FRANCHISE DISCLOSURE DOCUMENT

Altitude Franchising, LLC
A Texas Limited Liability Company
516 Silicon Drive
Southlake, TX 76092

817-741-JUMP (5867)
curt@altitudetrampolinepark.com
www.altitudetrampolinepark.com

Altitude Franchising, LLC ("Franchisor") is offering franchises to individuals or entities (hereinafter "Franchisee") for the purpose of operating an indoor trampoline park identified as ALTITUDE TRAMPOLINE PARK®. An ALTITUDE TRAMPOLINE PARK® provides recreational services in the nature of entertainment centers featuring indoor trampolines and other entertainment services, and sells products relating to the tradename and marks used by Franchisor in the operations of an ALTITUDE TRAMPOLINE PARK® ("Altitude," "ATP Business" or "Park(s)").

The total investment necessary to begin operation of an Altitude franchise ranges from $1,323,825 to $3,016,825. This includes between $40,000 that must be paid to the Franchisor or affiliate. There are no incremental initial investment costs if you become an area developer, but you must pay us a development fee equal to $40,000 for each Park required to be developed under your development schedule if you sign an Area Development Agreement.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Franchising Department at 516 Silicon Drive, Southlake, TX 76092, and at 817-207-7220.

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

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

visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: June 30, 2018, as amended September 28, 2018.

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state administrator listed in Exhibit A for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND ARBITRATION ONLY IN THE STATE WHERE WE HAVE OUR PRINCIPAL PLACE OF BUSINESS (CURRENTLY, TEXAS). OUT-OF-STATE MEDIATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN THE STATE WHERE WE HAVE OUR PRINCIPAL PLACE OF BUSINESS THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. THIS FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE SYSTEM WITH A LONGER OPERATING HISTORY.

4. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN IF YOR 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.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the 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 disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California	August 2, 2018, as amended _____, 2018
Hawaii	August 4, 2018, as amended _____, 2018
Illinois	August 16, 2018, as amended _____, 2018
Indiana	July 26, 2018
Maryland	August 8, 2018
Michigan	January 18, 2018
Minnesota	July 31, 2018, as amended _____, 2018
New York	March 21, 2018, as amended _____, 2018 and further amended _____, 2018
North Dakota	August 22, 2018, as amended _____, 2018
Rhode Island	August 8, 2018, as amended _____, 2018
South Dakota	August 7, 2018
Virginia	August 10, 2018, as amended _____, 2018
Washington	_____, 2018
Wisconsin	July 25, 2018, as amended _____, 2018

MICHIGAN DISCLOSURE

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 provisions 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 franchised 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 franchisee 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.

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If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisor must, at the request of the 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.

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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.

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ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE SECTION, G. MENNEN WILLIAMS BUILDING, 1ST FLOOR, LANSING, MICHIGAN 48933, (517) 373-7117.

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APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES REGARDING THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT OR AREA DEVELOPMENT AGREEMENT, IF ANY, APPEAR IN THE STATE ADDENDA AT **EXHIBIT E,** EXCEPT THAT ADDITIONAL DISCLOSURES RELATED TO MICHIGAN LAW CAN BE FOUND RIGHT BEFORE THIS TABLE OF CONTENTS.

Item 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language, this Disclosure Document uses "we" or "us" to mean Altitude Franchising, LLC - the "Franchisor." "You" means the individual, corporation, or other business entity that buys the franchise, the "Franchisee." "You" also means your owners if you are a business entity.

Franchisor, Parent and Affiliates

We are a Texas limited liability company formed on October 22, 2015. Our principal business address is 516 Silicon Drive, Southlake, TX 76092. We conduct business under the name Altitude Franchising, LLC and do not operate any Altitude Trampoline Parks. Apart from offering franchises for ATP Businesses, we do not conduct business in any other line of business nor do we offer franchises in any other line of business. On September 27, 2018, we signed an asset purchase agreement with ATP Holding Company, LLC, a subsidiary of NRD Partners II, L.P., for the sale of substantially all of our assets. The asset purchase agreement is set to close on or before November 30, 2018. Our rights and obligations under the franchise agreements entered into with us will be transferred to ATP Holding Company, LLC, or its subsidiary.

We neither have a parent company, nor predecessor.

Our affiliate, ATPIP, LLC, a Texas limited liability company ("ATPIP") owns the registered trademarks ALTITUDE TRAMPOLINE PARK® and the SPIKE Logo®, as well as other trademarks, trade names, trade dress, words, symbols, logos, slogans, designs, insignia, emblems, devices, service marks or combinations thereof, used to identify or are otherwise associated by virtue of usage with Altitude Trampoline Parks ("ATP Marks"). ATPIP also owns the rights to the proprietary and confidential information, trade secrets, operating, training and marketing methods and concepts, equipment standards, and other processes and procedures (the "ATP System") relating to the operations of an ATP Business. ATPIP purchased the ATP Marks and ATP System from J&C IP, Inc. ATPIP now licenses those rights to us. We then sublicense those rights to our Franchisees. ATPIP has never operated a business of the type being offered in this disclosure document.

Our affiliate L&A Altitude Management, LLC, a Texas limited liability company ("L&A") offers Park management, bookkeeping and/or group sales services to our Franchisees if they desire to engage L&A in that capacity. L&A has been offering its services since May, 2015. Prior to that date, L&A has never operated a business of the type being offered in this disclosure document. If you choose to use L&A for any of these services, you will have to enter into the Management Agreement for the Park management services (**Exhibit G**), the Accounting Management Services Agreement for the bookkeeping services (**Exhibit H**), and Marketing Services Agreement for the group sales services (**Exhibit I**).

Our affiliate Spike Apparel, LLC, a Texas limited liability company ("Spike Apparel") sells clothing and various Park related items to our Franchisees. Spike Apparel has been offering its services since November, 2015. Before that date, Spike Apparel has never operated a business of the type being offered in this disclosure document.

Our affiliate, J&C IP, Inc., a Texas corporation ("J&C") was the previous owner of the ATP Marks and ATP System. J&C previously granted licensing rights to individuals and entities ("Licensee(s))" to use the ATP Marks and ATP System so as to enable the Licensees to own and operate Altitude Parks (the "Altitude Licensing Model"). The current Licensee Park owners have the continued right to use the ATP Marks and ATP System as a result of a licensing arrangement between ATPIP and J&C. Neither J&C, nor any other of our Affiliates, will continue to offer the Altitude Licensing Model to prospective Park owners. All future Park owners will be Franchisees and operate their Parks under the terms of this franchise offering. Numerous Licensees continue to own and operate Parks under the Licensing Model (See Item 20 below). J&C has never operated a business of the type being offered.

As of the issuance date of this disclosure document none of our affiliates have offered franchises in any line of business, but Altitude H2O Franchising, LLC ("Altitude H2O") is currently developing a franchise program for water-based trampoline parks under the name H2O. Altitude H2O is located at the same address as we are. As of the issuance date, the program is still being developed and no company-owned or franchised locations have opened.

The principal business of all of our affiliates is 516 Silicon Drive, Southlake, TX 76092.

Agent for Service of Process

Our agent for service of process is as identified on attached Exhibit A.

Prior Experience

We are in the business of offering franchises to operate indoor trampoline parks under the brand ALTITUDE TRAMPOLINE PARK® and don't conduct any other business. We first started offering franchises on January 1, 2016. We have not conducted a business of the type you will be operating and do not engage in any types of business activities other than franchising Altitude Trampoline Parks, but some of our affiliates do.

