs the parties’ franchise relationship, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Minnesota Franchise Act.

6. **Construction.** The recitals are incorporated into this Addendum by this reference. This Addendum, together with the Schedules and the Franchise Agreement, represents our and your entire agreement pertaining to the subject matter of this Addendum and supersedes all prior and contemporaneous agreements, understandings and representations on that topic, whether oral or written. This Addendum shall be incorporated into and forms a part of the Franchise Agreement. If there is an inconsistency between the terms of this Addendum and the Franchise Agreement, this Addendum controls.

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum effective on the date stated on the first page above.

FRANCHISOR

FRANCHISEE

GOLD'S GYM FRANCHISE LLC, a
Delaware limited liability company

(IF ENTITY):

By: _____
Name: _____
Title: _____

[Name]

Date: _____, 20__

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Date: _____, 20__

Date: _____, 20__

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____, 20__

Schedule A

Schedule B

Schedule C

EXHIBIT E
DEVELOPMENT RIGHTS AGREEMENT

**GOLD'S GYM® FACILITY
DEVELOPMENT RIGHTS AGREEMENT**

THIS DEVELOPMENT RIGHTS AGREEMENT (the “**Agreement**”) is made and entered into as of this _____ day of _____, 20__ (the “**Agreement Date**”), regardless of the date of the parties’ signatures, between **GOLD’S GYM FRANCHISE LLC**, a Delaware limited liability company with its principal business address at 5420 Lyndon B. Johnson Freeway, Suite 300, Dallas, Texas 75240 (“**we,**” “**us**” or “**our**”), and _____, whose principal business address is _____ (“**you**” or “**your**”).

1. **Background.** We and you (or your affiliate) are signing or have signed a Franchise Agreement dated as of _____, 20__ (the “**Existing Agreement**”) under which you (or your affiliate) will operate a Gold’s Gym® facility in/at _____. All capitalized terms used but not defined in this Agreement shall have the meanings in the Existing Agreement. We and you are signing this Agreement because you would like the right to develop and operate a number of Gold’s Gym Facilities within a certain geographic area over a certain period of time. We are willing to grant you such development rights if you comply with the terms of this Agreement.

2. **Grant of Development Rights.** Subject to your compliance with this Agreement, we hereby grant you and/or any of your approved Affiliated Entities (defined below) the right to sign Franchise Agreement(s) (defined in Section 5) to develop and operate _____ (_____) new Gold’s Gym Facilities, in addition to the Gold’s Gym Facility that the Existing Agreement covers, according to a development schedule (the “**Schedule**”), and within a geographic area (the “**Area**”), identified on Exhibit A to this Agreement. “**Affiliated Entity**” means any corporation, limited liability company or other Entity of which you or one or more of your owners owns more than fifty percent (50%) of the total authorized Ownership Interests, as long as you or such owner(s) have the right to control the Entity’s management and policies.

3. **No Gold’s Gym Facilities in Area.** Except as provided below, if you are complying with this Agreement, and you and your Affiliated Entities are fully complying with all of your and their obligations under any and all franchise agreements then in effect between you or any Affiliated Entity and us for the operation of Gold’s Gym Facilities (including, without limitation, the Existing Agreement), then during the term of this Agreement only, neither we nor our affiliates will operate, or authorize any other party to operate, a Gold’s Gym Facility the physical premises of which are located within the Area (except for franchises we grant you and your approved Affiliated Entities). Notwithstanding the foregoing, we and our affiliates may:

(a) operate, and/or authorize any other party to operate, a Gold’s Gym Facility located at any hotels, motels or similar operations (“**Hotels**”) located within the Area, but they will be authorized to sell goods and provide services only to guests of the Hotel; and

(b) acquire the assets or Ownership Interests of an Entity (in either case, regardless of the form of transaction) that operates, and/or grants rights to other persons to operate, one or more health and fitness center(s) within the Area. If any of those health

and fitness center(s) are located or under development within the Area on the date upon which that acquisition closes, then we and our affiliates may, following that acquisition, convert or authorize the conversion of any or all of those health and fitness center(s) to Gold's Gym Facilities, and those health and fitness center(s) may continue to operate as Gold's Gym Facilities throughout the remaining term of this Agreement (and after that); and

(c) selling the assets or Ownership Interests of any Gold's Gym Facilities owned by us or our affiliates, even if the buyer of such assets or Ownership Interests intends to reimage the Gold's Gym Facilities and/or such sale causes the number of Gold's Gym Facilities within your general market area to decrease. You acknowledge that we have no obligation to ensure that there exists a certain minimum number of Gold's Gym Facilities within any particular area.

We (and any affiliates that we might have from time to time) shall at all times have the right to engage in any activities we or they deem appropriate that are not expressly prohibited by this Agreement, whenever and wherever we or they desire, including, without limitation, those which we now reserve in the Existing Agreement. Upon expiration or termination of this Agreement, we (and our affiliates) may operate, and authorize any other parties to operate, Gold's Gym Facilities the physical premises of which are located within the Area and engage, and allow others to engage, in any other activities we desire within and outside the Area without any restrictions whatsoever, subject only to your (or your Affiliated Entity's) rights under existing franchise agreements with us.

4. **Development Fee.** Simultaneously with signing this Agreement, you must pay us a "**Development Fee**" of _____ Thousand Dollars (\$_____). The Development Fee is fully earned by us when we and you sign this Agreement and is non-refundable, even if you do not comply with the Schedule. However, we will reduce by \$10,000 the amount of the initial franchise fees due under each Franchise Agreement (defined below) which you or your Affiliated Entities execute pursuant to this Agreement (other than the Existing Agreement), subject to a maximum aggregate reduction for all such Franchise Agreements equal to the total Development Fee.

5. **Development Obligations.** To maintain your rights under this Agreement you (and/or approved Affiliated Entities) must sign a Franchise Agreement for each of the agreed-upon number of Gold's Gym Facilities within the Area by the dates set forth on the Schedule. Time is of the essence under this Agreement. You (or your Affiliated Entity) will operate each Gold's Gym Facility under a separate Franchise Agreement with us. We do not apply the Development Fee towards any initial or other fees that you or your Affiliated Entities owe under Franchise Agreements. The franchise agreement and related documents that you (or your Affiliated Entity) sign for each Gold's Gym Facility will be the form of franchise agreement and any ancillary agreements we then customarily use in granting franchises for Gold's Gym Facilities (collectively, the "**Franchise Agreement**"), any or all of the terms of which may differ substantially from the terms contained in the Existing Agreement. To retain your rights under this Agreement, each Gold's Gym Facility opened pursuant to this Agreement must operate continuously throughout the term of this Agreement.

6. **No Sublicensing Rights or Rights to Use Marks.** This Agreement does not grant you any right to license others to operate Gold's Gym Facilities. Only you (and your approved Affiliated Entities) may develop Gold's Gym Facilities pursuant to this Agreement and only under Franchise Agreements with us. This Agreement does not grant you any right to use, or authorize others to use, the Marks in any manner. Your right to use the Marks arises only under Franchise Agreements with us. Our affiliate owns all rights to the Marks, and your unauthorized use of the Marks is an infringement of our and our affiliate's rights and a breach of this Agreement.

7. **Site Acceptance.** You must deliver to us for our review complete site reports and other materials and information we request for each site you propose for a Gold's Gym Facility and your (or your Affiliated Entity's) financial and operational ability to develop and operate each proposed Gold's Gym Facility. Your proposed site, which must meet our then current site selection criteria for Gold's Gym Facilities, must be available for lease or purchase in time for you to develop and open a Gold's Gym Facility at that site on or before the date which is eighteen (18) months after signing the Franchise Agreement for that site. We will not unreasonably withhold our acceptance of a site that meets our criteria, but in making our decision, we may consider all factors we believe to be important, including demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; other commercial characteristics; and the proposed site's size, appearance, and other physical characteristics; and the site's proximity both to the Area's boundaries and to other existing or potential sites for Gold's Gym Facilities located outside the Area. We will use our reasonable efforts to review and either accept or reject a site you propose within 15 days after receiving the complete site report and other materials we request.

Despite any assistance, information or recommendations that we provide (whether before or after the Agreement Date) with respect to any site, and despite our acceptance of any site, we make no representations or warranties of any kind, express or implied, of any site's suitability for a Gold's Gym Facility or any other purpose or of the likelihood that we ultimately will accept a proposed site. Applying criteria that have appeared effective for other sites might not accurately reflect the potential for all sites, and, after we accept a site, demographic and/or other factors included in or excluded from our site criteria could change, thereby altering a site's potential. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site fails to meet our or your expectations. Your decision to move forward with a site is and will be based on your own independent investigation and acceptance of any site without giving any weight to, and without relying on, our acceptance of any site in making your decision.

8. **Grant of Franchises.** If we accept a proposed site, then you or your approved Affiliated Entity (and your or its owners) must sign a separate Franchise Agreement and related documents, including personal guarantees, for that Gold's Gym Facility. Subject to Section 7, you may not sign a Franchise Agreement until after you have found a site for a Gold's Gym Facility that we have accepted, but you must sign a Franchise Agreement for that site before buying or signing a lease or sublease for that site. If you or your Affiliated Entity (and your or its owners) do not sign a separate Franchise Agreement and related documents within the time periods set forth in the Schedule, then we may terminate this Agreement according to Section 10. After you (or your Affiliated Entity) sign the Franchise Agreement and related documents, their terms and conditions will control the development and operation of the Gold's Gym Facility.

9. **Term.** This term of this Agreement begins on the Agreement Date and it ends on the date when (a) the final Franchise Agreement under the Schedule has been signed or (b) this Agreement otherwise is terminated, whichever occurs first.

10. **Termination.** We may terminate this Agreement and your right to develop additional Gold's Gym Facilities within the Area at any time, effective upon delivery of written notice of termination: (a) if you fail to satisfy either your obligations under the Schedule or any other obligation under this Agreement, which defaults you have no right to cure; or (b) if the Existing Agreement or any other franchise agreement between us and you (or your Affiliated Entity) for a Gold's Gym Facility is terminated by us or you for any reason.

11. **Assignment.** You and your owners acknowledge that we are granting you the rights under this Agreement because of our perception of your (and your owners') individual and collective character, skill, business acumen, financial capability and proven ability to operate Gold's Gym Facilities according to our standards. These rights are personal to you and your owners. Therefore, you and your owners may not assign this Agreement or any of your Ownership Interests (whether directly or indirectly) without our prior written approval, which we may grant or withhold for any or no reason. We may assign this Agreement or any of our Ownership Interests without restriction.

12. **Incorporation of Other Terms.** Sections 11.A, 11.C, 12, 17 and 18 of the Existing Agreement, entitled "Confidential Information," "Innovations," "Exclusive Relationship," "Relationship of the Parties/Indemnification" and "Enforcement," respectively, including (without limitation) the provisions relating to arbitration of disputes, are incorporated by reference in this Agreement and will govern all aspects of our relationship and the construction of this Agreement as if fully restated within the text of this Agreement. This Agreement, together with the Existing Agreement, supersedes all prior agreements and understandings, whether oral and written, among the parties relating to its subject matter, and there are no oral or other written understandings, representations, or agreements among the parties relating to the subject matter of this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. This Agreement may be signed in multiple counterparts, but all such counterparts together shall be considered one and the same instrument. The provisions of this Agreement may be amended or modified only by written agreement signed by the party to be bound.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement effective on the date stated on the first page above.

FRANCHISOR

GOLD'S GYM FRANCHISE LLC, a
Delaware limited liability company

By: _____
Name: _____
Title: _____

Date: _____, 20__

By: _____
Name: _____
Title: _____

Date: _____, 20__

DEVELOPER

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

Date: _____, 20__

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____, 20__

EXHIBIT A
TO DEVELOPMENT RIGHTS AGREEMENT

You agree to sign Franchise Agreements for _____ (_____) additional Gold’s Gym Facilities within the Area (excluding the Gold’s Gym Facility operating under the Existing Agreement) according to the following Schedule:

Franchise Agreement(s) Signed by:	Cumulative Number of Franchise Agreements Signed No Later Than the Date (in Previous Column)

The Area is defined as the entire territory encompassed by _____ in the State of _____, as the boundaries of that territory exist on the Agreement Date.

[The remainder of this page is intentionally left blank.]

