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COUNSEL FOR TRT DEBT FUNDING, LLC AND
TRT HOLDINGS, INC.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	
	§	**Case No.: 20-31318-hdh11**
GGI HOLDINGS, LLC, et al.	§	
	§	**(Joint Administration Requested)**
Debtors.	§	

NOTICE OF FILING SUBORDINATED SECURED SUPERPRIORITY
DEBTOR-IN-POSSESSION PROMISSORY NOTE

[Relates to Docket No. 21]

PLEASE TAKE NOTICE that TRT Debt Funding, LLC files this Notice of Filing Subordinated Secured Superpriority Debtor-in-Possession Promissory Note.

Pursuant to the Motion For Interim and Final Authority to Use Cash Collateral, Obtain Debtor in Possession Financing, Determining Adequate Protection, Superpriority Claims and Liens, and Granting Related Relief (Docket No. 21, the "DIP Motion"), attached as **Exhibit A** is the proposed Subordinated Secured Superpriority Debtor-in-Possession Promissory Note (the "DIP Note") to be executed upon approval of the DIP Motion.

Dated: May 6, 2020

Respectfully submitted,

/s/ Jason M. Rudd
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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was served on May 6, 2020 by the Court's ECF noticing system on all parties that consent to such service via electronic filing.

/s/ Jason M. Rudd
Jason M. Rudd

EXHIBIT A

GGI Holdings, LLC, et al.

Subordinated Secured Superpriority Debtor-in-Possession Promissory Note

$[20,000,000.00] May [●], 2020

FOR VALUE RECEIVED, the undersigned, GGI Holdings, LLC; Gold's Gym International, Inc.; Gold's Holding Corp., Gold's Alabama, LLC; Gold's Gym Franchising, LLC; Gold's Gym Licensing, LLC; Gold's Gym Merchandising, LLC; Gold's Gym Rockies, LLC; Gold's Louisiana, LLC; Gold's Ohio, LLC; Gold's Oklahoma, LLC; Gold's North Carolina, LLC; Gold's St. Louis, LLC; Gold's Southeast, LLC; and Gold's Texas Holding, Inc., (the "Borrowers" and each a "Borrower"), collectively, and jointly and severally, promise to pay to the order of TRT Debt Funding, LLC and its assigns and designees, (the "DIP Lender"), the principal sum of up to [TWENTY MILLION AND 00/100 DOLLARS ($20,000,000.00)] on the Maturity Date (as defined below), with interest thereon as provided herein.

1. **Bankruptcy Court Approval**. The Borrowers are debtors and debtors-in-possession ("Debtors") in chapter 11 bankruptcy cases jointly-administered under Case No. 20-31318 (collectively, the "Cases") pending in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Bankruptcy Court"). The Borrowers' entry into this Subordinated Secured Superpriority Debtor-in-Possession Promissory Note (this "Note") and the financing contemplated hereunder shall not be effective until an order authorizing such financing has been entered in the Cases (such interim or final order, as applicable, together the "DIP Order"). The terms and conditions of the DIP Order are incorporated herein by reference in all respects. In the event of any inconsistency between the terms and conditions of this Note and the DIP Order, the provisions of the DIP Order shall govern and control.

2. **Loan Advances**. The Borrowers may request advances under this Note in accordance with the DIP Order as follows:

(a) initial draws (the "Initial DIP Draws") on or after the date of entry of the DIP Order, in an aggregate principal amount not to exceed $[9] million (net of the Original Issue Discounts (as defined below)) subject to and as provided by the Budget (as defined in the DIP Order);

(b) such additional draws following entry of the Final Order (as in the DIP Order) on the dates and not to exceed the amounts as set forth in the Budget (net of the Original Issue Discounts) as approved by the DIP Lender (the "Additional DIP Draws" and together with the Interim DIP Draws, collectively, the "DIP Draws" and each a "DIP Draw"), in an aggregate amount not to exceed the remaining principal balance of the Note (net of the Original Issue Discounts).

3. **Original Issue Discount**. The Borrowers shall pay the DIP Lender an original issue discount of 2.00% of the amount of each DIP Draw (each an "Original Issue Discount", and together, the "Original Issue Discounts"). The Original Issue Discounts shall each be fully earned on the date of the respective DIP Draw and shall be added to the principal balance of the Note.

4. **Interest Rate; Payment**.