Since 2013, J&C, has granted licenses for the operations of Altitude Trampoline Parks in the U.S. and in Puerto Rico. Today, there are 23 licensees, 7 of which are our affiliates.

Our affiliate, Vertical Trampoline Parks Enterprises, LLC, a Texas limited liability company ("VTPE") owns and operates the ATP Park in Fort Worth, Texas as a Licensee and has done so since 2012.

Our affiliate, Extreme Indoor Trampoline, LLC, an Arkansas limited liability company ("EXIT") owns and operates the ATP Park in Little Rock, Arkansas as a Licensee and has done so since 2013.

Our affiliate, ATP Little Rock Management, LLC, an Arkansas limited liability company ("ATPLRM") provides Park management services to EXIT.

The Business We Offer

An ALTITUDE TRAMPOLINE PARK® is a diversified family entertainment center that combines recreation and fun within a large facility that provides a safe, clean, climate-controlled and supervised environment for people of all ages to have indoor trampoline fun. We offer the ALTITUDE experience in a high-energy, music filled, indoor area with hundreds of square feet of expansive trampoline mats for safe jumping, games, parties, exercise and other family fun. An ALTITUDE TRAMPOLINE PARK® includes dynamic interior designs, unique bright colors, our beloved "Spike" logo, the highest quality trampoline matting and equipment in the industry (meeting all ASTM standards), a friendly and customer service oriented staff and sound business management principles. We package the foregoing, through the use of the ATP System, which includes the ATP Marks, in a franchise arrangement and offer that franchise to prospective franchisees.

You must operate your ATP Business in accordance with our operating practices and sign our "Franchise Agreement" which is attached hereto as **Exhibit C**. We may grant qualified candidates area development rights to develop and operate multiple Parks. Area developers must sign our "Area Development Agreement" which is attached hereto as **Exhibit D**. For each ATP Business opened pursuant to an Area Development Agreement a separate Franchise Agreement is signed. We reserve the right to modify the ATP System in accordance with the terms of the Franchise Agreement.

General Market

The market for those who attend an Altitude Trampoline Park is the general public. Altitude Trampoline Parks are open and available for use year-round. The indoor trampoline market is a developing market but seems to be expanding at a relatively rapid rate. Your competitors will include national, regional and local chains of trampoline parks as well as of similar venues, such as bouncy house locations.

Applicable Regulations

Currently, we are only aware of specific laws or regulations which relate, exclusively, to the operation of an indoor trampoline park in Arizona and Michigan. However, other states are considering legislation to regulate safety procedures at indoor trampoline parks. The bills have not become law as of this time. You should note that it is entirely possible, and in fact likely, that safety laws will be implemented in numerous, if not all of the States in America, in the future. Your Park's structure and operations must be in compliance with all laws as they may relate to the operation of any other business in the particular locale. You should consult with your attorney and local, state and federal government agencies before investing in a franchise so as to obtain a thorough understanding of the operations of the ATP Business and to ensure compliance with all applicable laws as they may relate, in part, to the facility, the business operations and child-related laws. Other laws may be applicable to your business and we urge you to make inquiries about these laws.

Competition

The indoor trampoline park business is highly competitive and ATP's competitors include well-established indoor trampoline park owners, some of which have greater experience in operating

an indoor trampoline park, greater capital resources, and greater economic strength so as to provide park product and services at costs below that of an ATP Park.

Item 2. BUSINESS EXPERIENCE

Founder and Chief Executive Officer: Curtis "Curt" L. Skallerup

Curt is one of our founders and has been our manager and Chief Executive Officer since we were formed in October 2015. He has also been the President of our affiliate J&C IP, Inc. since July 2014 and a manager of L&A, Spike Apparel, ATP Metal, and ATPIP since the inception of each of those companies. He works out of our offices in Southlake, Texas.

Founder and Chief Operations Officer: Jeffrey "Jeff" L. Rutten

Jeff is one of our founders and has been our manager and Chief Operations Officer since we were formed in October 2015. He has also been the Vice President of J&C IP, Inc. from July 2014 and a manager of L&A, Spike Apparel, ATP Metal, and ATPIP since the inception of each of those companies. He works out of our offices in Southlake, Texas.

Senior Vice President of Operations: Courtney Skallerup

Courtney has been our Senior Vice President of Operations since January 2017. Before then, she was our Vice President of Operations from January 2016 through December 2016. Courtney came on board with us as a Director of Operations in February 2015. Before that, she was an Area Sales Manager for Dillard's in Frisco, Texas, from October 2011 until January 2015. She works out of our offices in Southlake, Texas.

Senior Vice President of Finance: Joshua "Josh" Patrick

Josh has been our Senior Vice President of Finance since January, 2017. Before then, he was our Vice President of Finance from January 2015 through December 2016. Before that, he was our Controller from January 2013 through December 2015. He works out of our offices in Southlake, Texas.

Item 3. LITIGATION

Jim Kamp v. Altitude Franchising, LLC, J&C IP, Inc. d/b/a Altitude Trampoline Park, and Curtis Skallerup, District Court, Tarrant County, Texas, Cause No. 017-302814-18, filed September 11, 2018. Jim Kamp sued defendants seeking damages, punitive damages, and attorneys' fees relating to an alleged breach of an alleged oral agent development agreement between Mr. Kamp and us. Mr. Kamp alleges that he was owed compensation for introducing prospective franchisees to us. He also alleges that the defendants were his employers, joint employers, or co-employers. In addition to breach of contract, Mr. Kamp is alleging a claim for quantum meruit, a common law claim for wages, and fraud. He is seeking damages in excess of the amount of $917,575.75. The defendants intend to deny and defend all claims.

Bump It Up, LLC v. Altitude Franchising, LLC, J&C IP, Inc. d/b/a Altitude Trampoline Park, Altitude H2O, LLC, Altitude H2O Franchising, LLC and Curtis Skallerup, District Court,

Tarrant County, Texas, Cause No. 067-302989-18, filed September 17, 2018. Bump It Up, LLC ("Bump It Up"), a franchisee, sued defendants seeking damages, punitive damages and attorneys' fees relating to an alleged breach of the license agreement Bump It Up had entered into with J&C on or about December 1, 2013. Plaintiff alleges that defendants have violated the exclusive territory provision in the license agreement and the right of first refusal provision by allowing third parties to open Altitude Trampoline Parks in the exclusive territory, or without first offering locations located in the right of first refusal area to Plaintiff. Plaintiff is alleging fraud in the inducement, based on the same facts. The defendants intend to deny and defend all claims.

Other than these 2 matters, no litigation is required to be disclosed in this Item.

Item 4. BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

Item 5. INITIAL FEES

You must pay a non-refundable initial Franchise Fee to us in the amount of $40,000.00, in a lump sum, on either the execution of your lease for the ATP Business premises, or 180 days after the execution of the Franchise Agreement, whichever is earlier. We reserve the right to reduce or waive the initial Franchise Fee in certain cases. Such cases may include, but may not be limited to, unique circumstances where there is a mutual interest for us and the Franchisee to reduce or waive the Franchise Fee; for example, where the Franchisee agrees to open multiple Parks or where a Franchisee elects to open a Park in a particular locale. In the last fiscal year, franchisees paid initial Franchise Fees ranging from $5,000 (one franchise) and $30,000 (which was the then current initial fee).

If you sign an Area Development Agreement, you must pay a non-refundable Area Development Fee of $40,000 for each ATP Business required to be established under the development schedule of your Area Development Agreement. If you pay an Area Development Fee you are not required to pay an initial Franchise Fee for the Franchise Agreements you sign pursuant to the Area Development Agreement.