FRANCHISOR

GOLD'S GYM FRANCHISE LLC, a
Delaware limited liability company

By: _____
Name: _____
Title: _____

Date: _____, 20__

By: _____
Name: _____
Title: _____

Date: _____, 20__

DEVELOPER

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

Date: _____, 20__

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____, 20__

EXHIBIT F
LIST OF FRANCHISEES

**LIST OF FRANCHISEES
AS OF DECEMBER 31, 2023**

GYM ADDRESS	GYM CITY	GYM STATE	GYM ZIP	GYM PHONE	CORPORATE NAME	GYM CONTACT
10870 Katella Avenue	Anaheim	CA	92804	714-741-3926	Anaheim Corporate Fitness, Inc	Willy Banos*
2280 E Lincoln Ave	Anaheim	CA	92806	214-786-5683	Anaheim Corporate Fitness, Inc	Willy Banos*
400 S. Baldwin Avenue, Suite 3000	Arcadia	CA	91007	626-447-1500	Santa Anita Corporate Fitness, Inc.	Willy Banos*
13233 South St	Cerritos	CA	90703	562-354-5444	GetFit2, LP.	Willy Banos*
8485 Auburn Road	Citrus Heights	CA	95610	916-241-8939	Auburn Fitness, Inc	Jerry McCall
6000 Sepulveda Blvd Suite 1200	Culver City	CA	90230	310-313-0033	Culver City Corporate Fitness, Inc	Willy Banos*
1973 W. Malvern Avenue	Fullerton	CA	92833	714-773-1990	Fullerton Corporate Fitness, Inc	Willy Banos*
8795 San Ysidro Ave	Gilroy	CA	95020	408-337-8260	High Note, LLC	Vincent Solbes
3211-A Galleria Way	Glendale	CA	91210	818-244-4653	Glendale Corporate Fitness, Inc	Willy Banos*
6144 Calle Real	Goleta	CA	93117	805-964-0556	Santa Barbara Corporate Fitness, Inc.	Willy Banos*
1525 Cushman St.	Hollister	CA	95023	831-637-8122	High Note, LLC	Vincent Solbes
1016 Cole Avenue	Hollywood	CA	90038	323-462-7012	Musclebound, Inc.	Willy Banos*
13395 S Beach Blvd	La Mirada	CA	90638	562-232-9500	La Mirada Fit, LP	Willy Banos*
345 Pine Ave	Long Beach	CA	90802	562-436-4653	Carson Corporate Fitness, Inc	Willy Banos*
735 South Figueroa Street Suite 100	Los Angeles	CA	90017	213-688-1441	Los Angeles Corporate Fitness, Inc.	Willy Banos*
5150 Moreno Street	Montclair	CA	91763	909-399-9992	Montclair Corporate Fitness, Inc.	Willy Banos*
1500 Del Monte Avenue	Monterey	CA	93940	831-655-4653	High Note, LLC	Vincent Solbes
6233 Laurel Canyon Blvd.	North Hollywood	CA	91606	818-506-4600	Musclehead, Inc.	Willy Banos*
9301 Tampa Ave	Northridge	CA	91324	818-534-5533	Northridge Corporate Fitness, Inc	Willy Banos*
150 W Esplanade Dr	Oxnard	CA	93036	805-751-3535	Oxnard Corporate Fitness, Inc	Willy Banos*
12367 N Main Street	Rancho Cucamonga	CA	91739	909-264-8855	GetFit1, LP.	Willy Banos*
935 W. Alisal St	Salinas	CA	93901	831-422-4653	High Note, LLC	Vincent Solbes
21 W. Carrillo Street	Santa Barbara	CA	93101	805-965-0999	Santa Barbara Corporate Fitness, Inc.	Willy Banos*
3908 State Street	Santa Barbara	CA	93105	805-563-8700	Santa Barbara Corporate Fitness, Inc.	Willy Banos*
1357 E. Los Angeles Ave.	Simi Valley	CA	93065	805-581-4653	Simi Valley Corporate Fitness, Inc.	Willy Banos*
197 North Moorpark Rd	Thousand Oaks	CA	91360	805-496-9331	Thousand Oaks Corporate Fitness, Inc.	Willy Banos*
24445 Town Center Drive	Valencia	CA	91355	661-288-1818	Valencia Corporate Fitness, Inc.	Willy Banos*
120 Westridge Drive	Watsonville	CA	95076	831-728-GOLD	High Note, LLC	Vincent Solbes
502 Plaza Drive	West Covina	CA	91790	626-480-7717	West Covina Corporate Fitness, Inc	Willy Banos*
3001 S 23rd Ave	Greeley	CO	80631	970-451-8440	Greeley Fitness, LLC	Bryce Berry
1240 South Hover Street	Longmont	CO	80501	720-372-4653	LGG Operations LLC	Bryce Berry

GYM ADDRESS	GYM CITY	GYM STATE	GYM ZIP	GYM PHONE	CORPORATE NAME	GYM CONTACT
1840 E. Main Street	Montrose	CO	81401	970-240-4653	MGG Operations, LLC	Bryce Berry
409 3rd Street S.W.	Washington	DC	20024	202-554-4653	GBG LLC	Matt Clifford*
1101 Connecticut Ave NW	Washington	DC	20036	202-996-4777	GBG LLC	Matt Clifford*
4310 Connecticut Avenue	Washington	DC	20008	202-364-4653	GBG LLC	Matt Clifford*
1808 W. International Speedway Blvd	Daytona Beach	FL	32114	386-281-5959	Next Level Health, LLC	Tyler Ward
12200 Emerald Coast Pkwy.	Destin	FL	32550	850-837-7071	Emerald Coast Fitness, Inc	Darren Boisjolie
140 Eglin Parkway SE	Fort Walton Beach	FL	32548	850-863-3222	Emerald Coast Fitness, Inc	Darren Boisjolie
4417 NW Blichton Rd	Ocala	FL	34482	352-414-4848	Healthy Ocala Operations, LLC	Pete Garcia
333 West Granada Boulevard	Ormond Beach	FL	32174	386-677-4949	Laward Fitness, LLC	Gil Ward
1250 Auburn Rd	Hamilton Mill	GA	30019	770-831-5858	Helix2 Fitness HM LLC	Koran Winters
4408 Evans to Locks Rd	Evans	GA	30809	706-391-4111	GG Evans LLC	Shaun Smith
2363 Eagle Drive	Idaho Falls	ID	83404	208-524-4653	Teton Fitness, LLC	Gary Price
1800 Flandro Drive	Pocatello	ID	83202	208-234-4653	Signature Fitness-Pocatello, Inc.	Gary Price
1471 Fillmore St	Twin Falls	ID	83301	208-733-4653	GP Fitness, LLC	Gary Price
1630 N. Main St	Morton	IL	61550	309-263-GOLD	Tiga, Inc.	Todd Grimm
5131 W. American Prairie Drive	Peoria	IL	61615	309-690-0009	Yeshua Seei 2, LLC	David Seei
12510 Fairwood Parkway	Bowie	MD	20720	301-805-4653	FMD Gyms, LLC	Leoncio Gutierrez
1723A Ritchie Station	Capitol Heights	MD	20743	301-333-4653	LMD Gyms, LLC	Bruce Ebel
1625 Crofton Centre	Crofton	MD	21114	410-451-GOLD	CMD Gyms, LLC	Bruce Ebel
1131 Merritt Blvd	Dundalk	MD	21222	410-284-GOLD	DMD Gyms, LLC	Leoncio Guterrez
5245 Westview Drive	Frederick	MD	21703	301-945-9006	GBG LLC	Matt Clifford*
19757 N. Frederick Rd	Germantown	MD	20876	301-972-4800	GBG LLC	Matt Clifford*
6324 Ritchie Highway	Glen Burnie	MD	21061	410-789-GOLD	GBMD Gyms, LLC	Leoncio Gutierrez
7900 Ritchie Hwy	Glen Burnie	MD	21061	410-863-GOLD	PMD Gyms, LLC	Leoncio Gutierrez
18330 Village Center Dr	Olney	MD	20832	301-570-1800	GBG LLC	Matt Clifford*
4595 Woodberry St	Riverdale Park	MD	20737	240-238-3875	GBG LLC	Matt Clifford*
26 Maryland Avenue	Rockville	MD	20850	301-637-0030	GBG LLC	Matt Clifford*
835 Rockville Pike	Rockville	MD	20852	301-424-5660	GBG LLC	Matt Clifford*
7836 Telegraph Rd	Taylor	MI	48180	313-633-9926	Executive Fitness and Nutrition LLC	Don Larson
30730 Hoover Rd	Warren	MI	48093	586-806-6301	Executive Fitness and Nutrition LLC	Don Larson
1436 US Hwy 52 N	Albemarle	NC	28001	704-984-6537	Newport Capital Ventures, LLC	Ben Newport
1815 Hendersonville Rd	Asheville	NC	28803	828-398-1193	MK Muscle Beach 7 LLC	Matt Heald*
801 Fairview Rd	Asheville	NC	28803	828-239-9556	MK Muscle Beach 7 LLC	Matt Heald*
1047 Patton Avenue	Asheville	NC	28806	828-398-1430	MK Muscle Beach 7 LLC	Matt Heald*

GYM ADDRESS	GYM CITY	GYM STATE	GYM ZIP	GYM PHONE	CORPORATE NAME	GYM CONTACT
2358 South Church St	Burlington	NC	27215	336-226-7874	MK Muscle Beach II LLC	Matt Heald*
6118 Farrington Rd	Chapel Hill	NC	27517	919-973-0014	MK Muscle Beach 3 LLC	Matt Heald*
20420 West Catawba Ave	Cornelius	NC	28031	704-895-8100	MK Muscle Beach 5 LLC	Matt Heald*
1310 E Broad St	Fuquay-Varina	NC	27526	919-285-4460	MK Muscle Beach LLC	Matt Heald*
1306 Parkway Drive	Goldsboro	NC	27534	919-759-2348	Fitness Docs, Inc.	Tim Murphy
3711 Battleground Avenue	Greensboro	NC	27410	336-478-0370	MK Muscle Beach 6 LLC	Matt Heald*
3120 Randleman Rd	Greensboro	NC	27406	336-544-0783	MK Muscle Beach 6 LLC	Matt Heald*
5650 Highway 49 S	Harrisburg	NC	28075	704-455-4653	MK Muscle Beach 5 LLC	Matt Heald*
13108 Eastfield Rd	Huntersville	NC	28078	704-274-1327	North Charlotte GG, LLC	Mike Rattenni*
4126 Henderson Drive	Jacksonville	NC	28546	910-347-8880	Fitness Docs, Inc.	Tim Murphy
4835 West Wendover Avenue	Jamestown	NC	27282	366-544-0782	MK Muscle Beach 6 LLC	Matt Heald*
462 New Jersey 28, The Villa Plaza Shopping Center	Bridgewater	NJ	08807	908-595-1111	Atlas 13, Inc	Robert Zampetti
90 Bartley Rd.	Flanders	NJ	07836	973-584-5656	Next Gen Fitness Group, Inc	Josh Deuel
4 Ocean Avenue	Long Branch	NJ	07740	732-229-8229	KMS Fitness, LLC	Mark Steinfield
100 Hollister Rd	Teterboro	NJ	07608	201-288-6000	Bergen Fitness Inc	Charlie Costa
18 Furler Street	Totowa	NJ	07512	973-256-GOLD	JGM Fitness LLC	Jeff Mortman
160 Route 52	Carmel	NY	10512	845-228-2818	Picca Enterprises, Inc.	Peter Picca
1 Larkfield Road	East Northport	NY	11731	631-757-3377	Venice Beach Health Club, Inc.	Cosimo (Gus) Orlando
982 Main Street	Fishkill	NY	12524	845-896-3300	Southern Dutchess Fitness Associates, LLC	Kim Kenyon
181 Freeman Ave.	Islip	NY	11751	631-236-4670	Islip Gym, Inc.	Roger Delisle
1225 Middle Country Road	Middle Island	NY	11953	631-358-5754	Middle Island Gym, Inc	Roger Delisle
1 N. Galleria Dr	Middletown	NY	10941	845-692-4200	D & T Murphy and Associates Inc	Don Murphy
15 Racquet Road	Newburgh	NY	12550	845-564-7500	Players Airport Limited Partnership	Mary Murphy
258 Titusville Road	Poughkeepsie	NY	12603	845-463-4800	The Net of HV, LLC	Kim Kenyon
100 Landing Ave	Smithtown	NY	11787	631-863-1616	JKPRO Consulting Corp	Mike Prochaska
15575 SW Sequoia Parkway	Tigard	OR	97224	503-941-9235	TGD Fitness, LLC	Mike Williams
1207 W Wade Hampton Blvd	Greer	SC	29650	864-849-7733	MK Muscle Beach 7 LLC	Matt Heald
1291 Folly Road	James Island	SC	29412	843-853-GOLD	JISC Gyms, LLC	Bruce Ebel
730 Coleman Blvd	Mt. Pleasant	SC	29464	843-936-4653	GG Mt. Pleasant LLC	Cliff Smith
5101 Ashley Phosphate Rd	North Charleston	SC	29418	843-701-4653	Lew Holdings, LLC	Troy Barrentine
2182 Cherry Road	Rock Hill	SC	29732	803-327-7141	Rock Hill Fitness Group, Inc.	Dusty Mason
6933 Lee Highway	Chattanooga	TN	37421	423-308-7874	East Tennessee Fitness, LLC	Robert Dennis*
210 West 4th Street	Chattanooga	TN	37402	423-308-0575	East Tennessee Fitness, LLC	Robert Dennis*
390 Needmore Road	Clarksville	TN	37040	931-919-4715	Clarksville Fitness Investors, LLC	John Davis*
225 Indian Lake Blvd	Hendersonville	TN	37075	615-431-2433	Hendersonville Fitness, LLC	John Davis*
5510 Highway 153	Hixson	TN	37343	423-424-0224	East Tennessee Fitness, LLC	Robert Dennis*

