

	Provision	Section in Franchise Agreement	Summary
t.	Integration/merger clause	Section 21.12	Only the terms of the Franchise Agreement and other related written agreements, such as any attachments to the Franchise Agreement or addenda, are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Sections 20.1, 20.2, 20.3	At our option, claims that are not resolved internally may be submitted to non-binding mediation at our headquarters, and then to binding arbitration, excluding claims related to injunctive relief, anti-trust, the trademarks, possession of the Franchised Business premises and post-termination obligations.
v.	Choice of forum	Section 20.5	Litigation takes place in California, subject to applicable state law.
w.	Choice of law	Section 20.5	Delaware law applies, subject to applicable state law.

See the state addenda to this Franchise Disclosure Document and the Franchise Agreement for special state disclosures.

ITEM 18: PUBLIC FIGURES

We do not currently use any public figures to promote our franchise.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

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

As of our fiscal year ending December 31, 2023, we had 4 affiliate-owned outlets open and operating and no franchised outlets. This financial performance representation is a historic representation based on the past performance of our affiliate outlets. Our affiliates operate in substantially the same manner, and offer the same goods and services, that our franchised outlets offer.

Financial Performance¹
January 1 – December 31, 2023

	Point Loma	Otay Ranch	Grossmont Centre	La Costa	Mission Valley
Year Open	2008	2013	2017	2021	2023 (March)
Gross Revenue ²	\$ 1,298,873	\$ 1,244,719	\$ 1,446,215	\$ 1,497,734	\$ 746,993
Cost of Goods Sold ³	\$ 327,420	\$ 380,371	\$ 407,093	\$ 319,865	\$ 173,767
Gross Profit	\$ 971,453	\$ 864,348	\$ 1,039,122	\$ 1,177,869	\$ 568,628
Expenses ⁴	\$ 565,946	\$ 363,923	\$ 312,564	\$ 448,679	\$ 279,636
Other Expenses ⁵	\$ 78,741	\$ 43,830	\$ 57,170	\$ 56,179	\$ 58,260
Net Profit⁶	\$ 326,766	\$ 456,595	\$ 669,388	\$ 673,011	\$ 230,732
Imputed Fees Not Incurred by Our Affiliates ⁷ :					
Royalties	\$ 103,910	\$ 99,578	\$ 115,697	\$ 119,819	\$ 59,759
Brand Fund Contribution	\$ 12,989	\$ 12,447	\$ 14,462	\$ 14,977	\$ 7,764
Adjusted Net Profit	\$ 209,867	\$ 344,570	\$ 539,229	\$ 538,215	\$ 163,504

Notes:

¹ The information contained in this Table has not been audited.

² Gross Revenue is defined as total revenue derived from the sale of products and services less state/local taxes and customer refunds.

³ Costs of Goods Sold is defined as the total cost of gymnastics meet fees, uniforms, and employee payroll and taxes (excluding executive compensation).

⁴ Expenses is defined as the total cost of all ordinary and recurring operating expenses, excluding an owners' draw and executive bonuses.

⁵ Other Expenses is defined as the total expense of interest, taxes, depreciation and amortization.

⁶ Net Profit is defined as Gross Profit minus Expenses and Other Expenses. The Net Profit figures do not reflect an owners' draw or executive bonuses.

⁷ Our affiliate-owned outlets are not subject to the same territorial restrictions or fees that a franchisee will experience. Item 6 of this disclosure document outlines the fees to which a franchisee will be subject. Specifically, a franchisee who achieved the same sales results that our affiliate achieved would incur royalty fees and Brand Fund contributions.

Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request. The information presented above has not been audited.

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

Other than the above disclosure, we do 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, 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 Christina Grady at 2907 Shelter Island Drive, Suite 105, San Diego, California, 92106 or 1-855-GFORCE4, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide 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	0	0	0
	2022	0	0	0
	2023	0	0	0
Company – Owned*	2021	3	4	+1
	2022	4	4	0
	2023	4	5	+1
Total Outlets	2021	3	4	+1
	2022	4	4	0
	2023	4	5	+1

*Our company-owned outlets are operated by our affiliates under the trade name “San Diego Gymnastics”.

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
None	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0