Item 6. OTHER FEES

Type of Fee	Amount[1]	Due Date	Remarks
Royalty Fee	7% of monthly Gross Sales(2)	By the 10th day of the succeeding month.	See Notes 2 and 3. The Royalty Fee is drawn by ACH.
Lease Signing Extension Fee	$5,000	Upon grant of extension of time to sign a lease for the ATP Business	You must sign a lease for the Premises you will be operating the ATP Business from within 180 days of the effective date of the Franchise Agreement. If you do not sign a lease timely, you can request from us an extension

Type of Fee	Amount[1]	Due Date	Remarks
			of the time to sign. If your request is granted, you must pay a lease signing extension fee.
Marketing Fee	Payable if we establish a Marketing Fund. Can be up to 2.5% of Gross Sales. Instead we have the right to charge a pro rata fee on a project basis.	By the 10th day of the succeeding month. If a pro rata fee is charged, payable against invoice.	The Marketing Fee is a contribution to the Marketing Fund. We have not yet established a Marketing Fund. In lieu of charging a Marketing Fee we have the right to charge you on a pro rata basis for specific marketing and advertising projects that fall within the scope of permissible use of the Marketing Fund.
Background Check Fees	$25 to $50 per employee	At time background check is ordered	You must conduct a criminal background check on each of your employees. The cost of the background check will depend on the depth of the review, which is dictated by the position held by the employee. These fees are paid to a third-party review company and not to us.
Additional Training and Conference Fee	Reasonable fees	Upon request	We may provide mandatory or optional training programs and organized conferences during the term of your Franchise Agreement. We may charge reasonable fees for attendance. All travel, lodging, meal and other attendance expenses must also be paid by you.
Optional Guidance and Operating Assistance Fee	Reasonable fees	Upon request	We provide ongoing support and assistance to our franchisees, but sometimes the support and assistance goes beyond the ordinary. In those cases we may charge you a reasonable fee for the additional support and assistance we provide.
Mystery Shopper Fee	Reimbursement of our expenses	Upon request	We may from time to time engage mystery shoppers to ensure franchisee compliance with System requirements,

Type of Fee	Amount[1]	Due Date	Remarks
			including customer service standards. If we engage a mystery shopper to mystery shop your ATP Business you must reimburse us for our expenses in connection with engaging the mystery shopper service.
Alternative Supplier Review Fee	Then current standard fee, or actual cost, if higher. Currently, we charge the actual cost of review.	Upon invoice	If you want to use another supplier than our approved supplier to buy or lease any products or services we require you to use, then you have to submit a request to us for our review.
Approved Location Replacement Fee	$5,000	Upon submission of replacement site	If your Approved Location cannot be acquired or becomes redundant you may submit a request for us to review an alternative location.
Construction Commencement Extension Fee	$5,000 per 30 day extension for up to 4 extensions	Upon submission of extension request	If you are not able to commence construction of your ATP Park in time, you may request up to 4 extensions for $5,000 each. Extension will be granted in our discretion. If the extension is not granted, the fee will be refunded.
Construction Completion Extension Fee	$5,000 per 30 day extension for up to 4 extensions	Upon submission of extension request	If you are not able to complete construction of your ATP Park in time, you may request up to 4 extensions for $5,000 each. Extension will be granted in our discretion. If the extension is not granted, the fee will be refunded.
Franchise Agreement Transfer Fee(3)	Then current Transfer Fee, currently $10,000.00 Attorney's fees for permitted transfers	Before acceptance of transfer	Payable before a transfer of any direct or indirect interest in you, in the ATP Business or its assets or in the Franchise Agreement. If you are an individual and want to transfer ownership of your ATP Business to a wholly-owned legal entity, that is a permitted transfer. We do not charge a transfer fee for permitted transfers, but you will

Type of Fee	Amount[1]	Due Date	Remarks
			have to reimburse us for any attorney's fees we incur in connection with the permitted transfer.
Fee for Lost Operations Manual	$500.00	Upon delivery of the replaced Operations Manual	Payable if you lose your copy of the Operations Manual.
Audit Fee	Cost of Audit, plus any understated amount with interest	Upon demand	If we determine that you have been deficient by 3% or more on reported Gross Sales.
Interest on Late Payments	Lesser of 18% annually or maximum legal rate allowed by State law	On all overdue payments	Payable on all overdue amounts. Interest begins to accrue from the due date until the date paid.
Late Report Fee	Greater of $100 or 3% of the unpaid amount	As incurred	Payable if a Royalty Fee is paid later than the 15th day of the required payment.
Indemnity	Varies	Upon demand.	You must indemnify us, our affiliates and our respective officers, directors, managers, members and employees, from and against all claims arising out of your breach of the Franchise Agreement, operation of the ATP Business (including any injury to any person or property), any negligent or willful act or omission by you, your officers, directors managers, members, partners employees, agents, servants, contractors or others for whom you are responsible, violation of any applicable law, and any advertising or promotional materials used by you.
Attorney's Fees	Varies	Upon request	We have the right to request payment of attorney's fees if we are the prevailing party in any legal proceeding against you that is based on the terms of the Franchise Agreement or the Area

Type of Fee	Amount[1]	Due Date	Remarks
			Development Agreement.
Development Extension Fee	$10,000	Upon approval of request for development deadline extension	Payable if you are granted an extension of the deadline of any development deadline under the Area Development Agreement.
Management Agreement Fee/Base Management Fee	Varies	1/12th of the fee is payable when monthly reconciliation sent to you, no later than 30 days after the close of each calendar month	Payable if you retain our affiliate, L&A, to manage your Park.
Accounting Management Services Fee	Currently, $35,000/year	Payable in monthly installments by the 10th day of each month	Payable if you retain our affiliate, L&A, to provide accounting services for your Park.
Marketing Services Fee	Currently, $30,000 or $40,000/year	Payable in monthly installments by the 10th day of each month	Payable if you retain our affiliate, L&A, to provide marketing services for your Park. If you are retaining L&A to provide management or accounting management services as well, then the marketing services fee is $30,000. If you are only retaining L&A to provide marketing services, then the fee is $40,000.

Notes:

1. We may require that any fee described in this Item or required to be paid under the Franchise Agreement or the Area Development Agreement be paid by wire transfer, electronic fund transfer, or by an ACH (Automated Clearing House) deduction or direct withdrawal from your bank account. Currently only the Royalty Fee is payable by ACH.

If you signed an Area Development Agreement, you will sign the form of Franchise Agreement offered to franchisees at the time you sign such Franchise Agreement. The Royalty rate will be what is offered to franchises at that time.

Except for payments (i) to our affiliate L&A (Management Agreement Fee, Accounting Management Services Fee and Marketing Services Fee) and (ii) of taxes that you may be required to pay directly to a government entity or withhold, all fees and charges are imposed by and are collected and payable to us. All fees are nonrefundable. At our option, you may be required to make payment of certain fees to us by wire transfer. The fees are uniformly imposed.

No fees are imposed by cooperatives. If in the future fees are so imposed, franchisor-owned locations will have the same voting power as franchisee-owned locations. If franchisor-

owned locations would have the controlling voting power there would be no minimum or maximum limits on fees that could be imposed.

2. "Gross Sales" means all sales attributable to, or derived from, the operation of the ATP Business, including from all trampoline and other entertainment activities, as well as related services and products, which are sold at the Park including, but not limited to, Park admission fees, specific entertainment "a la carte" activity fees, event packages fees, apparel sales, food and beverage sales, and proceeds received or realized by Franchisee in connection with any business interruption insurance maintained by, or for, the benefit of Franchisee.