GYM ADDRESS	GYM CITY	GYM STATE	GYM ZIP	GYM PHONE	CORPORATE NAME	GYM CONTACT
1068 Vann Dr	Jackson	TN	38305	731-984-8383	Jackson Fitness, LLC	Robert Dennis*
6510 Chapman Highway	Knoxville	TN	37920	865-573-9660	East Tennessee Fitness, LLC	Robert Dennis*
10708 Kingston Pike	Knoxville	TN	37934	865-671-0781	East Tennessee Fitness, LLC	Robert Dennis*
8445 Kingston Pike	Knoxville	TN	37919	865-693-2550	East Tennessee Fitness, LLC	Robert Dennis*
785 Highway 321	Lenior City	TN	37771	865-988-0036	East Tennessee Fitness, LLC	Robert Dennis*
888 S White Station Rd	Memphis	TN	38117	901-207-4043	Tennessee Fitness LLC	Robert Dennis*
1713 Old Fort Parkway	Murfreesboro	TN	37129	615-895-8162	Olympic Fitness LLC	John Davis*
1691 Memorial Blvd., Suite A	Murfreesboro	TN	37129	615-624-8279	Olympic Fitness LLC	John Davis*
7063 Highway 70 S.	Nashville	TN	37221	615-895-8162	Titan Fitness, LLC	John Davis*
302 South Illinois Ave	Oak Ridge	TN	37830	865-276-3488	East Tennessee Fitness, LLC	Robert Dennis*
567 S. Lowry Street	Smyrna	TN	37167	615-895-8162	Smyrna Fitness, LLC	John Davis*
3000 Blackburn	Amarillo	TX	79109	806-359-5438	K/M Amarillo Sports Teams, LLC	Rouzbeh Kordestani
627 S McColl Rd	Edinburg	TX	78539	956-381-4653	ELI-GAR GGOST, LLC	Steven Garcia*
12261 Eastlake Blvd	El Paso	TX	79928	915-286-0086	RCJ2 Enterprises, LLC	Carlos Viesca
12040 Tierra Este Road	El Paso	TX	79938	915-613-1170	RCJ1 Enterprises, LLC	Carlos Viesca
1224 Wedgewood Drive	El Paso	TX	79925	915-307-2489	RCJ Enterprises	Carlos Viesca
2000 S. Expressway 83 Unit C12B	Harlingen	TX	78552	956-365-4653	ELI-GAR GGOST, LLC	Steven Garcia*
2626 E. Del Mar Blvd	Laredo	TX	78041	956-791-GOLD	ELI-GAR GGOST, LLC	Eliud Garcia*
2446 San Isidro Parkway	Laredo	TX	78045	956-712-GOLD	ELI-GAR GGOST, LLC	Eliud Garcia*
1601 Dove Avenue	McAllen	TX	78504	956-630-GOLD	ELI-GAR GGOST, LLC	Steven Garcia*
2520 East Expressway 83	Mission	TX	78572	956-585-4653	ELI-GAR GGOST, LLC	Steven Garcia*
1317 S. Jackson Road	Pharr	TX	78577	956-781-4653	ELI-GAR GGOST, LLC	Steven Garcia*
6940-A Bradlick Shopping Center	Annandale	VA	22003	703-941-4653	GBG LLC	Matt Clifford*
3910 Wilson Blvd.	Arlington	VA	22203	703-516-4653	GBG LLC	Matt Clifford*
1220 N. Fillmore Street	Arlington	VA	22201	703-879-4200	GBG LLC	Matt Clifford*
1700 N Moore St	Arlington	VA	22209	703-528-4653	GBG LLC	Matt Clifford
5718 Columbia Pike	Bailey's Crossroads	VA	22041	703-820-4653	GBG LLC	Matt Clifford*
13621 Lee Jackson Memorial Hwy	Chantilly	VA	20151	703-378-4653	GBG LLC	Matt Clifford*
1823 Southpark Blvd.	Colonial Heights	VA	23834	804-524-4993	CHVA Gyms, LLC	Bruce Ebel
201 South Gate Shopping Center	Culpeper	VA	22701	540-727-2000	Gym Quest, Inc.	Kevin Gustafson
5620-A Ox Rd	Fairfax	VA	22039	703-323-0624	GBG LLC	Matt Clifford*
2982 Gallows Rd	Falls Church	VA	22043	703-208-4653	GBG LLC	Matt Clifford*
2380 Plank Road	Fredericksburg	VA	22401	540-368-0032	DGL, LLC	Merrill (Sandy) Hall
7700 Gunston Plaza	Lorton	VA	22079	703-339-6339	Fitness Visionaries, Inc.	Jeremy Lowell
9705 Liberia Avenue	Manassas	VA	20110	703-369-4950	Liberty Fitness, LLC	Bob Rawlins

GYM ADDRESS	GYM CITY	GYM STATE	GYM ZIP	GYM PHONE	CORPORATE NAME	GYM CONTACT
5760 Hopkins Road	Meadowbrook	VA	23234	804-554-2100	MBVA Gyms, LLC	Leoncio Gutierrez
7368 Bell Creek Rd	Mechanicsville	VA	23111	804-559-4653	MVA Gyms, LLC	Bruce Ebel
13606 Hull Street	Midlothian	VA	23112	804-639-4653	SCVA Gyms, LLC	Bruce Ebel
345 Schofield Drive	Midlothian	VA	23113	804-379-5690	GG Midlothian, LLC	Mike Krongaard
11830 Sunrise Valley Dr	Reston	VA	20191	703-435-3900	GBG LLC	Matt Clifford*
4346 South Laburnum Avenue	Richmond	VA	23231	804-222-4653	WOVA Gyms, LLC	Bruce Ebel
8 South Harvie St	Richmond	VA	23220	804-249-GOLD	RFVA Gyms, LLC	Leoncio Gutierrez
1601 Willow Lawn Drive	Richmond	VA	23230	804-285-GOLD	WLVA Gyms, LLC	Leoncio Gutierrez
9782 Gayton Road	Richmond	VA	23238	804-214-3252	GG Gayton Crossing LLC	Merrill (Sandy) Hall
9101 Midlothian Turnpike	Richmond	VA	23235	804-562-4632	SSGG, LLC	Mike Krongaard
8904-A West Broad Street	Richmond	VA	23294	804-968-GOLD	GG Westend, LLC	Mike Krongaard
5002 Airport Road	Roanoke	VA	24012	540-366-4496	GG Roanoke, LLC	Merrill (Sandy) Hall
12550 Dillingham Square	Woodbridge	VA	22192	703-680-7000	Ironworks of Lake Ridge	Jeremy Lowell
2950 NW 38th Ave	Camas	WA	98607	360-834-8506	CAM Fitness LLC	Mike Williams
151 N. Ely Street	Kennewick	WA	99336	509-736-1465	Cascade Fitness, LLC	Steve Broadbent
11133 120th Ave. NE	Kirkland	WA	98033	425-827-0777	NW Sports Fitness, LLC	Mike Williams
2909 Duportail Street	Rickland	WA	99352	509-420-2121	Cascade Fitness, LLC	Steve Broadbent
8700 NE Vancouver Mall Drive	Vancouver	WA	98662	360-984-6796	Van Fitness, LLC	Mike Williams
9305 NE 5th Ave	Vancouver	WA	98665	360-719-2408	HDV Fitness LLC	Mike Williams
18600 Woodinville-Snohomish Road	Woodinville	WA	98072	425-481-4334	WV Fitness, LLC	Mike Williams
731 N. Water St.	Milwaukee	WI	53202	414-312-7582	731 Water Street LLC	Jeremy Lowell
1616 East Pershing Blvd	Cheyenne	WY	82001	307-778-5500	GG at CR LLC	Bryce Berry

* Franchisee has the right to develop additional units under a Development Rights Agreement.

**LIST OF FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED
AS OF DECEMBER 31, 2023**

GYM ADDRESS	GYM CITY	GYM STATE	GYM ZIP	GYM PHONE	CORPORATE NAME	PHONE NUMBER	GYM CONTACT
8500 Beverly Blvd	Los Angeles	CA	90048	310-313-0011	GetFit4, LP	818-349-0123	Willy Banos*
301 Jacklin Rd	Milpitas	CA	95035	408-381-4462	GGNorcal LLC	831-728-2065	Vincent Solbes*
TBD	TBD	CA	TBD	TBD	Gym Management Services, Inc	818-349-0123	Willy Banos*
TBD	TBD	CA	TBD	TBD	Gym Management Services, Inc	818-349-0123	Willy Banos*
TBD	TBD	CA	TBD	TBD	Gym Management Services, Inc	818-349-0123	Willy Banos*
TBD	TBD	CA	TBD	TBD	Gym Management Services, Inc	818-349-0123	Willy Banos*
TBD	TBD	CA	TBD	TBD	Gym Management Services, Inc	818-349-0123	Willy Banos*
TBD	TBD	CA	TBD	TBD	Gym Management Services, Inc	818-349-0123	Willy Banos*
TBD	TBD	CA	TBD	TBD	Gym Management Services, Inc	818-349-0123	Willy Banos*
TBD	TBD	CA	TBD	TBD	Gym Management Services, Inc	818-349-0123	Willy Banos*
TBD	TBD	CA	TBD	TBD	Gym Management Services, Inc	818-349-0123	Willy Banos*
TBD	TBD	CA	TBD	TBD	Gym Management Services, Inc	818-349-0123	Willy Banos*
TBD	TBD	CA	TBD	TBD	Gym Management Services, Inc	818-349-0123	Willy Banos*
TBD	TBD	CA	TBD	TBD	Gym Management Services, Inc	818-349-0123	Willy Banos*
5721 McWhinney Blvd	Loveland	CO	80538	TBD	J & N Gyms LLC	970-481-0740	Jarrel Ferrara
TBD	Washington	DC	TBD	TBD	GBG LLC	703-931-3715	Matt Clifford*
TBD	Miami	FL	TBD	TBD	Onyx Global Group LLC	305-721-2835	Benoit de Balanda*
TBD	Naples	FL	TBD	TBD	MK Muscle Beach LLC	919-285-4460	Matt Heald*
802 N 12th St	Tampa	FL	33602	TBD	GGW Tampa LLC	513-374-8987	Kimberlee Curtis*
TBD	Atlanta	GA	TBD	TBD	Live Evolutionary Fitness, LLC	901-596-7976	Koran Winters*
TBD	Charlotte	NC	TBD	TBD	Carolinas Fitness Group, Inc	704-277-8462	Dusty Mason
TBD	Charlotte	NC	TBD	TBD	Carolinas Fitness Group, Inc	704-277-8462	Dusty Mason
TBD	TBD	NY	TBD	TBD	JKPRO Consulting Corp	631-863-1616	Mike Prochaska*
TBD	Cookeville	TN	TBD	TBD	Tennessee Fitness LLC	615-785-9419	Robert Dennis*
TBD	Knoxville	TN	TBD	TBD	East Tennessee Fitness LLC	615-785-9419	Robert Dennis*
TBD	Memphis	TN	TBD	TBD	East Tennessee Fitness LLC	615-785-9419	Robert Dennis*

GYM ADDRESS	GYM CITY	GYM STATE	GYM ZIP	GYM PHONE	CORPORATE NAME	PHONE NUMBER	GYM CONTACT
TBD	Murfreesboro	TN	TBD	TBD	Tennessee Fitness LLC	615-785-9419	Robert Dennis*
TBD	TBD	TN	TBD	TBD	Tennessee Fitness LLC	615-785-9419	Robert Dennis*
TBD	TBD	TX	TBD	TBD	Eli-Gar Ltd.	956-630-GOLD	Eliud Garcia*

*Franchisee has the right to develop additional units under a Development Rights Agreement

EXHIBIT G

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

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

**LIST OF FRANCHISEES WHO HAVE LEFT SYSTEM
AS OF DECEMBER 31, 2023
OR WHO HAVE NOT COMMUNICATED WITH US WITHIN 10 WEEKS
OF THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT**

FRANCHISEE	GYM STATE	GYM CITY	PHONE NUMBER	REASON
Hercules Fitness LLC	FL	Clearwater	813-417-8584	Ceased Operations Other Reasons
Bull Dog Fitness, Inc.	FL	Tampa	813-935-2639	Non-Renewal
Hamilton Mill Fitness, LLC	GA	Dacula	770-831-5858	Transfer
HS1, LLC	LA	Prairieville	225-744-4653	Ceased Operations Other Reasons
SJM Fitness, LLC	MD	Eldersburg	410-795-0100	Non-Renewal
GBG LLC*	MD	Gaithersburg	301-330-1800	Ceased Operations Other Reasons
Rypat Fitness, Inc.	NJ	Hackettstown	908-852-4141	Non-Renewal
Fairport Fitness Company, LLC	NY	Fairport	585-678-9419	Ceased Operations Other Reasons
Webster Fitness Company, Inc.	NY	Webster	585-347-0047	Non-Renewal
Country Club of Fitness, Inc.	SC	Orangeburg	803-347-8525	Non-Renewal
Beyond Fitness, LLC*	VA	Clock Tower	703-793-9400	Ceased Operations Other Reasons

*Franchisee's owner remains the franchisee of an active Gold's Gym Facility.