(a) The Borrowers promise to pay interest on the outstanding principal amount of this Note at the lesser of (i) the rate of 10.50088% per annum, accruing daily (calculated as the LIBOR Rate plus ten percent (10%) as of May 4, 2020), or (ii) the Maximum Lawful Rate (as defined below) (the "Interest Rate"); provided that upon the occurrence and during the continuance of an Event of Default, the principal balance shall bear interest at the lesser of (i) the default rate of 15.50088% per annum, accruing daily (calculated as the LIBOR Rate plus fifteen percent (15%) as of May 4, 2020), or the (ii) Maximum Lawful Rate (the "Default Rate"). Interest on this Note shall accrue from May [●], 2020 (the "Interest Commencement Date") until repayment of the principal and payment of all accrued interest in full. Interest shall be computed based on a 360-day year and paid for the actual number of days elapsed for any whole or partial month in which interest is being calculated. As used herein, the term "LIBOR Rate" shall mean the London Interbank Offered Rate of interest per annum as published on the website of http://online.wsj.com/public/us as the current "Libor 3 Month Rate".

(b) The Borrowers shall pay all "DIP Lender Fees and Expenses" as defined by the DIP Order on the terms and conditions provided for in the DIP Order.

(c) The Borrowers shall pay the principal, all accrued but unpaid interest on this Note from the Interest Commencement Date, and all accrued and unpaid DIP Lender Fees and Expenses to the DIP Lender on the Maturity Date.

(d) Notwithstanding the foregoing, this Note shall terminate and the principal and all accrued but unpaid interest on this Note and all accrued and unpaid DIP Lender Fees and Expenses shall be due and payable upon the occurrence of an Event of Default (as defined below) or a Termination Date (as defined below), subject to the terms and conditions of the DIP Order in all respects.

5. **Maturity Date**. Subject to the terms and conditions of the DIP Order in all respects, all principal and all accrued but unpaid interest on this Note and all accrued and unpaid DIP Lender Fees and Expenses will be due and payable in full in cash on the earliest of (each, the "Maturity Date"): (i) August 1, 2020; (ii) the date of consummation of one or more sales that, in the aggregate, constitutes a sale of all or substantially all of the DIP Collateral (as defined in the DIP Order); (iii) if the Final Order (as defined in the DIP Order) has not been entered by the Bankruptcy Court on or before May 22, 2020; (iv) an Event of Default as provided by the DIP Order; (v) the Termination Date (as defined in the DIP Order) and (vii) the effective date of a chapter 11 plan of the Debtors.

6. **Joint and Several Liability**. The representations, covenants, warranties and obligations of the Borrowers under this Note shall be joint and several.

7. **Security**. The Borrowers' obligations to repay all amounts due under this Note and the DIP Order shall be secured by the DIP Liens granted to the DIP Lender, as and to the extent provided for in the DIP Order.

8. **Amendment**. Amendments and modifications of this Note may be made only by the mutual written consent of the Borrowers and the DIP Lender, provided that no amendment or modification may conflict with a provision of the DIP Order unless approved by the Bankruptcy Court.

9. **Defaults and Remedies**.

(a) Events of Default. An "Event of Default" and "Termination Date" shall have the meaning provided in the DIP Order.

(b) Remedies. SUBJECT TO THE TERMS AND CONDITIONS OF THE DIP ORDER IN ALL RESPECTS, UPON AN EVENT OF DEFAULT OR TERMINATION DATE, AT ANY TIME THEREAFTER, THE DIP LENDER MAY DECLARE ALL OBLIGATIONS UNDER THIS NOTE AND THE DIP ORDER IMMEDIATELY DUE AND PAYABLE AND SHALL HAVE THE REMEDIES PROVIDED IN THE DIP ORDER AND SEPERATELY OF A SECURED PARTY UNDER THE TEXAS UNIFORM COMMERCIAL CODE (THE "UCC") AND ALL OTHER APPLICABLE LAW, including without limitation the right to enforce all DIP Protections, take immediate and exclusive possession of the DIP Collateral, or any part thereof with or without judicial process, and the DIP Lender shall be entitled to hold, maintain, preserve and prepare the DIP Collateral for sale, until disposed of, or may propose to retain the DIP Collateral as provided in the UCC. The requirements of reasonable notice shall be deemed met as provided by the DIP Order. The DIP Lender may credit bid and buy the DIP Collateral at any sale. The net proceeds realized upon any disposition, after deduction for the reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and the reasonable attorney's fees and legal expenses incurred by the DIP Lender, shall be applied in satisfaction of the Borrowers' obligations under this Note. The DIP Lender will account to the applicable Borrowers for any surplus realized on such disposition and such Borrowers shall remain liable for any deficiency.