3. No transfer fee is payable if: (1) You transfer the interest to us or to an entity formed by you for the convenience of ownership and not involving a change of beneficial ownership if the transfer satisfies the conditions specified in the Franchise Agreement; or (2) The transfer is to and from estates of a decedent if the transfer satisfies the conditions specified in the Franchise Agreement. Any other transfer may require the filing of a new application and payment of an application fee and Transfer Fee.

Item 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Fee	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee (Note 1)	$40,000	Lump sum	At earlier of (i) opening of the Park for business or (ii) 180 days after execution of Lease Agreement, as applicable	Us
Real Estate (Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)
Architect (Space Layout) (Note 3)	$20,000 - $30,000	As incurred	Prior to Opening	Vendor
License and Permits (Note 4)	$2,000 - $5,000	As incurred	Prior to Opening	Municipality
Leasehold Improvements (including Tramp Decking and Sheetrock work) (Note 5)	$500,000 - $1,200,000	As incurred	Prior to Opening	Landlord
Security Deposit (Note 6)	$10,000 - $60,000	As incurred	Prior to Opening	Landlord
Trampoline and Pads (Note 7)	$500,000 - $700,000	As incurred	Prior to Opening	Tramp Manufacturer
Optional Park Equipment	$0 - $600,000	As incurred	Prior to	Tramp

Type of Fee	Amount	Method of Payment	When Due	To Whom Payment is Made
(Note 8)			Opening	Manufacturer
Furniture, Table, TV (Note 9)	$15,000 - $25,000	As incurred	Prior to Opening	Vendor
Signage (Note 10)	$20,000 - $30,000	As incurred	Prior to Opening	Vendor
Computer Hardware, and Software (Note 11)	$25,000 - $30,000	As incurred	Prior to Opening	Vendor
Telephone/Security/Sound System (Note 12)	$40,000 - $75,000	As incurred	Prior to Opening	Vendor
Miscellaneous Office Equipment (Note 13)	$5,000 - $10,000	As incurred	Prior to Opening	Vendor
Inventory (Note 14)	$25,000 - $35,000	As incurred	Prior to Opening	Vendor
Insurance Prepaid Premiums (Note 15)	$25,000	As incurred	Prior to Opening	Vendor
Staff Training and Materials (Note 16)	$8,500	As incurred	Prior to Opening	Vendor
Legal and Accounting (Note 17)	$5,000 - $10,000	As incurred	Prior to Opening	Vendor
Uniforms	$2,500	As incurred	Prior to Opening	Vendor
Website (Note 18)	$825	As incurred	Prior to Opening	Vendor
Grand Opening (Note 19)	$5,000	As incurred	Prior to Opening	Vendor
Marketing (Note 20)	$15,000 - $25,000	As incurred	Prior to Opening	Vendor
Additional Funds (Note 21)	$60,000 - $100,000	As incurred	First 6 months of Operations	Vendor
Total Estimated Initial Investment (Note 22)	$1,323,825 - $3,016,825			

Notes:

The fees described in this chart are generally non-refundable, though you may be able to negotiate the payment terms with some vendors. All fees payable to us or our affiliates are non-refundable. Neither we, nor any of our affiliates finance any part of your initial investment.

This is our best estimate on the costs you will incur to develop and open one new ATP Business based on the experience of our officers and owners. There are no incremental initial investment costs if you become an area developer.

(1) All franchisees will pay an Initial Franchise Fee of $40,000. If you sign an Area Development Agreement, you will pay a Development Fee of $40,000 for each ATP Business you will be establishing under your development schedule, and you will not pay the Initial Franchise Fee when you sign the Franchise Agreement.

(2) We do not estimate the cost of real estate because of the wide variation among geographical areas and different sites. The ideal size for a Park is around 30,000 square feet. Depending on your location, in our experience, you should expect to pay between $23 to $45 a square foot for gross annualized rent. Most ATP Parks are located in second generation retail space in strip malls, such as former big box stores. However, rent can vary widely depending on location and yours could be significantly different. In certain major metropolitan markets, such as Boston, Chicago, New York, Los Angeles, San Francisco and Washington D.C., and in other areas with high demand, you should expect to pay significantly more per square foot of space. New landlords may also require you to pay the first and last months' rent and a security deposit equal to at least one to three months' rent.

(3) We will make available to you prototype plans and specifications for the Park, but you must, at your expense, adapt the Approved Location and the Premises to our standard plans and specifications for the exterior and interior design and layout, fixtures, furnishings, signs, trade dress for the Park. You must inform us of the architect you have chosen at least 30 days before you start construction of your ATP Business and the architect is subject to our approval.

(4) The licenses and permits you must obtain or pay to operate the Park vary depending upon the state, county, or other political subdivision in which the Park is located. Whether the fees you pay for permits, licenses and other government fees are non-refundable will depend on the rules applied by the issuing agency or government body.

(5) A large percentage of Franchisees lease buildings in which to operate their Parks. If the Franchisee owns property to operate its Park, the Estimate of the Initial Investment will change. The estimate for leasehold improvements will depend greatly on the allowance you are able to negotiate with your landlord for tenant improvements. If you are not able to negotiate a tenant improvement package your leasehold improvement expenses will be closer to the higher end of the estimated amount of expenditure.

(6) Your landlord will likely require you to pay 1 to 2 months' lease payment as a deposit.

(7) The cost of trampolines, foam pits and blocks, and other equipment will depend both on the size of your Park, but also on the optional equipment you may decide to include. You must purchase or lease the Trampoline equipment for your location through our approved supplier. Typically, you will purchase the

equipment outright and you are responsible for providing financing. The estimate is for the required equipment only.

(8) There are several different optional equipment packages available to you. A ropes course and zip line option will cost between $200,000 for a small course and up to $600,000 for a large course. You can also include a ninja warrior course in your Park. The cost for the ninja warrior course ranges from $175,000 for a small course to $275,000 for a large course. The low range of this line item is $0 to represent the situation in which you choose none of the optional equipment packages. The high end of this line item represents your choice of the large ropes and zip line option. The standard size park could not include all of the optional equipment, so you would only ever choose to include some of the additional options.

(9) The amount you will spend on these items depends largely on the size of your Park.

(10) You will need indoor and outdoor signage for your Park. The cost of your signage will depend on several factors, including the size of your Park, the complexity of your building, as well as local ordinances and regulations as well as landlord restrictions and requirements for signage.

(11) The Hardware cost includes POS computers, waiver computers, party check-in computers, cash drawers, thermal receipt printer, credit card readers and waiver computer holder wall mount stands. The Software cost includes a point-of-sale software system from our approved vendor known as CenterEdge, who you must currently use unless we expressly state otherwise. The required software system delivers, in part, one centralized software package to sell capacity controlled jump times, drive online jump sales and party reservations, manage liability waivers and improve guest processing. We also recommend that you obtain scheduling software. We do not recommend any particular scheduling software or other software.

(12) The high range of this line item includes DJ lighting.

(13) The amount you will spend on office equipment depends on how high-end your choices for equipment are.

(14) Your start-up inventory consists of birthday shirts, socks, badges, bands, park supplies, and cleaning supplies. The cost to purchase the initial inventory will depend on the size of your facility.

(15) The insurance premiums are for the period of construction and your first 3 months of operation. You must at least maintain the insurance coverage we will specify from time to time. At this time, we require that you maintain the following insurance coverage on an occurrence basis: (i) General Liability Insurance with minimum coverage of $1,000,000.00 per occurrence and $2,000,000.00 in the aggregate; (ii) Excess Liability Insurance with minimum coverage of

$3,000,000.00 in the aggregate; (iii) Workman's Compensation as required by State statute; and (iv) Business Interruption Insurance.