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

EXHIBIT H
FINANCIAL STATEMENTS

UNAUDITED FINANCIALS

Balance Sheet

ASSETS

2024-04 YTD

Current Assets

Cash	\$	(2,071)
AR, Notes Receivable (Current)		3,118,670
Due from RSG Group USA, Inc.		0
Prepaid expenses and other		107,717

Total Current Assets **3,224,316**

Property and Equipment, net		24,784
Intangible Assets, net		5,728,615
AR, Notes Receivable (LT)		0

Total Assets **8,977,716**

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities

Accounts payable and accrued expenses		955,792
Deferred revenue (current)		340,655
Other Current Liabilities		0

Total Current Liabilities **1,296,447**

Security Deposits		0
Due to RSG Group USA, Inc.		(16,250,138)
Deferred revenue (LT)		2,492,126

Total Liabilities **(12,461,564)**

Members' Equity **21,439,280**

Total Liabilities and Members' Equity **8,977,716**

These Financial Statements Have Been Prepared Without An Audit. Prospective Franchisees Or Sellers of Franchises Should Be Advised That No Independent Certified Public Accountant Has Audited These Figures Or Expressed An Opinion with Regard to their Content Or Form.

Income Statement

	<u>2024-04 YTD</u>
Revenue	
Annual Fees	\$ 4,022,649
Initial franchise and renewal fees	174,663
Territory development fees	0
Deferred franchise revenue	(48,123)
Other	10,000
	<hr/>
Revenue	4,159,189
Operating Expenses	
General and administrative	942,535
Depreciation and amortization	313,007
	<hr/>
Operating Expenses	1,255,542
Operating Income (Loss)	2,903,647
Foreign currency exchange - gain/(loss)	13,207
Other income	0
Interest income	2,360
	<hr/>
Income before taxes	2,919,214
Provision for Income Taxes	117,030
	<hr/>
Net Income	<u><u>\$ 2,802,184</u></u>

These Financial Statements Have Been Prepared Without An Audit. Prospective Franchisees Or Sellers of Franchises Should Be Advised That No Independent Certified Public Accountant Has Audited These Figures Or Expressed An Opinion with Regard to their Content Or Form.

Cash Flow

	<u>2024-04 YTD</u>
Cash flows from operating activities:	
Net income	\$ 2,802,184
Adjustments to reconcile net income to cash provided by operating activities:	
Depreciation and amortization	313,007
Provision for bad debts	0
Changes in operating assets and liabilities:	
Accounts receivable	(723,255)
Prepaid expenses and other	(69,462)
Accounts payable and accrued expenses	(110,606)
Deferred revenue	48,123
Other Current Liabilities	0
Security deposits	0
Net cash provided by operating activities	2,259,991
Cash flows from investing activities:	
Capital Expenditures	0
Net cash used in investing activities	0
Cash flows from financing activities:	
Net amounts due from RSG Group USA, Inc.	(2,262,062)
Distribution	0
Net cash used in financing activities	(2,262,062)
Change in cash	(2,071)
Cash at beginning of year	0
Cash at end of year	\$ (2,071)
Supplemental disclosure:	
Income taxes paid	117,030 * Foreign Tax Credit

These Financial Statements Have Been Prepared Without An Audit. Prospective Franchisees Or Sellers of Franchises Should Be Advised That No Independent Certified Public Accountant Has Audited These Figures Or Expressed An Opinion with Regard to their Content Or Form.

AUDITED FINANCIALS

Rödl & Partner

GOLD'S GYM FRANCHISE LLC

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023 AND 2022
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT

GOLD'S GYM FRANCHISE LLC
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DECEMBER 31, 2023 AND 2022

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Rödl & Partner

Rödl Langford de Kock LLP
DBA Langford de Kock LLP
Certified Public Accountants

1900 West Loop South, Suite 1550
Houston, TX 77027, USA
T +1 713 325 9100
info@roedlusa.com
www.roedl.us

INDEPENDENT AUDITORS' REPORT

To the Member of
Gold's Gym Franchise LLC:

Opinion

We have audited the financial statements of Gold's Gym Franchise LLC (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations and changes in member's capital, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then 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 ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Company 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.

Emphasis of Matter – Related Party Transactions

As mentioned in the notes to the financial statements, the Company has material transactions with related parties. Our opinion on the financial statements is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

Registered with the Texas Secretary of State as Rödl Langford de Kock LLP, DBA Langford de Kock LLP

RÖDL & PARTNER IN THE UNITED STATES OF AMERICA
Atlanta, Birmingham, Charlotte, Chicago, Cincinnati, Detroit, Greenville, Houston, New York

RÖDL & PARTNER INTERNATIONAL
Austria, Azerbaijan, Belarus, Brazil, Bulgaria, People's Republic of China, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Hong Kong S.A.R., Hungary, India, Indonesia, Italy, Kazakhstan, Kenya, Latvia, Lithuania, Malaysia, Mexico, Myanmar, Norway, Philippines, Poland, Portugal, Romania, Saudi Arabia, Serbia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States of America, Uzbekistan, Vietnam

Rödl & Partner

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not absolute assurance and, therefore, it is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing our audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout our audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 the Company'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.

LANGFORD DE KOCK LLP

Houston, Texas,
June 7, 2024.

GOLD'S GYM FRANCHISE LLC
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In U.S. Dollars)

	2023	2022
ASSETS		
CURRENT ASSETS		
Accounts receivable, net	\$ 1,409,489	\$ 1,454,181
Due from related parties, current	2,320,000	5,312,447
Prepaid expenses and other current assets	38,280	31,402
Total current assets	3,767,769	6,798,030
SOFTWARE, NET	35,259	67,070
NONCURRENT ASSETS		
Due from related parties	12,691,063	-
Intangible assets - franchise agreements, net	6,031,148	6,938,748
Total noncurrent assets	18,722,211	6,938,748
	\$ 22,525,239	\$ 13,803,848
LIABILITIES AND MEMBER'S CAPITAL		
CURRENT LIABILITIES		
Accrued expenses	\$ 406,336	\$ 100,238
Deferred franchise revenue	324,654	197,682
Total current liabilities	730,990	297,920
NONCURRENT LIABILITIES		
Security deposits	-	69,750
Due to related parties	697,126	403,435
Deferred franchise revenue	2,460,004	1,561,202
Total noncurrent liabilities	3,157,130	2,034,387
Total liabilities	3,888,120	2,332,307
MEMBER'S CAPITAL	18,637,119	11,471,541
	\$ 22,525,239	\$ 13,803,848

GOLD'S GYM FRANCHISE LLC
STATEMENTS OF OPERATIONS AND CHANGES IN MEMBER'S CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In U.S. Dollars)

	<u>2023</u>	<u>2022</u>
REVENUE	\$ 11,119,319	\$ 10,214,590
OPERATING EXPENSES	<u>3,562,505</u>	<u>4,003,855</u>
NET INCOME FROM OPERATIONS	<u>7,556,814</u>	<u>6,210,735</u>
OTHER (EXPENSES) INCOME		
Interest income	6,492	20,538
Finance charges and late fees billed	4,363	11,184
Loss on foreign currency exchange	(11,841)	(5,344)
Other income	<u>69,750</u>	<u>-</u>
Total other (expenses) income	<u>68,764</u>	<u>26,378</u>
NET INCOME BEFORE INCOME TAX PROVISION	7,625,578	6,237,113
INCOME TAX PROVISION	<u>460,000</u>	<u>452,418</u>
NET INCOME	7,165,578	5,784,695
MEMBER'S CAPITAL - BEGINNING OF YEAR	<u>11,471,541</u>	<u>5,686,846</u>
MEMBER'S CAPITAL - END OF YEAR	<u>\$ 18,637,119</u>	<u>\$ 11,471,541</u>

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

GOLD'S GYM FRANCHISE LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In U.S. Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 7,165,578	\$ 5,784,695
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	31,811	25,164
Allowance for credit losses	(278,978)	(571,620)
Amortization of intangible assets	907,600	907,600
Unrealized foreign currency exchange	9,934	3,961
(Increase) decrease in operating assets		
Accounts receivable	323,670	1,017,054
Due from related parties	(9,698,616)	(5,034,178)
Prepaid expenses and other current assets	(6,878)	31,943
Increase (decrease) in operating liabilities		
Due to related parties	283,757	(2,667,042)
Accrued expenses	306,098	52,210
Deferred franchise revenue	1,025,774	521,354
Security deposits	(69,750)	(2,875)
Net cash from operating activities	-	68,266
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of software	-	(68,266)
NET CHANGES IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS - BEGINNING	-	-
CASH AND CASH EQUIVALENTS - END	\$ -	\$ -
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income taxes	\$ 216,106	\$ 452,418

GOLD'S GYM FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(In U.S. Dollars)

1. ORGANIZATION AND INDUSTRY

Gold's Gym Franchise LLC (the "Company"), a Delaware Limited Liability Company and wholly owned subsidiary of RSG Group USA Inc. (the "Parent"), franchises fitness facilities under the Gold's Gym and Gold's Gym Express brand names. The Company is a franchisor of fitness facilities throughout the world.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents are defined as investments having a maturity, when purchased, of three months or less. The Company maintains bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable

Accounts receivable represent billings for royalties, initial franchise and renewal fees, termination fees and territory development fees and are recorded at the original amount specified in the agreements with franchisees. Accounts receivable are recorded at the invoiced amount and presented net of the allowance for credit losses. Franchisees typically are provided with payment terms of due upon receipt, with differing payment terms arranged for specific franchisees on a case-by-case basis. The Company has tracked historical loss information for its accounts receivable and compiled historical credit loss percentages for different aging categories (current, 1-30 days past due, 31-60 days past due, 61-90 days past due, and more than 90 days past due).

Management believes that the historical loss information it has compiled is a reasonable starting point in which to calculate the expected allowance for credit losses for accounts receivable held at December 31, 2023, as the composition of accounts receivables has remained constant since the Company's inception. Further, the Company has determined that the current economic conditions provide a reasonable and supportable forecast of the future and are consistent with the economic conditions included in the historical information. As such, the Company has determined that the historical credit loss percentages are a reasonable basis to determine the expected credit losses.

The Company writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. Recovery of previously reserved receivables totaled \$141,840 for the year ended December 31, 2023.

Software

Software is stated at cost, less accumulated depreciation. Upon sale or other retirement of depreciable property, the cost and accumulated depreciation are removed from the related accounts, and any gain or loss is reflected in operations. The Company provides for depreciation of software using the straight-line method designed to amortize costs over an estimated useful life of 3 - 4 years. For the years ended December 31, 2023 and 2022, total depreciation expense was \$31,811 and \$25,164, respectively.

Intangible assets

The value of franchise agreements is amortized to operations over their estimated useful lives or statutory lives, whichever is shorter. Amortization is computed on the straight-line basis over 10 years.

Impairment of long-lived assets

Long lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability would be performed. If it is determined that the carrying value of an asset is not recoverable based on expected undiscounted future cash flows, excluding interest charges, an impairment loss equal to

the excess of the carrying amount of the asset over its fair value is recorded. Management determined that no impairment loss was necessary for the years ended December 31, 2023 or 2022.

Security deposits

Certain franchise agreements require the payment of a security deposit. The security deposit is either returned to the franchisee or applied to the franchise fee or any other amounts owed at the end of the franchise term.

Income and deferred taxes

The Company is treated as a partnership for federal income tax purposes. The results of the Company's operations are allocated to the member for inclusion in its respective income tax returns. Certain international franchise agreements call for withholding of payments to the Company for local taxes, and therefore foreign taxes paid or payable by the Company, as well as certain state taxes, are recorded as an income tax provision on the statements of operations and changes in member's capital.

The Company adheres to the provisions of ASC 740-10-25, which requires the Company to evaluate uncertain tax positions. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the Company's largest benefit that has a greater than 50% likelihood of being realized upon settlement. An income tax expense, including associated interest and penalties, and tax liability, is recorded should the Company take a tax position that has a lesser than 50% likelihood of being realized upon settlement. As of December 31, 2023 and 2022, management has determined there are no material uncertain income tax positions that warrant recognition or disclosure in the financial statements.

Advertising cost

Advertising costs are expensed as incurred. For the years ended December 31, 2023 and 2022, advertising costs were \$17,209 and \$35,013, respectively. As required by their franchise agreements, franchisees contribute a monthly fee to various advertising funds. These funds, which are paid to the Parent and thus are not accounted for in these financial statements, are used to procure national advertising that benefits all Gold's Gym franchisees.

Revenue recognition

Franchise agreements generally have initial terms of either 5 or 10 years. The franchise arrangement between the Company as the franchisor and the franchisee as the customer requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality, and substantially all the utility is derived from its association with the Company's past or ongoing activities. The nature of the Company's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation.

Initial fees related to new and renewed franchise agreements are recorded as deferred franchise revenue and recognized ratably over the term of the related franchise agreement and are included in initial franchise and renewal fees in the statements of operations and changes in member's capital. Annual royalty fees payable by franchisees under the terms of their franchise agreements are recognized ratably throughout the period to which they relate and are included in royalties in the statements of operations and changes in member's capital. Under certain circumstances, the Company may collect additional royalties from franchisees, in the event that franchisees fail to comply with certain reporting requirements. The additional royalties are refunded to franchisees as soon as reporting requirements are met. The additional royalties are recorded as deferred franchise revenues until they are refunded to the franchisee. Deferred franchise revenue totaled \$2,784,658, \$1,758,884 and \$1,237,530 as of December 31, 2023, 2022 and 2021, respectively.

Under certain circumstances, the Company may terminate franchise agreements. In these instances, the Company may be entitled to receive the remaining committed franchise fees due under the terminated franchise agreement. These fees are included in royalties in the statements of operations and changes in member's capital.