(c) In case of any default under this Note, but subject to the terms and conditions of the DIP Order in all respects, the Borrowers shall pay to the DIP Lender, on demand, all costs and expenses incurred by DIP Lender in connection with enforcement of this Note or as a result of such default, including reasonable attorneys' fees and court costs.

10. **Remedies Cumulative**. No remedy conferred upon the DIP Lender in this Note or the DIP Order is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. To the extent permitted by applicable law, the Borrowers and the DIP Lender severally waive presentment for payment, demand, protest and notice of dishonor.

11. **Remedies Not Waived**. No course of dealing between the Borrowers and the DIP Lender or any delay on the part of the DIP Lender in exercising any rights hereunder shall operate as a waiver of any right.

12. **Transfer**. The term "DIP Lender" as used herein shall also include any transferee of this Note.

13. **Covenants Bind Successors and Assigns**. All the covenants, stipulations, promises and agreements in this Note contained by or on behalf of the Borrowers shall bind their successors and assigns, whether so expressed or not, including as provided by the DIP Order.

14. **Payments**. All payments of principal of and interest on this Note shall be paid in United States Dollars by wire transfer of immediately available funds to an account designated by the DIP Lender.

15. **Maximum Lawful Rate**. It is the intent of the Borrowers and the DIP Lender to conform to and contract in strict compliance with applicable usury law from time to time in effect. In no way, nor in any event or contingency (including but not limited to prepayment, default, demand for payment, or acceleration of the maturity of any obligation), shall the rate of interest taken, reserved, contracted for, charged or received under this Note exceed the highest lawful interest rate permitted under applicable law (the "Maximum Lawful Rate"). If the DIP Lender shall ever receive anything of value which is characterized as interest under applicable law and which would apart from this provision be in excess of the highest lawful interest rate permitted under applicable law, an amount equal to the amount which would have been excessive interest shall, without penalty, be applied to the reduction of the principal amount owing on the Note in the inverse order of its maturity and not to the payment of interest, or refunded to the Borrowers or the other payor thereof if and to the extent such amount which would have been excessive exceeds such unpaid principal. All interest paid or agreed to be paid to the DIP Lender hereof shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full stated term (including any renewal or extension) of the Note so that the amount of interest on account of such obligation does not exceed the maximum permitted by applicable law. As used in this Section, the term "applicable law" shall mean the laws of the State of Texas or the federal laws of the United States, whichever laws allow the greater interest, as such laws now exist or may be changed or amended or come into effect in the future.

16. **Governing Law**. THIS NOTE SHALL BE GOVERNED BY, CONSTRUED IN ACCORDANCE WITH, AND ENFORCED UNDER, THE LAWS OF THE STATE OF TEXAS APPLICABLE TO AGREEMENTS OR INSTRUMENTS ENTERED INTO AND PERFORMED ENTIRELY WITHIN SUCH STATE.

17. **Waiver of Jury Trial**. NEITHER THE BORROWERS, NOR ANY ASSIGNEE, SUCCESSOR, HEIR NOR PERSONAL REPRESENTATIVE OF THE COMPANY SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER LITIGATION PROCEDURE BASED UPON OR ARISING OUT OF THIS NOTE OR THE DEALINGS DESCRIBED HEREIN OR THE RELATIONSHIP BETWEEN THE PARTIES. THE COMPANY SHALL NOT SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY DISCUSSED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NO PARTY HERETO HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY HERETO THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

18. **Severability**. If any provision of this Note, or the application of such provision to any person or circumstance, shall be held invalid under the applicable law of any jurisdiction, then the remainder of this Note or the application of such provision to other persons or circumstances or in other jurisdictions shall not be affected thereby. In addition, if any provision of this Note is invalid or unenforceable under any applicable law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform to such law. Any provision hereof that may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

19. **Headings**. The headings in this Note are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

20. **Entire Agreement**. This Note, including the DIP Order by reference, contains the entire agreement between the parties hereto relating to the subject matter hereof and thereof and all prior agreements relative hereto and thereto which are not contained herein or therein are terminated.

[Signature page follows.]

IN WITNESS WHEREOF, the Borrowers have executed this Note to be effective as of the date first written above.

[BORROWERS]

By: _____
Name: _____
Title: _____