(16) This amount includes travel costs for your staff attending training.

(17) These estimates represent engaging attorneys and/or other business professionals to review our disclosure documents, help negotiate your lease, create your business entity and seeking CPA help. If your ownership structure is complex your legal and accounting expense may be higher.

(18) Through a third party we offer our franchisees a standard package for set-up of their websites.

(19) You must spend at least $5,000 on the Grand Opening marketing of your Park within 3 to 4 weeks of opening.

(20) You will have to spend money on marketing in addition to the Grand Opening marketing. The amount you will have to spend depends on several factors, including the size of the city you are in (generally, the larger the city, the higher your marketing expense) and the amount of competition in your area.

(21) Based on prior experience of Park operators, we suggest that you maintain Additional Funds in the amount of between $60,000 and $100,000 to satisfy any cash flow deficiencies during the first 6 months of the Park's operations. The funds may be needed to support ongoing expenses, such as employee wages, utilities, payroll taxes, legal and accounting fees, advertising, promotion, outside services, operating supplies, maintenance and repair, office supplies, cash shortages, as well as additional opening capital for other variable costs. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as the sales volume of your park; your management skill, experience, and business acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; and your rent structure.

(22) Total Estimated Initial Investment is an estimate only. The figure cannot be guaranteed and costs will differ based on various factors including, but not limited to, market conditions, purchasing experience and Franchisee's unique attributes in which it wants to equip and operate its Park. Neither Franchisor, nor any Affiliate, provides initial investment financing. There are no incremental initial investment costs if you become an area developer.

Item 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required purchases

To ensure that high and uniform standards of service and quality are maintained in all ATP Parks, you must operate your Altitude franchise in conformity with our methods, standards and specifications and you must purchase and lease certain goods, services, supplies, FF&E,

inventory, computer hardware or software, real estate and comparable items from us, our designees or suppliers we have approved and consistent with our specifications. The following goods or services must be purchased only from approved vendors:

Trampoline Equipment. You must purchase all trampoline equipment including the frames, springs, jumping mats, redundant jumping mats, foam pads and nets above the walls from one or more approved vendors. If you choose to include any of the optional equipment in your Park, such as the ropes and zip line course, or the ninja warrior course, you must buy the equipment from our approved vendors as well.

Socks. You must purchase all socks to be sold to your customers from one or more approved vendors.

Point-of-Sale Software System. You must purchase (or license) the point-of-sale software system we designate from time to time, but it can be purchased from one or more approved vendors.

Site Location Service. We require that you use our designated site location service provider when locating the site for your Park. We pay the service provider for this service and there will be no charge to you for the standard service offering.

Website. We require that you use our designated web design service for your website. Currently the star-up cost for this service is $825 and there is a monthly hosting and maintenance fee of $350 per month.

Insurance

You must at least maintain the insurance coverage we will specify from time to time. At this time, we require that you maintain the following insurance coverage on an occurrence basis: (i) General Liability Insurance with minimum coverage of $1,000,000.00 per occurrence and $2,000,000.00 in the aggregate; (ii) Excess Liability Insurance with minimum coverage of $3,000,000.00 in the aggregate; (iii) Workman's Compensation as required by State statute; and Business Interruption Insurance.

We may from time to time require that you purchase or lease other any goods, services, supplies, FF&E, inventory, computer hardware or software from approved suppliers. We or our affiliates may be the only approved supplier for such products.

The approved vendor or vendors will be identified on a list which we will provide to you in our Operations Manual. The list of approved vendors may change from time to time.

The approved trampoline equipment vendors are selected, primarily, based on the criteria of the quality of the equipment manufactured for safety and durability. The approved vendor will provide to you the specifications and standards for the trampoline equipment prior to the time of any purchase.

The approved vendor for the point-of-sale software system is based, primarily, on the criteria of performance, functionality and compatibility. The approved vendor will provide to you the specifications and standards for the point-of-sale system prior to the time of any purchase.

Suppliers in which Curt and Jeff own an interest

Curt and Jeff are the sole owners of Spike Apparel. At this time, Spike Apparel is the only affiliate who is on our list of approved supplier/vendors for apparel. You are not required to purchase apparel from Spike Apparel. Curt and Jeff do not own any interest in any other approved supplier.

Approval of alternate suppliers

Except for the trampoline equipment, point-of-sale software system, socks, and website design services, which must be purchased from approved vendors, you may purchase other goods and services from vendors who are not on our list of approved vendors ("alternative suppliers"). To purchase goods and services from alternative suppliers, or to purchase alternative goods and services from those we specify you must first get our approval. To get our approval, you must, in a written request to us, identify the goods and services which are sought to be purchased, along with the name and address of the alternative supplier(s) and other relevant information we may require. We have the right to charge you a fee intended to reimburse us for our expenses related to the review of your proposed product or the alternative supplier. We do not provide to you beforehand (except for the trampoline equipment, socks and point-of-sale system) specifications or criteria for each product or service which you may need, but we will provide that information on your written request. We will reply to you within 14 days of receiving your written request. Our decision to allow you to purchase goods and services from alternative suppliers will be based on our assessment of the product or service meeting ATP System standards, as determined by us. Approval of alternative suppliers may be revoked if we determine that the quality of the products, services, equipment, inventory and supplies no longer meet ATP System standards, as determined by us. You will be notified if we revoke the allowance of an alternative supplier and we will include an explanation for the reason.

Revenue from franchisee purchases

In the year ending December 31, 2017, and prior to such date, neither we, nor any affiliate except for Spike Apparel, have received any revenues from franchisees (or licensees) with respect to the sale of required purchases or leases by our franchisees. In the most recent fiscal year, Spike Apparel, received $1,506,527.77 in revenues from the franchisees and licensees for the sale socks. L&A received revenue for optional services provided to franchisee (and licensees): $449,602.67 in accounting service fees, $485,947 in management service fees, and $142,148.59 in marketing service fees.

With respect to Spike Apparel, if a franchisee purchases goods from Spike Apparel, Spike Apparel charges a price which is thirty percent (30.0%) above the cost which Spike Apparel pays to its supplier. The cost which is paid to the supplier is a preferred customer volume discount cost which Spike Apparel has negotiated with the supplier. The difference between Spike Apparel's cost and the revenues received from a franchisee are applied to Spike Apparel's administrative costs and a portion constitutes profit.

You can expect items purchased or leased in accordance with our specifications will represent approximately 50% to 80% of total purchases you will make to begin operations of the business and 12% to 25% of the ongoing costs to operate the business.

Currently, no suppliers make payments to us from franchisee purchases, but we reserve the right to collect such payments in the future.

We do not provide franchisees any material benefits based on franchisee purchases of particular products or services or the use of particular suppliers.

Cooperatives

We do not have any purchasing or distribution co-operatives at this time and we will inform you if those arrangements change. However, we may negotiate purchase arrangements with suppliers, including price terms, for the benefit of you, however, we are not obligated to do so. If we do negotiate purchase arrangements, it is anticipated that we may receive periodic volume discounts or other financial consideration from designated or approved suppliers of products, services, equipment, inventory and supplies, when either (i) purchasing such products, services, equipment, inventory and supplies, which we may then sell to you, or (ii) directing you to purchase such products, services, equipment, inventory and supplies from approved supplier(s)/vendor(s). We do not provide material benefits to you based on you purchasing particular products or services or using particular suppliers.