Development rights agreements relate to the purchase of an exclusive right to develop a geographical region. These agreements provide for a certain number of gyms to be developed over a specific period of time. Initial fees received related to the execution of these agreements are recognized ratably over the term of the related franchise agreement and are included in territory development fees in the statements of operations and changes in member's capital.

Master franchise agreements relate to the development of geographic areas where the Company sells all rights and obligations to develop the area, and the purchaser acts as the franchisor over the term of the agreement. Initial fees received related to the execution of the agreements are recognized ratably over the term of the related franchise agreement and are included in territory development fees in the statements of operations and changes in member's capital.

Fees for consulting and other services are recognized as the services are provided and are included in other revenues in the statements of operations and changes in member's capital.

In determining the amount and timing of revenue from contracts with customers, the Company exercises significant judgment with respect to collectability of the amount; however, the timing of recognition does not require significant judgment as it is based on either the franchise term, the month of sale as reported by the franchisee or the date of product shipment, none of which require significant estimation.

The Company does not incur a significant amount of contract acquisition costs in conducting its franchising activities. The Company believes its franchising arrangements do not contain a significant financing component.

Lease accounting

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842) ("FASB ASC 842") to increase transparency and comparability among organizations by requiring companies to recognize right-of-use ("ROU") assets and lease liabilities on the balance sheet and to disclose key information about leasing arrangements.

As a part of the adoption of FASB ASC 842, the Company elected the following package of practical expedients that allows management to not reassess: (1) whether any expired or existing contracts contain leases, (2) lease classification for any expired or existing leases, and (3) initial direct costs for any expired or existing leases.

The Company elected the practical expedient that allows lessees to treat the lease and non-lease components of leases as a single lease component. The Company adopted FASB ASC 842, effective January 1, 2022, using the transition method that allows the Company to initially apply FASB ASC 842 as of January 1, 2022 and recognize a cumulative-effect adjustment to the opening balance of member's capital in the period of adoption. An adjustment for initial direct costs was not required through the adoption of FASB ASC 842 as the Company did not incur initial direct costs related to expired or existing leases.

The Company determines if an arrangement is a lease at inception. Under FASB ASC 842, operating and finance leases result in the recognition of ROU assets and lease liabilities on the balance sheet. A ROU asset represents the Company's right to use its leased asset for the lease term and lease liabilities represent the Company's obligation to make lease payments. Under the guidance of FASB ASC 842, ROU assets and lease liabilities are recognized at the adoption date based on the present value of lease payments over the lease term. When provided in the lease agreement, the Company uses the implicit rate to calculate the present value of lease payments. If an implicit rate is not provided in the lease agreement, the Company has elected to use the risk-free discount rate at the later of (1) the date of adoption, or (2) the lease inception date to determine the present value of the lease payments.

The initial adoption had no impact on the Company's 2022 balance sheet or statement of operations and changes in member's capital, as the Company has only short-term leases. The Company leases a storage unit and receives an allocation of rent for administrative offices from the Parent, both on a month-to-month basis. The Company has elected to apply the short-term lease exception to all leases with a term of one year or less. Lease expense under short-term leases is recorded when paid. The total lease expense for the years ended December 31, 2023 and 2022 was \$84,025 and \$81,148, respectively.

Use of estimates

The preparation of the 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 the 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 these estimates.

Foreign currency transactions

The Company has franchises and master franchises operating in foreign countries. The U.S. dollar is the functional currency of the Company. Transactions (sales and purchases) denominated in foreign currencies are translated into U.S. dollars at exchange rates prevailing at the transaction dates. Balances denominated in foreign currency and still outstanding at the balance sheet date are translated using the prevailing rate at the balance sheet date. Any resulting gains or losses are recognized in the statements of operations and changes in member's capital.

Concentration of risk and significant franchisees

For financial disclosure purposes, the Company defines significant franchisees as those equaling or exceeding 10% of revenue for the year and/or 10% of accounts receivable as of year-end. Four franchisees represented approximately 55% of accounts receivable as of December 31, 2023. These four franchisees represented approximately 24% of revenue for 2023. Three franchisees represented approximately 32% of accounts receivable as of December 31, 2022. These three franchisees represented approximately 21% of revenue for 2022.

Recently adopted accounting guidance

In June 2016, the FASB issued Accounting Standards Codification ("ASC") 326, Financial Instruments - Credit Losses ("FASB ASC 326") which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASB ASC 326 were accounts receivable. The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new or enhanced disclosures only.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Franchise fees receivable	\$ 2,953,978	\$ 3,165,730	\$ 3,990,659
Trade receivables	650,504	762,422	954,547
Allowance for credit losses	<u>(2,194,993)</u>	<u>(2,473,971)</u>	<u>(3,045,591)</u>
	<u>\$ 1,409,489</u>	<u>\$ 1,454,181</u>	<u>\$ 1,899,615</u>

4. INTANGIBLE ASSETS – FRANCHISE AGREEMENTS

Intangible assets – franchise agreements consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
Domestic franchise agreements	\$ 5,950,000	\$ 5,950,000
International franchise agreements	<u>3,126,000</u>	<u>3,126,000</u>
	9,076,000	9,076,000
Less: accumulated amortization	<u>(3,044,852)</u>	<u>(2,137,252)</u>
	<u>\$ 6,031,148</u>	<u>\$ 6,938,748</u>

Estimated amortization of intangible assets is as follows for the years ended December 31:

2024	\$ 907,600
2025	907,600
2026	907,600
2027	907,600
2028	907,600
Thereafter	1,493,148
	<u>\$ 6,031,148</u>

5. ACCRUED EXPENSES

Accrued expenses consisted of the following at December 31:

	2023	2022
Vacation accruals	\$ 21,779	\$ 21,953
Legal accruals	19,233	24,421
Franchisees overpayments	45,464	-
Foreign withholding tax accruals	243,894	-
Other	75,966	53,864
	<u>\$ 406,336</u>	<u>\$ 100,238</u>

6. RELATED PARTY TRANSACTIONS

The Company has various transactions with related parties. All related parties are under common ownership of RSG Group GmbH.

Due from related parties consisted of the following at December 31:

	2023	2022
RSG Group GmbH	\$ 579,680	\$ 393,979
RSG Group Italia S.r.l.	238,818	46,886
RSG Group USA Inc. and Subsidiaries	14,025,137	4,746,453
RSG Group Österreich GmbH	167,428	125,129
	<u>\$ 15,011,063</u>	<u>\$ 5,312,447</u>

Due to related parties consisted of the following at December 31:

	2023	2022
RSG Group GmbH	\$ 660,064	\$ 366,384
Gym80 USA LLC	36,315	36,315
RSG Group North America, LP	747	736
	<u>\$ 697,126</u>	<u>\$ 403,435</u>

Transactions with related parties consisted of the following for the years ended December 31:

	2023	2022
Franchise and royalty fee income	\$ 319,348	\$ 249,145
Management fee expense incurred	287,679	250,243
Other intercompany expense incurred	747	736

7. DISAGGREGATION OF REVENUE

Revenue is recognized on services to franchisees both within and outside of the United States of America. The geographic location of the franchisee does not have an impact on the nature, amount, or timing of revenue or cash flows.

The following disaggregates the Company's revenue based on revenue stream and geographic location for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Royalties	\$ 10,792,266	\$ 9,883,779
Initial franchise and renewal fees	325,753	330,211
Other	1,300	600
	<u>\$ 11,119,319</u>	<u>\$ 10,214,590</u>
United States of America	\$ 6,713,390	\$ 6,208,805
Foreign	4,405,929	4,005,785
	<u>\$ 11,119,319</u>	<u>\$ 10,214,590</u>

8. EMPLOYEE BENEFIT PLAN

Eligible employees of the Company participate in a defined-contribution plan sponsored by the Parent. Each participant may contribute a portion of eligible compensation subject to limits established by the Internal Revenue Service. The Company matches 100% of the first 4% of contributions. For the years ended December 31, 2023 and 2022, the related expense was \$41,417 and \$40,238, respectively.

9. COMMITMENTS AND CONTINGENCIES

The Company is subject to various claims and legal proceedings covering matters that arise in the course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not significantly exceed the allowance as recorded in the accompanying financial statements.

10. SUBSEQUENT EVENTS

The date to which events occurring after December 31, 2023, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or additional disclosures is June 6, 2024, which is the date the financial statements were available to be issued.

Rödl & Partner

GOLD'S GYM FRANCHISE LLC

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND 2021
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT

GOLD'S GYM FRANCHISE LLC
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DECEMBER 31, 2022 AND 2021

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Rödl & Partner

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INDEPENDENT AUDITORS' REPORT

To the Member of
Gold's Gym Franchise LLC:

Opinion

We have audited the financial statements of Gold's Gym Franchise LLC (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations and changes in member's capital, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then 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 ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Company 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.

Emphasis of Matter – Related Party Transactions

As mentioned in the notes to the financial statements, the Company has material transactions with related parties. Our opinion on the financial statements is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

Registered with the Texas Secretary of State as Rödl Langford de Kock LLP, DBA Langford de Kock LLP

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not absolute assurance and, therefore, it is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing our audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout our audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 the Company'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.

LANGFORD DE KOCK LLP

Houston, Texas,
May 31, 2023.

GOLD'S GYM FRANCHISE LLC
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In U.S. Dollars)

	2022	2021
ASSETS		
CURRENT ASSETS		
Accounts receivable, net	\$ 1,454,181	\$ 1,899,615
Due from related parties	5,312,447	278,269
Prepaid expenses and other current assets	31,402	63,345
Total current assets	6,798,030	2,241,229
SOFTWARE, NET	67,070	23,968
INTANGIBLE ASSETS - FRANCHISE AGREEMENTS, NET	6,938,748	7,846,348
	\$ 13,803,848	\$ 10,111,545
LIABILITIES AND MEMBER'S CAPITAL		
CURRENT LIABILITIES		
Accrued expenses	\$ 100,238	\$ 48,028
Deferred franchise revenue	197,682	220,026
Total current liabilities	297,920	268,054
NONCURRENT LIABILITIES		
Security deposits	69,750	72,625
Due to related parties	403,435	3,066,516
Deferred franchise revenue	1,561,202	1,017,504
Total noncurrent liabilities	2,034,387	4,156,645
Total liabilities	2,332,307	4,424,699
MEMBER'S CAPITAL	11,471,541	5,686,846
	\$ 13,803,848	\$ 10,111,545

GOLD'S GYM FRANCHISE LLC
STATEMENTS OF OPERATIONS AND CHANGES IN MEMBER'S CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In U.S. Dollars)

	2022	2021
REVENUE	\$ 10,214,590	\$ 8,970,230
OPERATING EXPENSES	4,003,855	3,790,775
NET INCOME FROM OPERATIONS	6,210,735	5,179,455
OTHER INCOME (EXPENSES)		
Interest income	20,538	2,080
Finance charges and late fees billed	11,184	-
Loss on foreign currency exchange	(5,344)	(6,080)
Total other income (expenses)	26,378	(4,000)
NET INCOME BEFORE INCOME TAX PROVISION	6,237,113	5,175,455
INCOME TAX PROVISION	452,418	279,309
NET INCOME	5,784,695	4,896,146
MEMBER'S CAPITAL - BEGINNING OF YEAR	5,686,846	790,700
MEMBER'S CAPITAL - END OF YEAR	\$ 11,471,541	\$ 5,686,846

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

GOLD'S GYM FRANCHISE LLC
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
 (In U.S. Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 5,784,695	\$ 4,896,146
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	25,164	9,133
Allowance for doubtful accounts	(571,620)	534,281
Amortization of intangible assets	907,600	907,600
Unrealized foreign currency exchange	3,961	-
(Increase) decrease in operating assets		
Accounts receivable	1,017,054	51,186
Due from related parties	(5,034,178)	(278,269)
Prepaid expenses and other current assets	31,943	120,989
Increase (decrease) in operating liabilities		
Due to related parties	(2,667,042)	(7,157,717)
Accrued expenses	52,210	(172,123)
Deferred franchise revenue	521,354	1,200,923
Other current liabilities	-	(82,486)
Security deposits	(2,875)	(29,663)
Net cash from operating activities	68,266	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of software	(68,266)	-
NET CHANGES IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS - BEGINNING	-	-
CASH AND CASH EQUIVALENTS - END	\$ -	\$ -
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income taxes	\$ 452,418	\$ 279,309

GOLD'S GYM FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021
(In U.S. Dollars)

1. ORGANIZATION AND INDUSTRY

Gold's Gym Franchise LLC (the "Company"), a Delaware Limited Liability Company and wholly owned subsidiary of RSG Group USA Inc. (the "Parent"), franchises fitness facilities under the Gold's Gym and Gold's Gym Express brand names. The Company is a franchisor of fitness facilities throughout the world.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents are defined as investments having a maturity, when purchased, of three months or less. The Company maintains bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable

Accounts receivable represent billings for royalties, initial franchise and renewal fees, termination fees and territory development fees and are recorded at the original amount specified in the agreements with franchisees. Accounts receivable are shown at the net amounts management estimates to be collectible. The Company uses the allowance method of accounting for bad debts based on management's review of accounts and evaluation of historical bad debts and current accounts receivable. At December 31, 2022 and 2021, management determined the reserve for doubtful accounts receivable to be \$2,473,971 and \$3,045,591, respectively.