Item 9. FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in Franchise or Other Agreement	Disclosure Document Item
a.	Site Selection and Acquisition/lease	3.2, 6.1, 7.2, 7.3, 7.6, 7.7 of Franchise Agreement 2.1, 7.3 of Area Development Agreement	11
b.	Pre-opening purchases/leases	4.2, 7.7, 7.8, 9.1, 10 of Franchise Agreement	5, 7, 8
c.	Site development and other pre-opening requirements	7.7, 8.1, 8.2, 8.3, 9.1 of Franchise Agreement 7.1 of Area Development Agreement	6, 7, 11
d.	Initial and Ongoing Training	8.1 - 8.6 of Franchise Agreement	7, 11
e.	Opening	1.13, 7.7, 9.1.2, 9.1.18 of Franchise Agreement	11

	Obligation	Section in Franchise or Other Agreement	Disclosure Document Item
		6.1, 7.1 of Area Development Agreement	
f.	Fees	1.9, 1.18, 4.4, 5.2.7, 6.1-6.5, 7.3, 7.7.2, 7.7.3, 8.4.2, 8.5, 9.1.20, 12.4, 12.5, 12.6, 15.2, 18.3.6, 18.6, 20.6, 21.5, 22.7 and Exhibit A of Franchise Agreement 5.1, 6.1, 7.1 of Area Development Agreement	5, 6, 7, 8
g.	Compliance with standards and policies/operating manual	1.12, 4.1-4.4, 7.7, 7.8, 9.1 of Franchise Agreement	11, 14
h.	Trademarks and proprietary information	11.1-11.3 of Franchise Agreement	13, 14
i.	Restrictions on products/services offered	9.1.5, 10.1 of Franchise Agreement	8, 16
j.	Warranty and customer service requirements	9.1.14, 9.1.20 of Franchise Agreement	16
k.	Territorial development and sales quotas	7.1 of Area Development Agreement	12
l.	Ongoing product/service purchases	9.1, 10.1-10.4 of Franchise Agreement	8
m.	Maintenance, appearance and remodeling requirements	9.1 of Franchise Agreement	11
n.	Insurance	15.1 of Franchise Agreement	7
o.	Advertising	14.1-14.6 of Franchise Agreement	6, 7, 8, 11
p.	Indemnification	9.1, 15.1 of Franchise Agreement 21.4 of Area Development Agreement	6, 17
q.	Owner's participation, /management and staffing	8.1-4, 9.1.13, 16.2, 16.3 of Franchise Agreement 8.3 of Area Development Agreement	15
r.	Records and reports	12.1-12.2 of Franchise Agreement	11
s.	Inspections and audits	12.3-12.4 of Franchise Agreement	6, 11
t.	Transfer	18.1-18.6 of Franchise Agreement 15.1 of Area Development Agreement	6, 17
u.	Renewal	5.2 of Franchise Agreement 3.1 of Area Development Agreement	6, 17
v.	Post-termination	16.1, 16.2.2, 16.3, 16.4, 20.7, 20.8 of	17

	Obligation	Section in Franchise or Other Agreement	Disclosure Document Item
	obligations	Franchise Agreement 12.1, 12.3, 12.4 of Area Development Agreement	
w.	Non-competition covenants	16.2-16.7 of Franchise Agreement 12.2-12.4 of Area Development Agreement	17
x.	Dispute resolution	21.1-21.6 of Franchise Agreement 17.1 – 17.10 of Area Development Agreement	17
y.	Other: Guaranty of franchisee obligations	22.12 of Franchise Agreement 8.1 of Area Development Agreement	1

Notes:

1. Your principals must guarantee all of your obligations in the Franchise Agreement and Development Agreement. We require that individuals guarantee your obligations, so if your principals are entities, your indirect owners who are individuals will have to guarantee your obligations. A copy of the Guaranty is attached to the Franchise Agreement, which is Exhibit C of the Franchise Disclosure Document and to the Development Agreement, which is Exhibit D to the Franchise Disclosure Document.

2. All of your partners, principals, officers, directors, managers and members are also required to honor all of your obligations in Article 16 of the Franchise Agreement.

Item 10. FINANCING

We do not offer direct or indirect financing. We do not guarantee your financing or lease obligations.

Item 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Assistance

Before you open your ATP Business, we will provide the following assistance and services to you:

(i) identify your Designated Territory and identify your Right of First Refusal Area (if applicable) (both as defined below in Item 12)(Franchise Agreement, Exhibit A); and,

(ii) provide you with guidelines to assist you in selecting the site, of your choosing, for your Park. You will either lease or purchase the site, directly, from a third-party (we do not purchase or lease the real estate for you). We do not select the location of your Park nor do we negotiate the purchase or lease of the site. We will introduce you to a licensed commercial real estate broker ("Our Real Estate Broker") that our Affiliate has worked with to assist numerous Park licensees with their site selections and you are required to use Our Real Estate Broker to locate a site. Our Real Estate Broker has knowledge about the criteria to consider when choosing a desirable location for your Park. Our Real Estate Broker is not an Affiliate and will receive a commission or consulting fee as the parties agree (the parties being Our Real Estate Broker, the site's property owner and the co-operating broker, as may be applicable). (Franchise Agreement, Article 7.2)

(iii) Review you selected site to ensure that it complies with our site approval criteria. We will use commercially reasonable efforts to approve or reject your proposed site within 60 days from when you submit all required information about the site. Even though we have to approve your site, it is up to you to ensure that you conduct your own diligent review of the location and to determine if the site is suitable. Our approval is permission only and not an assurance of success or suitability. Our site approval does not create liability for us. If we reject your selected site you can submit another site for our consideration. If we still do not approve your selected site we can terminate the Franchise Agreement. (Franchise Agreement, Paragraph 7.2).

You will be responsible for conforming the site to local ordinances and building codes and obtain the required permits (i.e. health, sanitation, building, sign permits, and such other government requirements). You are also responsible to ensure that your Park is built to the System designs and specifications. Your architect must be approved by us and we keep a list of preferred architects who have experience with the design of Altitude Trampoline Parks. You will be responsible for purchasing and installing the equipment, signs, fixtures, opening inventory and supplies. We will provide you with a list of approved suppliers/vendors to assist you with the purchase and installation and will provide you with the specifications for such items, as applicable. The typical length of time between securing the site and opening your Park approximates 6 to 8 months, although the time-frame differs for each Park (given the site selected, the nature of the improvements to be made to the premises (both landlord and tenant improvements) and other needs/requirements of you and your landlord (Franchise Agreement, Paragraph 7.2).

(iii) 90 days before your estimated opening our marketing team will prepare a pre-opening marketing plan for your Park.

Before entering into the Franchise Agreement, you and we, will identify a date by which your Park must be open for business to the public (Franchise Agreement, Exhibit A). If you fail to open your Park by such date, you will be in default of the Franchise Agreement and we may exercise our right to suspend performance of certain or all of our services to you or terminate the Franchise Agreement and all rights granted to you in the Franchisee Agreement. We also have

the right to extend the Park opening date so as to give you additional time to open your Park (Franchise Agreement, Article 7.7.3).

Though we offer initial training to you and some of your employees (Franchise Agreement, Article 8), it is your responsibility to hire, train and supervise efficient, competent and courteous employees of good character for the operation of your Park and to make sure the Park is operated in accordance with the ATP System (Franchise Agreement, Article 9.1.13). We may inspect and audit your Park at any time to ensure compliance with our systems and procedures (Franchise Agreement, Articles 12.3 and 12.4).