Software

Software is stated at cost, less accumulated depreciation. Upon sale or other retirement of depreciable property, the cost and accumulated depreciation are removed from the related accounts, and any gain or loss is reflected in operations. The Company provides for depreciation of software using the straight-line method designed to amortize costs over an estimated useful life of 3 - 4 years. For the years ended December 31, 2022 and 2021, total depreciation expense was \$25,164 and \$9,133, respectively.

Intangible assets

The value of franchise agreements is amortized to operations over their estimated useful lives or statutory lives, whichever is shorter. Amortization is computed on the straight-line basis over 10 years.

Impairment of long-lived assets

Long lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability would be performed. If it is determined that the carrying value of an asset is not recoverable based on expected undiscounted future cash flows, excluding interest charges, an impairment loss equal to the excess of the carrying amount of the asset over its fair value is recorded. Management determined that no impairment loss was necessary for the years ended December 31, 2022 or 2021.

Security deposits

Certain franchise agreements require the payment of a security deposit. The security deposit is either returned to the franchisee or applied to the franchise fee or any other amounts owed at the end of the franchise term.

Income and deferred taxes

The Company is treated as a partnership for federal income tax purposes. The results of the Company's operations are allocated to the member for inclusion in its respective income tax returns. Certain international franchise agreements call for withholding of payments to the Company for local taxes, and therefore foreign taxes paid or payable by the Company, as well as certain state taxes, are recorded as an income tax provision on the statements of operations and changes in member's capital.

The Company adheres to the provisions of ASC 740-10-25, which requires the Company to evaluate uncertain tax positions. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the Company's largest benefit that has a greater than 50% likelihood of being realized upon settlement. An income tax expense, including associated interest and penalties, and tax liability, is recorded should the Company take a tax position that has a lesser than 50% likelihood of being realized upon settlement. As of December 31, 2022 and 2021, management has determined there are no material uncertain income tax positions that warrant recognition or disclosure in the financial statements.

Advertising cost

Advertising costs are expensed as incurred. For the years ended December 31, 2022 and 2021, advertising costs were \$35,013 and \$34,938, respectively. As required by their franchise agreements, franchisees contribute a monthly fee to various advertising funds. These funds, which are paid to the Parent and thus are not accounted for in these financial statements, are used to procure national advertising that benefits all Gold's Gym franchisees.

Revenue recognition

Franchise agreements generally have initial terms of either 5 or 10 years. The franchise arrangement between the Company as the franchisor and the franchisee as the customer requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality, and substantially all the utility is derived from its association with the Company's past or ongoing activities. The nature of the Company's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation.

Initial fees related to new and renewed franchise agreements are recorded as deferred franchise revenue and recognized ratably over the term of the related franchise agreement and are included in initial franchise and renewal fees in the statements of operations and changes in member's capital. Annual royalty fees payable by franchisees under the terms of their franchise agreements are recognized ratably throughout the period to which they relate and are included in royalties in the statements of operations and changes in member's capital. Under certain circumstances, the Company may collect additional royalties from franchisees, in the event that franchisees fail to comply with certain reporting requirements. The additional royalties are refunded to franchisees as soon as reporting requirements are met. The additional royalties are recorded as deferred franchise revenues until they are refunded to the franchisee. Deferred franchise revenue totaled \$1,758,884, \$1,237,530 and \$36,607 as of December 31, 2022, 2021 and 2020, respectively.

Under certain circumstances, the Company may terminate franchise agreements. In these instances, the Company may be entitled to receive the remaining committed franchise fees due under the terminated franchise agreement. These fees are included in royalties in the statements of operations and changes in member's capital.

Development rights agreements relate to the purchase of an exclusive right to develop a geographical region. These agreements provide for a certain number of gyms to be developed over a specific period of time. Initial fees received related to the execution of these agreements are recognized ratably over the term of the related franchise agreement and are included in territory development fees in the statements of operations and changes in member's capital.

Master franchise agreements relate to the development of geographic areas where the Company sells all rights and obligations to develop the area, and the purchaser acts as the franchisor over the term of the agreement. Initial fees received related to the execution of the agreements are recognized ratably over the term of the related franchise agreement and are included in territory development fees in the statements of operations and changes in member's capital.

Fees for consulting and other services are recognized as the services are provided and are included in other revenues in the statements of operations and changes in member's capital.

In determining the amount and timing of revenue from contracts with customers, the Company exercises significant judgment with respect to collectability of the amount; however, the timing of recognition does not require significant judgment as it is based on either the franchise term, the month of sale as reported by the franchisee or the date of product shipment, none of which require significant estimation.

The Company does not incur a significant amount of contract acquisition costs in conducting its franchising activities. The Company believes its franchising arrangements do not contain a significant financing component.

Use of estimates

The preparation of the 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 the 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 these estimates.

Foreign currency transactions

The Company has franchises and master franchises operating in foreign countries. The U.S. dollar is the functional currency of the Company. Transactions (sales and purchases) denominated in foreign currencies are translated into U.S. dollars at exchange rates prevailing at the transaction dates. Balances denominated in foreign currency and still outstanding at the balance sheet date are translated using the prevailing rate at the balance sheet date. Any resulting gains or losses are recognized in the statements of operations and changes in member's capital.

Concentration of risk and significant franchisees

For financial disclosure purposes, the Company defines significant franchisees as those equaling or exceeding 10% of revenue for the year and/or 10% of accounts receivable as of year-end. Three franchisees represented approximately 32% of accounts receivable as of December 31, 2022. These three franchisees represented approximately 21% of revenue for 2022. Two franchisees represented approximately 15% of accounts receivable as of December 31, 2021. These two franchisees represented approximately 18% of revenue for 2021.

Change in accounting principle - lease accounting

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842) ("FASB ASC 842") to increase transparency and comparability among organizations by requiring companies to recognize right-of-use ("ROU") assets and lease liabilities on the balance sheet and to disclose key information about leasing arrangements.

As a part of the adoption of FASB ASC 842, the Company elected the following package of practical expedients that allows management to not reassess: (1) whether any expired or existing contracts contain leases, (2) lease classification for any expired or existing leases, and (3) initial direct costs for any expired or existing leases.

The Company elected the practical expedient that allows lessees to treat the lease and non-lease components of leases as a single lease component. The Company adopted FASB ASC 842, effective January 1, 2022, using the transition method that allows the Company to initially apply FASB ASC 842 as of January 1, 2022 and recognize a cumulative-effect adjustment to the opening balance of member's capital in the period of adoption. An adjustment for initial direct costs was not required through the adoption of FASB ASC 842 as the Company did not incur initial direct costs related to expired or existing leases.

The Company determines if an arrangement is a lease at inception. Under FASB ASC 842, operating and finance leases result in the recognition of ROU assets and lease liabilities on the balance sheet. A ROU asset represents the Company's right to use its leased asset for the lease term and lease liabilities represent the Company's obligation to make lease payments. Under the guidance of FASB ASC 842, ROU assets and lease liabilities are recognized at the adoption date based on the present value of lease payments over the lease term. When provided in the lease agreement, the Company uses the implicit rate to calculate the present value of lease payments. If an implicit rate is not provided in the lease agreement, the Company has elected to use the risk-free discount rate at the later of (1) the date of adoption, or (2) the lease inception date to determine the present value of the lease payments.

The initial adoption had no impact on the Company's 2022 balance sheet or statement of operations and changes in member's capital, as the Company has only short-term leases. The Company leases a storage unit and receives an allocation of rent for administrative offices from the Parent, both on a month-to-month basis. The Company has elected to apply the short-term lease exception to all leases with a term of one year or less. Lease expense under short-term leases is recorded when paid. The total lease expense for the years ended December 31, 2022 and 2021 was \$81,148 and \$79,475, respectively.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Franchise fees receivable	\$ 3,165,730	\$ 3,990,659	\$ 3,499,542
Trade receivables	762,422	954,547	1,496,850
Allowance for doubtful accounts	<u>(2,473,971)</u>	<u>(3,045,591)</u>	<u>(2,511,310)</u>
	<u>\$ 1,454,181</u>	<u>\$ 1,899,615</u>	<u>\$ 2,485,082</u>

4. INTANGIBLE ASSETS – FRANCHISE AGREEMENTS

Intangible assets – franchise agreements consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
Domestic franchise agreements	\$ 5,950,000	\$ 5,950,000
International franchise agreements	3,126,000	3,126,000
	<u>9,076,000</u>	<u>9,076,000</u>
Less: accumulated amortization	<u>(2,137,252)</u>	<u>(1,229,652)</u>
	<u>\$ 6,938,748</u>	<u>\$ 7,846,348</u>

Approximate estimated amortization of intangible assets is as follows for the years ended December 31:

2023	\$ 907,600
2024	907,600
2025	907,600
2026	907,600
2027	907,600
Thereafter	<u>2,400,748</u>
	<u>\$ 6,938,748</u>

5. ACCRUED EXPENSES

Accrued expenses consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
Vacation accruals	\$ 21,953	\$ 21,071
Legal accruals	24,421	22,132
Other	53,864	4,825
	<u>\$ 100,238</u>	<u>\$ 48,028</u>

6. RELATED PARTY TRANSACTIONS

The Company has various transactions with related parties. All related parties are under common ownership of RSG Group GmbH.

Due from related parties consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
RSG Group GmbH	\$ 393,979	\$ 261,908
RSG Group Italia S.r.l.	46,886	16,361
RSG Group USA Inc. and Subsidiaries	4,746,453	-
RSG Group Österreich GmbH	125,129	-
	<u>\$ 5,312,447</u>	<u>\$ 278,269</u>

Due to related parties consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
RSG Group USA Inc. and Subsidiaries	\$ -	\$ 2,954,337
RSG Group GmbH	366,384	112,179
gym80 USA LLC	36,315	-
RSG Group North America, LP	736	-
	<u>\$ 403,435</u>	<u>\$ 3,066,516</u>

Transactions with related parties consisted of the following for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Franchise and royalty fee income	\$ 249,145	\$ 278,269
Management fee expense incurred	250,243	112,179
Other intercompany expense incurred	736	-

7. DISAGGREGATION OF REVENUE

Revenue is recognized on services to franchisees both within and outside of the United States of America. The geographic location of the franchisee does not have an impact on the nature, amount, or timing of revenue or cash flows.

The following disaggregates the Company's revenue based on revenue stream and geographic location for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Royalties	\$ 9,883,779	\$ 8,768,684
Initial franchise and renewal fees	330,211	199,969
Other	600	1,577
	<u>\$ 10,214,590</u>	<u>\$ 8,970,230</u>
United States of America	\$ 6,208,805	\$ 5,593,826
Foreign	4,005,785	3,376,404
	<u>\$ 10,214,590</u>	<u>\$ 8,970,230</u>

8. EMPLOYEE BENEFIT PLAN

Eligible employees of the Company participate in a defined-contribution plan sponsored by the Parent. Each participant may contribute a portion of eligible compensation subject to limits established by the Internal Revenue Service. The Company matches 100% of the first 4% of contributions. For the years ended December 31, 2022 and 2021, the related expense was \$40,238 and \$35,775, respectively.

9. COMMITMENTS AND CONTINGENCIES

The Company is subject to various claims and legal proceedings covering matters that arise in the course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not significantly exceed the allowance as recorded in the accompanying financial statements.

10. SUBSEQUENT EVENTS

The date to which events occurring after December 31, 2022, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or additional disclosures is May 31, 2023, which is the date the financial statements were available to be issued.

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Total Pages in Manual = 637

EXHIBIT J
REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT

REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT

DO NOT SIGN THIS QUESTIONNAIRE IF YOU ARE LOCATED OR DOMICILED IN, YOUR FRANCHISED BUSINESS WILL BE LOCATED OR OPERATED IN, OR THE FRANCHISE GRANTED IS SUBJECT TO THE FRANCHISE REGISTRATION OR DISCLOSURE LAWS IN: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

The purpose of this Statement is to demonstrate to **GOLD’S GYM FRANCHISE LLC** (“Franchisor”) that each person signing below (“I,” “me” or “my”), whether acting individually or on behalf of any legal entity established to acquire the franchise and/or development rights (“Franchisee”), (a) fully understands that the purchase of a Gold’s Gyms® franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor’s Franchise Disclosure Document and Exhibits (collectively, the “FDD”) in deciding to purchase the franchise.

In that regard, I represent to Franchisor and acknowledge that:

<p>I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables over which Franchisor has no control such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the marketplace generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.</p>	<p>INITIAL:</p>
<p>I received a copy of the FDD, including the Franchise Agreement and Development Rights Agreement, at least 14 calendar days before I executed the Franchise Agreement and/or Development Rights Agreement, as applicable. I understand that all of my rights and responsibilities and those of Franchisor in connection with the franchise are set forth in these documents and only in these documents. I acknowledge that I have had the opportunity to personally and carefully review these documents and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.</p>	<p>INITIAL:</p>
<p>Neither Franchisor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD.</p>	<p>INITIAL:</p>

My decision to purchase the franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.	INITIAL:
I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.	INITIAL:
<p align="center"><u>SPECIAL REPRESENTATION REGARDING RECEIPT OF FINANCIAL INFORMATION.</u></p> <p>PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED.</p> <p>Have you received any information from Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success)?</p> <p align="center"> <input type="checkbox"/> Yes <input type="checkbox"/> No (INSERT INITIAL HERE: _____) </p> <p>If you selected “Yes,” please describe the information you received on the lines below:</p> <hr/> <hr/>	

Prohibited Parties Clause. I acknowledge that Franchisor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, I represent that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been listed on:

1. the U.S. Treasury Department’s List of Specially Designated Nationals;
2. the U.S. Commerce Department’s Denied Persons List, Unverified List, Entity List, or General Orders;
3. the U.S. State Department’s Debarred List or Nonproliferation Sanctions; or
4. the Annex to U.S. Executive Order 13224.

I warrant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. I warrant that I am now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism

financing laws and regulations, and that any funds provided by me to Franchisor were legally obtained in compliance with these laws.

I further covenant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, will, during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any anti-terrorism law.

[Signature page follows]

[Signature Page to Representations and Acknowledgment Statement]

Sign: _____

Name: _____

Capacity: Individually, and for an on behalf of [Franchisee Name]

Sign: _____

Name: _____

Capacity: Individually, and for an on behalf of [Franchisee Name]

Sign: _____

Name: _____

Capacity: Individually, and for an on behalf of [Franchisee Name]

EXHIBIT K

STATE ADDENDA / AGREEMENT RIDERS

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
GOLD'S GYM FRANCHISE LLC**

The following are additional disclosures for the Franchise Disclosure Document of GOLD'S GYM FRANCHISE LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

FOR THE FOLLOWING STATES: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON OR WISCONSIN.

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

CALIFORNIA

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

2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A FRANCHISE DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION & INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

3. OUR WEBSITE, www.goldsgym.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT www.dfpi.ca.gov.

4. The following statement is added to the end of Item 3:

Neither we, our parent, predecessor or affiliate nor any person in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. Sections 78a *et seq.*, suspending or expelling such persons from membership in that association or exchange.

5. The following statement is added to the Remarks column of Item 6 for the row entitled "Administrative fee and interest":

The highest rate of interest allowed by California law is 10% annually.

6. The following paragraphs are added to the end of Item 17:

The California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or nonrenewal of a franchise. If the Franchise Agreement or Development Rights Agreement contains a provision that is inconsistent with the law, and the law applies, the law will control.

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

The Franchise Agreement and Development Rights Agreement require binding arbitration. The arbitration will be conducted at a suitable location chosen by the arbitrator that is within a 50 mile radius of our then current principal place of business (currently, Dallas, Texas) with the costs being borne as provided in the Franchise Agreement. Prospective franchisees or developers are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement or Development Rights Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement and Development Rights Agreement require application of the laws of the State of Texas. This provision may not be enforceable under California law.

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

The Franchise Agreement requires you to sign a general release of claims on renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

Section 31512.1 of the California Corporations Code requires that any provision of the Franchise Agreement, Disclosure Document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; or (d) violations of any provision of this division.

HAWAII

1. 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, franchisee

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

2. **THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ILLINOIS

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

2. The following is added to the end of Item 17 and supersedes any contradictory statement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement and Development Rights Agreement.

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

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

MARYLAND

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

2. The following is added to the end of Item 5:

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

3. The following is added to the end Item 17:

The Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

4. The following is added to the end of Item 17(c) and Item 17(m):

However, under COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The following sentence is added to the end of the "Summary" sections of Item 17(v) and 17(w):

You may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The following language is added to the end of 17 (v):

A franchisee may bring suit in Maryland for claims arising under the Maryland Franchise Registration Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

MINNESOTA

1. The following language is added to the end of Item 6:

The Item 6 item entitled “Liquidated damages upon Franchise Agreement termination” will not be enforced to the extent prohibited by applicable law.

2. The following language is added to the end of Item 13:

Provided you have complied with all provision of the Franchise Agreement applicable to the Marks, we will protect your rights to use the Marks and we also will indemnify you from any loss, costs or expenses from any claims, suits or demands regarding you use of the Marks in accordance with Minn. Stat. Sec. 80C.12 Subd. 1(g).

3. The following paragraphs are added to the end of Item 17:

Minnesota law provides you with certain termination and non-renewal rights. Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days’ notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulations or provision in the Franchise Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

Any release as a condition of renewal and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

NEW YORK

1. The following paragraphs are added to the state cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF

**LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR,
NEW YORK, NEW YORK 10005.**

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added to the end of Item 3:

Except as disclosed above, with regard to us, our parent, predecessor or affiliates, the persons identified in Item 2, or an affiliate offering franchises under our principal trademark:

- A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices; or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Except as disclosed above, neither we, our affiliate, our predecessor, officers, or general partners during the 10-year period immediately before the date of the offering circular: (a) filed as debtor

(or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), entitled **Requirements for franchisee to renew or extend**, and Item 17(m), entitled **Conditions for franchisor approval of transfer**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled **Termination by franchisee**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), entitled **Assignment of contract by franchisor**:

However, no assignment will be made except to an assignee who in our good faith and judgment, is willing and financially able to assume our obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), entitled **Choice of forum**, and Item 17(w), entitled **Choice of law**:

The foregoing choice of law and choice of forum should not be considered a waiver of any right conferred upon us or upon you by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA

1. The following paragraph is added to the end of Items 5 and 7:

Pursuant to an order of the North Dakota Securities Commissioner, we will defer collection of the initial franchise fee, the development fee, and other initial payments you owe us until we have completed all of our pre-opening obligations to you under the Franchise Agreement and/or Development Rights Agreement and you begin operating the Facility.

2. The following language is added to the end of Item 6:

The Item 6 item entitled “Liquidated damages upon Franchise Agreement termination” will not be enforced to the extent prohibited by applicable law.

The Item 6 item entitled “Costs and attorneys fees” requires you to pay all costs and expense incurred by us in enforcing the agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

2. The following is added to the end of the “Summary” sections of Item 17(c), entitled **Requirements for franchisee to renew or extend**, and Item 17(m), entitled **Conditions for franchisor approval of transfer**:

However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. The following is added to the end of the “Summary” section of Item 17(r), entitled **Non-competition covenants after the franchise is terminated or expires**:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

4. The following is added to the end of the “Summary” section of Item 17(u), entitled **Dispute resolution by arbitration or mediation**:

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

5. The “Summary” section of Item 17(v), entitled **Choice of forum**, is deleted and replaced with the following:

Litigation must be exclusively in the state or federal court which is closest to our then current principal place of business (currently, Dallas, Texas), except that, subject to your arbitration obligation, and to the extent required by North Dakota Franchise Investment Law you may bring an action in North Dakota.

6. The “Summary” section of Item 17(w), entitled **Choice of law**, is deleted and replaced with the following:

Except as otherwise required by North Dakota law, the laws of the State of Texas will apply.

RHODE ISLAND

1. The following language is added to the end of the “Summary” sections of Item 17(v), entitled **Choice of forum**, and 17(w), entitled **Choice of law**:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

VIRGINIA

1. The following language is added to the end of the “Summary” section of Item 17(e), entitled **Termination by franchisor without cause**:

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

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT**

**RIDER TO THE GOLD’S GYM FRANCHISE LLC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER is by and between **GOLD’S GYM FRANCHISE LLC**, a Delaware limited liability company with its principal business address at 5420 Lyndon B. Johnson Freeway, Suite 300, Dallas, Texas 75240 (“**we**”), and _____, whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the Facility that you will operate will be located in Illinois, and/or (b) you are domiciled in Illinois.

2. **ILLINOIS LAW.** The following paragraphs are added to the end of the Franchise Agreement and supersede any conflicting provisions in the Franchise Agreement:

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

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

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Franchise Agreement.

[The remainder of this page is intentionally left blank.]

GOLD'S GYM FRANCHISE LLC, a Delaware
limited liability company

By: _____

Title: _____

FRANCHISEE

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____

Title: _____

**(IF YOU ARE AN INDIVIDUAL AND NOT
A LEGAL ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

**RIDER TO THE GOLD'S GYM FRANCHISE LLC
FRANCHISE AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER is by and between **GOLD'S GYM FRANCHISE LLC**, a Delaware limited liability company with its principal office at 5420 Lyndon B. Johnson Freeway, Suite 300, Dallas, Texas 75240 (“we”), and _____, whose principal business address is _____ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Maryland, and/or (b) the Facility that you will operate under the Franchise Agreement will be located in Maryland.

2. **INITIAL FRANCHISE FEE.** The following language is added to the end of Section 5.A of the Franchise Agreement:

Pursuant to an order of the Maryland Securities Commissioner we will defer collection of the initial franchise fee and other initial payments you owe us until we have completed all of our pre-opening obligations to you under the Franchise Agreement and you have begun operating your Facility.

3. **RELEASES.** The following is added to the end of Sections 13.C, 13.D, 13.E, and 14.C of the Franchise Agreement:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **INSOLVENCY.** The following is added to the end of Sections 15.B(17) of the Franchise Agreement:

; however, we and you acknowledge that certain aspects of this provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

5. **ARBITRATION.** The following sentence is added to the end of Section 18.F of the Franchise Agreement:

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

6. **GOVERNING LAW / CONSENT TO JURISDICTION.** The following is added to the end of Section 18.G and 18.H of the Franchise Agreement:

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

7. **CLASS ACTION BAR AND LIMITATIONS OF CLAIMS.** The following is added to the end of the first paragraph of Section 18.K of the Franchise Agreement:

; PROVIDED, HOWEVER, THAT THIS LIMITATION OF CLAIMS SHALL NOT ACT TO REDUCE THE 3 YEAR STATUTE OF LIMITATIONS AFFORDED YOU FOR BRINGING A CLAIM UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.

8. **RELEASES.** The Franchise Agreement is further amended to state that “All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Franchise Agreement.

GOLD’S GYM FRANCHISE LLC, a
Delaware limited liability company

By: _____

Title: _____

FRANCHISEE

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____

Title: _____

**(IF YOU ARE AN INDIVIDUAL AND NOT
A LEGAL ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

**RIDER TO THE GOLD'S GYM FRANCHISE LLC
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER is by and between **GOLD'S GYM FRANCHISE LLC**, a Delaware limited liability company with its principal business address at 5420 Lyndon B. Johnson Freeway, Suite 300, Dallas, Texas 75240 (“**we**”), and _____, whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Facility that you will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **MARKS.** The following added to the end of Section 10 of the Franchise Agreement:

Provided you have complied with all provisions of this Agreement applicable to the Marks, we will protect your right to use the Marks and will indemnify you from any loss, costs or expenses arising out of any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g).

3. **RELEASES.** The following is added to the end of Sections 13.C, 13.D, 13.E, and 14.C of the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

4. **RENEWAL AND TERMINATION.** The following is added to the end of Sections 14 and 15.B of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

5. **DAMAGES.** The following language is added to the end of Section 16.A of the Franchise Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provision to the extent the law allows.

6. **GOVERNING LAW.** The following statement is added at the end of Section 18.G of the Franchise Agreement:

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

7. **CONSENT TO JURISDICTION.** The following statement is added at the end of Section 18.H of the Franchise Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your rights to any procedure, forum or remedies that the laws of the jurisdiction provide.

8. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** If and then only to the extent required by the Minnesota Franchises Law, Section 18.I of the Franchise Agreement is deleted.

9. **LIMITATIONS OF CLAIMS AND CLASS ACTION BAR.** The following is added to the end of the first paragraph of Section 18.K of the Franchise Agreement:

; PROVIDED, HOWEVER, THAT MINNESOTA LAW PROVIDES THAT NO ACTION MAY BE COMMENCED UNDER MINN. STAT. SEC. 80C.17 MORE THAN 3 YEARS AFTER THE CAUSE OF ACTION ACCRUES.

10. **INJUNCTIVE RELIEF.** Section 18.L of the Franchise Agreement is deleted and replaced with the following:

L. **INJUNCTIVE RELIEF.** Nothing in this Agreement, including the provisions of Section 18.F, bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby). A court will determine if bond is required. The right to obtain injunctive relief set forth in this Section 18.L is direct and independent of the obligation to arbitrate set forth in Section 18.F and can be exercised without resort to filing a demand for arbitration.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Franchise Agreement.

GOLD'S GYM FRANCHISE LLC, a
Delaware limited liability company

By: _____

Title: _____

FRANCHISEE

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____

Title: _____

**(IF YOU ARE AN INDIVIDUAL AND NOT
A LEGAL ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

**RIDER TO THE
GOLD'S GYM FRANCHISE LLC
FRANCHISE AGREEMENT FOR USE IN THE
STATE OF NEW YORK**

THIS RIDER is by and between **GOLD'S GYM FRANCHISE LLC**, a Delaware limited liability company with its principal business address at 5420 Lyndon B. Johnson Freeway, Suite 300, Dallas, Texas 75240 (“**we**”), and _____, whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, (the “Franchise Agreement”) that has been signed concurrently with this Rider. This Rider is being signed because (a) you are domiciled in the State of New York and the Facility that you will operate under the Franchise Agreement will be located in New York, and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in New York.

2. **TRANSFER BY US.** The following language is added to the end of Section 13.A of the Franchise Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith and judgment, is willing and able to assume our obligations under this Agreement.