If you are an area developer, our only obligation is to help you define your Development Area and assign it to you. (Area Development Agreement, Sec. 2.1)

Post-Opening Assistance

During the operations of your ATP Business, we will provide the following assistance and services to you:

(i) We will provide one or more representatives to be available to you to discuss your operational issues and support needs. Such representative(s) will be available (i) by telephone during normal business hours through a prior scheduled appointment, or more spontaneously whenever possible, and (ii) by e-mail correspondence during normal business hours. There is no additional charge for this service (Franchise Agreement, Paragraph 8.3(a));

(ii) We may choose to hold annual meetings to discuss sales techniques, new product and service developments, bookkeeping, training, accounting, inventory control, safety and maintenance issues, performance standards, advertising programs, merchandising procedures and other topics. These meetings may be held at a location chosen by us in our discretion. In the event that we do hold such annual meeting, your attendance is strongly encouraged but it is not required. If you choose to attend, all travel, lodging, meal and other attendance expenses shall be paid by you (Franchise Agreement, Paragraph 8.3(b));

(iii) We will furnish you with additions, supplements and modifications to the Operations Manual and disclose to you additional trade secrets, if any, developed by us, per the terms of the Franchise Agreement (Franchise Agreement, Paragraph 8.4). By **"Operations Manual"** we mean both the actual manual that we will give you a copy of, but also all other System standards and directions (whether written, electronic or in any other form), including books, pamphlets, bulletins, memoranda, order forms, packing slips, invoices, letters, e-mail, Internet data, or other publications, documents, software programs, video tapes, transmittances or communications, prepared by, or on behalf of, Franchisor for use by Franchisees generally or for Franchisee in particular, setting forth information, advice and standards, methods, techniques, requirements, marketing specifications, information and procedures, operating procedures, instructions or policies relating to the operation of the ATP Business or the operation of franchises, as the same may be added to, modified, supplemented deleted or otherwise amended by Franchisor from time-to-time. ; and,

(iv) We will provide guidance on pricing (Franchise Agreement, Article IX(xix)).

If you sign a Management Agreement with our affiliate L&A Altitude Management, LLC ("L&A"), L&A will be managing your Park. The management services provided will include business plan support services, financial modeling and support services, insurance brokerage consulting, sales and marketing support services, vendor management support services, IT consulting, and park maintenance. (Exhibit A to the Management Agreement). L&A is also responsible for hiring and training your general manager for the Park. (Section 1.3 of Management Agreement).

If you sign an Accounting Management Services Agreement with L&A, L&A will provide you with accounting services, including review of the general ledger, process payroll, complete ledger entries, manage accounts payable, manage missing invoices, perform accounts payable reconciliations, communicate with vendors regarding accounts payable, prepare cash/credit reconciliations, discuss cost and revenue with your representative, prepare month-end close entries and handle tax and 401(k) matters in conjunction with your CPA. (Exhibit A to the Accounting Management Services Agreement).

If you sign a Marketing Services Agreement with L&A, L&A will provide you with marketing services for your Park. The exact scope of those services will be agreed upon between you and L&A

Advertising

Unless we modify the Operations Manual and notify you otherwise, you will be responsible for your own marketing, advertising and promotional campaigns. You will receive, for no additional charge, information and guidance about ATP marketing, advertising and promotional matters during the training program and will also receive a website address which will assist you with its marketing, advertising and promotional efforts. The website will provide samples of ATP marketing, advertising and promotional materials for you to consider. If you so choose, you may select and purchase the desired materials from our approved supplier(s). At this time, there are no required advertising expenditure amounts nor is there a requirement to participate in local, regional or national advertising programs or cooperatives. The existing arrangement may change as allowed by the Franchise Agreement (Franchise Agreement, Paragraph 14.1).

All marketing, advertising and promotional materials or communications, which have not been previously approved by us, must be submitted to us by you for our prior written approval. Our approval shall not to be unreasonably withheld provided such materials and communications are consistent with ATP System standards – as determined by us. With respect to social media marketing, advertising and promotional communications, you will not need to obtain our prior approval; provided, you use sound business judgment when communicating your messages, while promoting the highest standards of integrity, proper decorum and the goodwill associated with Altitude Trampoline Parks. If you fail to meet these standards, as determined by us, and after multiple warnings, we will have the right to require you to obtain our prior written approval of the social media content before such communications are broadcasted (Franchise Agreement, Paragraph 14.2).

We have the right to establish a Marketing Fund ("Marketing Fund"). If established, the Marketing Fund you and all other franchisees will be required to contribute to the Marketing

Fund. The Franchise Agreement does not require Affiliate-owned ATP Businesses to contribute, or to contribute at the same amount. The Marketing Fee will be up to 2.5% of your Gross Sales. However, instead of charging a percentage-based Marketing Fee we may charge a fee on a pro rata basis for marketing and advertising projects that fall within the scope of the permissible use of the Marketing Fund. We can charge the project based fee even if the Marketing Fund has not been established. The Marketing Fund will be administered by the Marketing Committee which will be selected by us or any affiliate with designated to administer the Marketing Fund. The Marketing Fund will be used to meet any and all costs of researching, developing and preparing national, regional, point of sale, and local direct sales advertising and marketing strategy materials for use by the System. If we or any of our affiliates operate another franchise program or brand (each, an "Affiliate Brand" and together with the System, the "Brands"), we and our affiliate(s) will have the right to combine the Marketing Fund for the System and for one or more Affiliate Brands into one fund. If a joint Marketing Fund is set up for several of the Brands, the Marketing Fund may also be used for joint promotional programs for such Brands. All payments, plus income earned on those payments, will be used for the Marketing Fund purposes listed above and not to defray any of our general operating expenses, except for reasonable salaries, administrative costs, travel expenses, overhead, and similar expenses we may incur in activities related to the administration of the Marketing Fund and all costs of development and preparing national, regional, point of sale, and local advertising materials for use within the System. The intent of the Marketing Fund will be to maximize general public recognition, direct sales programs, and acceptance of the System and any Affiliate Brand whose franchisees also contribute to the Marketing Fund. As such, Marketing Fund expenditures may not be equivalent or proportionate to any payments by you or other franchisees and particular franchised locations will not necessarily benefits directly or pro rata from advertising or promotion conducted under the Marketing Fund. Any marketing fees collected in a calendar year but not spent in such year will be retained for Marketing Fund expenses in subsequent years. The Marketing Fund will not be a trust or escrow account, and we have no fiduciary obligation to franchisees with respect to the Marketing Fund. We will have the right to advance monies to the Marketing Fund and obtain reimbursement of such advances out of Marketing Fund fees collected. We will have the right to divide the Marketing Fund into two or more funds, by Brand or otherwise. If we divide the Marketing Fund, you will pay your Marketing Fee to such fund as directed by us, if any. Unaudited annual financial statements of the Marketing Fund will be made available for review by franchisees upon request, but no more frequent periodic accountings. Because the Marketing Fund has not been established, we did not collect or spend any marketing fees in the last fiscal year.