3. **RELEASES.** The following language is added to the end of Sections 13.C(4), 13.D(5), 13.E, 14.C and 16.E(5) of the Franchise Agreement:

Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

4. **TERMINATION OF AGREEMENT - BY YOU.** The following language is added to the end of Section 15.A of the Franchise Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **GOVERNING LAW AND CONSENT TO JURISDICTION.** The following statement is added at the end of Sections 18.G and 18.H of the Franchise Agreement:

This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York state general business law, as amended, and the regulations issued thereunder.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Franchise Agreement.

GOLD'S GYM FRANCHISE LLC, a
Delaware limited liability company

By: _____

Title: _____

FRANCHISEE

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____

Title: _____

**(IF YOU ARE AN INDIVIDUAL AND NOT
A LEGAL ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

**RIDER TO THE GOLD'S GYM FRANCHISE LLC
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA**

THIS RIDER is by and between **GOLD'S GYM FRANCHISE LLC**, a Delaware limited liability company with its principal business address at 5420 Lyndon B. Johnson Freeway, Suite 300, Dallas, Texas 75240 ("**we**"), and _____, whose principal business address is _____ ("**you**").

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of North Dakota and the Facility that you will operate under the Franchise Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in North Dakota.

2. **INITIAL FRANCHISE FEE.** The following is added to the end of Section 5.A of the Franchise Agreement:

Pursuant to an order of the North Dakota Securities Commissioner, we will defer collection of the initial franchise fee and other initial payments you owe us until we have completed all of our pre-opening obligations to you under the Franchise Agreement and you begin operating the Facility.

3. **RELEASES.** The following is added to the end of Sections 13.C, 13.D, 13.E, and 14.C of the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

4. **COVENANT NOT TO COMPETE.** The following is added to the end of Section 16.D of the Franchise Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

5. **ARBITRATION.** The following language is added to the end of Section 18.F of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree.

6. **GOVERNING LAW.** Section 18.G of the Franchise Agreement is deleted and replaced with the following language:

Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law and except as otherwise required by North Dakota law, all controversies, disputes or claims arising from or relating to this Agreement or any other agreement between you (or your

Owners) and us, our relationship with you, the validity of this Agreement or any other agreement between you (or your Owners) and us, or any System Standard will be governed by the laws of the State of Texas, without regard to its conflict of laws rules, except that any law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship between us and you will not apply unless its jurisdictional requirements are met independently without reference to this Section 18.G.

7. **CONSENT TO JURISDICTION**. The following language is added to the end of Section 18.H of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

8. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL**. To the extent required by the North Dakota Franchise Investment Law, Section 18.I of the Franchise Agreement is deleted.

9. **LIMITATIONS OF CLAIMS AND CLASS ACTION BAR**. The following is added to the end of Subsection 18.K of the Franchise Agreement:

The statutes of limitations under North Dakota law applies with respect to claims arising under the North Dakota Franchise Investment Law.

10. **DAMAGES**. The following language is added to the end of Section 18.L of the Franchise Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, we and you agree to enforce the provision to the extent the law allows.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Franchise Agreement.

GOLD’S GYM FRANCHISE LLC, a
Delaware limited liability company

By: _____

Title: _____

FRANCHISEE

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____

Title: _____

**(IF YOU ARE AN INDIVIDUAL AND NOT
A LEGAL ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

**RIDER TO THE GOLD’S GYM FRANCHISE LLC
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND**

THIS RIDER is by and between **GOLD’S GYM FRANCHISE LLC**, a Delaware limited liability company with its principal business address at 5420 Lyndon B. Johnson Freeway, Suite 300, Dallas, Texas 75240 (“**we**”), and _____, whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Rhode Island and the Facility that you will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **GOVERNING LAW/CONSENT TO JURISDICTION.** The following language is added to Section 18.G and 18.H of the Franchise Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act.” To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Franchise Agreement.

GOLD’S GYM FRANCHISE LLC, a
Delaware limited liability company

By: _____

Title: _____

FRANCHISEE

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____

Title: _____

**(IF YOU ARE AN INDIVIDUAL AND NOT
A LEGAL ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
DEVELOPMENT RIGHTS AGREEMENT**

**RIDER TO THE GOLD’S GYM FRANCHISE LLC
DEVELOPMENT RIGHTS AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER is by and between **GOLD’S GYM FRANCHISE LLC**, a Delaware limited liability company with its principal business address at 5420 Lyndon B. Johnson Freeway, Suite 300, Dallas, Texas 75240 (“**we**,”), and _____, whose principal business address is _____ (“**you**”).

1. **Background.** We and you (or our affiliates) are parties to that certain Development Rights Agreement dated _____ (the “Development Rights Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Rights Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Development Rights Agreement occurred in Illinois and the franchise that you will operate will be located in Illinois, and/or (b) you are domiciled in Illinois.

2. **ILLINOIS LAW.** The following paragraphs are added to the end of the Development Rights Agreement and supersede any conflicting provisions in the Development Rights Agreement:

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

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

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Development Rights Agreement.

[The remainder of this page is intentionally left blank.]

FRANCHISOR

GOLD’S GYM FRANCHISE LLC, a
Delaware limited liability company

By: _____
Name: _____
Title: _____

Date: _____, 20__

By: _____
Name: _____
Title: _____

Date: _____, 20__

DEVELOPER

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

Date: _____, 20__

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____, 20__

**RIDER TO THE GOLD’S GYM FRANCHISE LLC
DEVELOPMENT RIGHTS AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER is by and between **GOLD’S GYM FRANCHISE LLC**, a Delaware limited liability company with its principal business address at 5420 Lyndon B. Johnson Freeway, Suite 300, Dallas, Texas 75240 (“**we**,”), and _____, whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you (or our affiliates) are parties to that certain Development Rights Agreement dated _____ (the “Development Rights Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Rights Agreement. This Rider is being signed because (a) you are domiciled in Maryland, and/or (b) the franchise that you will operate will be located in Maryland.

2. **DEVELOPMENT FEE.** The following language is added to the end of Section 4 of the Development Rights Agreement:

Pursuant to an order of the Maryland Securities Commissioner we will defer collection of the Development Fee and other initial payments you owe us. You will pay us the Development Fee and other initial payments you owe us under the Development Rights Agreement upon the opening of the first Facility under the Development Rights Agreement.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Development Rights Agreement.

[The remainder of this page is intentionally left blank.]

FRANCHISOR

GOLD'S GYM FRANCHISE LLC, a
Delaware limited liability company

By: _____
Name: _____
Title: _____

Date: _____, 20__

By: _____
Name: _____
Title: _____

Date: _____, 20__

DEVELOPER

(IF ENTITY):

[Name]

By: _____
Name: _____
Title: _____

Date: _____, 20__

(IF INDIVIDUALS):

[Signature]

[Print Name]

[Signature]

[Print Name]

Date: _____, 20__

**RIDER TO THE GOLD’S GYM FRANCHISE LLC
DEVELOPMENT RIGHTS AGREEMENT
FOR USE IN NORTH DAKOTA**

THIS RIDER is by and between **GOLD’S GYM FRANCHISE LLC**, a Delaware limited liability company with its principal business address at 5420 Lyndon B. Johnson Freeway, Suite 300, Dallas, Texas 75240 (“**we**”), and _____, whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Development Rights Agreement dated _____ (the “Development Rights Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Rights Agreement. This Rider is being signed because (a) you are a resident of North Dakota and the Facilities that you will develop under the Development Rights Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Development Rights Agreement occurred in North Dakota.

2. **DEVELOPMENT FEE.** The following is added to the end of Section 4 of the Development Rights Agreement:

Pursuant to an order of the North Dakota Securities Commissioner, we will defer collection of the development fee and other initial payments you owe us until we have completed all of our pre-opening obligations to you under the Development Rights Agreement and you or your affiliate have begun operating the first Facility you are obligated to develop under the Development Rights Agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Development Rights Agreement.

GOLD’S GYM FRANCHISE LLC, a
Delaware limited liability company

By: _____

Title: _____

DEVELOPER

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____

Title: _____

**(IF YOU ARE AN INDIVIDUAL AND NOT
A LEGAL ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

NEW YORK REPRESENTATIONS PAGE

FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

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
California	Pending
Hawaii	_____
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	July 1, 2024
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Wisconsin	July 1, 2024

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.

Item 23

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 we offer you a franchise, we 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. Iowa requires that we give you this disclosure document at the earlier of our first personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under New York law, we must provide this Disclosure Document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

Issuance date: July 1, 2024

The franchisor is Gold’s Gym Franchise LLC, located at 5420 Lyndon B. Johnson Freeway, Suite 300, Dallas, Texas 75240. Its telephone number is (214) 574-4653. The franchise seller who offered you a Gold’s Gym franchise is (check all that apply):

- | | | | |
|---|--|---|---|
| <input type="checkbox"/> Eduardo Afonso
5420 LBJ Freeway, Ste 300
Dallas, Texas 75240
(214) 574-4653 | <input type="checkbox"/> Dean Giamundo
5420 LBJ Freeway, Ste 300
Dallas, Texas 75240
(214) 574-4653 | <input type="checkbox"/> Kevin Christie
5420 LBJ Freeway, Ste 300
Dallas, Texas 75240
(214) 574-4653 | <input type="checkbox"/> Kelly Cortinas
5420 LBJ Freeway, Ste 300
Dallas, Texas 75240
(214) 574-4653 |
| <input type="checkbox"/> Nick Stamas
5420 LBJ Freeway, Ste 300
Dallas, Texas 75240
(214) 574-4653 | <input type="checkbox"/> Katie Scheffers
5420 LBJ Freeway, Ste 300
Dallas, Texas 75240
(214) 574-4653 | <input type="checkbox"/> Billy Bridges
5420 LBJ Freeway, Ste 300
Dallas, Texas 75240
(214) 574-4653 | <input type="checkbox"/> Name of Franchise Seller:

Address:

_____ |

We authorize the respective state agents identified in Exhibit A to receive service of process for us in the particular states.

I received a Franchise Disclosure Document from Gold’s Gym Franchise LLC dated July 1, 2024, that included the following Exhibits:

- | | | | |
|-----------|--|-----------|--|
| Exhibit A | List of State Agencies/ Agents for Service of Process | Exhibit F | List of Franchisees |
| Exhibit B | Franchise Agreement | Exhibit G | List of Franchisees Who Have Left the System |
| Exhibit C | Amendment to Franchise Agreement (Gold’s Studio Program) | Exhibit H | Financial Statements |
| Exhibit D | Renewal Addendum | Exhibit I | Operations Manual Table of Contents |
| Exhibit E | Development Rights Agreement | Exhibit J | Representations and Acknowledgment Statement |
| | | Exhibit K | Additional Disclosures and Riders Required by State Franchise Laws |

Date

Prospective Franchisee [Print Name]

(Date, Sign, and Return to Us)

Prospective Franchisee [Signature]

Item 23

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 we offer you a franchise, we 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. Iowa requires that we give you this disclosure document at the earlier of our first personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under New York law, we must provide this Disclosure Document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

Issuance date: July 1, 2024

The franchisor is Gold’s Gym Franchise LLC, located at 5420 Lyndon B. Johnson Freeway, Suite 300, Dallas, Texas 75240. Its telephone number is (214) 574-4653. The franchise seller who offered you a Gold’s Gym franchise is (check all that apply):

- | | | | |
|---|--|---|---|
| <input type="checkbox"/> Eduardo Afonso
5420 LBJ Freeway, Ste 300
Dallas, Texas 75240
(214) 574-4653 | <input type="checkbox"/> Dean Giamundo
5420 LBJ Freeway, Ste 300
Dallas, Texas 75240
(214) 574-4653 | <input type="checkbox"/> Kevin Christie
5420 LBJ Freeway, Ste 300
Dallas, Texas 75240
(214) 574-4653 | <input type="checkbox"/> Kelly Cortinas
5420 LBJ Freeway, Ste 300
Dallas, Texas 75240
(214) 574-4653 |
| <input type="checkbox"/> Nick Stamas
5420 LBJ Freeway, Ste 300
Dallas, Texas 75240
(214) 574-4653 | <input type="checkbox"/> Katie Scheffers
5420 LBJ Freeway, Ste 300
Dallas, Texas 75240
(214) 574-4653 | <input type="checkbox"/> Billy Bridges
5420 LBJ Freeway, Ste 300
Dallas, Texas 75240
(214) 574-4653 | <input type="checkbox"/> Name of Franchise Seller:

Address:

_____ |

We authorize the respective state agents identified in Exhibit A to receive service of process for us in the particular states.

I received a Franchise Disclosure Document from Gold’s Gym Franchise LLC dated July 1, 2024, that included the following Exhibits:

- | | | | |
|-----------|--|-----------|--|
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| Exhibit C | Amendment to Franchise Agreement (Gold’s Studio Program) | Exhibit H | Financial Statements |
| Exhibit D | Renewal Addendum | Exhibit I | Operations Manual Table of Contents |
| Exhibit E | Development Rights Agreement | Exhibit J | Representations and Acknowledgment Statement |
| | | Exhibit K | Additional Disclosures and Riders Required by State Franchise Laws |

Date

Prospective Franchisee [Print Name]

(Date, Sign, and Keep for Your Own Records)

Prospective Franchisee [Signature]