Computer Systems

Currently, unless we expressly state otherwise, you are required to purchase and use a point-of-sale software system from our approved vendor known as CenterEdge which is licensed by Pathfinder Software, LLC located at 5050 Durham Road, Roxboro, NC 27574 (336-598-5934) (Franchise Agreement, Paragraph 10.2). Our Parks have been using the CenterEdge software from our inception. The required software system delivers, in part, one centralized software package to sell capacity controlled jump times, drive online jump sales and party reservations, manage liability waivers and improve guest processing. The cost of the hardware and software will approximate between $25,000 and 27,000, if purchased outright. Typically you are allowed to spread out this expense into 13 monthly payments if you put down a deposit. The annual cost

for leasing the required software is $210 per month. You can use whatever computer system you wish, but for the required point-of-sale system, you will need to have Microsoft-compatible computer. Except for the point-of-sale software, you can use the software programs you desire with that system to operate your business. We also recommend that you obtain scheduling software, which costs about $75 per month. We do not recommend any particular scheduling software. We will have independent access to your point-of-sale program and the information therein so as to enable us to track your sales revenues. Although there are restrictions as to whom we can disclose your financial information, there are no contractual limitations on us viewing your data. However, we are not able to modify your data. You will be responsible for purchasing, maintaining, repairing, upgrading, and updating all computer hardware and software.

We require you to use our approved web design provider, Moonshot Marketing Group, for the set-up of your website. You must use the same web design provider for helping you to maintain our website. The initial fee for your website is approximately $825. There is also a monthly maintenance fee of $350/month. Standard upgrades, updates and repair of the website are included in the maintenance fee and that services is only provided by the web design provider, not by us or our affiliates.

Operating Manuals

Upon executing a Franchise Agreement, we will loan you a copy of our Operations Manual that contains mandatory and suggested specifications, standards and procedures. The Operations Manual is confidential and remains our property (Franchise Agreement, Article III). The Table of Contents for the current Operations Manual is attached as Exhibit F. The Operations Manual is 57 pages.

Training Program

Prior to you opening your Park, we will provide an "Initial Training" program and "Pre and Post-Opening Training" program.

Initial Training. Approximately 4-5 weeks before your Park opens, you (and/or your Park manager, as well as 3 additional people if you so choose), shall visit the Altitude Trampoline Park in Fort Worth, Texas or such other Altitude Trampoline Park as we may designate for a one-time initial training program. Unless we allow otherwise, your visit shall be for no less than 5 days and no more than 14 days. If you would like to train at the park for a period of time in excess of 5 days, you may do so. During such period, you will be trained by our experienced staff members, who include our senior vice-president of operations who has in excess of two years of experience with our company and understands every aspect of the Park's operations, an existing or previously acting general manager with at least six-months of Park general manager experience, a member of our accounting department who has a complete understanding of the Park's economics and point-of-sale software system, and other experienced staff members who provide particular services relating to birthday party planning, court monitoring, equipment, safety and cleanliness, and marketing services. You will also be trained about the ATP System, hiring, employee training, advertising, promotion, customer relations and other matters relating to the Park's operations. You will also have the opportunity, during business operations, to "shadow" Park employees of differing responsibilities to receive a complete understanding of the

Park's operations. You will be responsible for all travel, lodging, meal and personal expenses which are incurred by you, and all of your attendees, while attending the training program (Franchise Agreement, Paragraph 8.1). Typically, we expect that the required training participants complete the initial training before the Park opens, but if any of the required participants do not successfully complete the training they will be given an additional opportunity to complete it. Failure by one or more of the required trainees to complete the initial training program successfully we have the right to terminate the Franchise Agreement. (Franchise Agreement, Paragraph 8.2).

Pre and Post-Opening Training. Approximately three (3) weeks before the opening of your Park, our senior vice-president of operations and/or an existing or previously acting general manager with at least six-months of Park general manager experience will visit your Park for three (3) days and provide pre-opening assistance. During the following week, our senior vice-president of operations and/or an existing or previously acting general manager with at least six-months of Park general manager experience will return to your Park to provide additional training and operational assistance for a three (3) to five (5) day period. Thereafter, during the week in which you will open your Park (it is suggested that the Park's opening be scheduled for a Friday evening), one (1) to two (2) ATP staff members will return to the Park for the period Wednesday through Sunday to assist with the pre-opening activities and your post-opening operational needs. Included within the staff will be our senior vice-president of operations or an existing or previously acting general manager with at least six-months of Park general manager experience, as well as our party host training manager who will train your party hosts. We will go over the party process, expectations and set-up. We will also create an hour of "role play" so you will receive hands-on experience on how to host an Altitude birthday party. An ATP staff member (with experience depending on your need) will then visit the Park within a week or two thereafter, if you so choose, to provide additional assistance relative to Park operations and such other areas as you may request. You shall be responsible for the reasonable costs of travel, lodging and meal expenses of the ATP staff members who provide the above identified training services at your Park. (Franchise Agreement, Paragraph 8.2)

Our Initial Training program consists of six (6) days of training as follows:

TRAINING PROGRAM			
Subject	**Hours of Classroom Training**	**Hours of On-the-Job Training**	**Location**
Day One - Introduction, General Park Rules, Internal Structures, POS Basics	0	8	Certified Training Park – typically Forth Worth, Texas
Day Two - Cash Procedures, Manager Console, Birthday Party/Group Bookings, Friday Night Frenzy	0	8	Certified Training Park – typically Forth Worth, Texas

TRAINING PROGRAM			
Subject	**Hours of Classroom Training**	**Hours of On-the-Job Training**	**Location**
Day Three – Birthday Set-up, Safety, GM Weekend Duties	0	8	Certified Training Park
Day Four – Front Desk Management, Floor Management	0	8	Certified Training Park
Day Five – Maintenance, Reports, Inventory, Staffing, Training and Scheduling	0	8	Certified Training Park
Day Six – Accounting, Marketing, Operations, General	3	0	Certified Training Park
Total	3	40	

No additional training programs or refresher courses are required.

Item 12. TERRITORY

You may only operate your Park from a location approved by us (the "Approved Location"). If the Approved Location has not been determined at the time the Franchise Agreement is signed, the Franchise Agreement will specify a designated territory ("Designated Territory") within which you must find a location acceptable to us. The Designated Territory must be agreeable to both of us. The Designated Territory cannot infringe on any then current territorial rights of another Franchisee. Once your Approved Location has been approved by us it will be identified in the Franchise Agreement and we will agree to a certain radius from the site you choose, in which we, our Affiliates or other Franchisees, will not be able to open or operate another Park during the term of your Franchise Agreement, unless you agree otherwise in writing. That area shall be deemed the "Restricted Area of the Premises." The Restricted Area of the Premises will differ, on a franchise-by-franchise basis, depending on the demographics which surround the Approved Location and other criteria. Once an Approved Location has been agreed upon you will have no further rights in the Designated Territory outside the Restricted Area of the Premises.

The continuing exclusivity arrangement which you possess within the Restricted Area of the Premises does not depend on achieving a certain sales volume, market penetration or other contingency. You will own the exclusivity rights to the Restricted Area of the Premises for the term of your Franchise Agreement.

If you sign an Area Development Agreement we will grant you rights to develop multiple Parks in a Development Area. The size of your Development Area will depend on the number of Parks

you are required to open and will vary depending on population density and household incomes in the Development Area. Once you and we have agreed on a Development Area it will not be changed. The Area Development Agreement will give you the right to open a specific number of Parks. There are no options, rights of first refusal, or similar rights granted under the Area Development Agreement. If you wish to open additional Parks you will have to apply to us for additional franchise or area development rights that will be granted under the then current forms of agreement, provided you satisfy our then current requirements for new area developers or franchisees, as the case may be, and we accept your application.

If you are an area developer, once an ATP Business has been established in your Development Area, your territorial exclusively rights for any particular ATP Business will be defined in the applicable 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.

There will be no restrictions on us soliciting, or accepting inquiries, from other prospective Franchisees inside, or outside, the Designated Territory, or the Restricted Area of the Premises. However, we will be subject to the territorial restrictions as set forth above and in accordance with the protections afforded other Franchisees as included in their respective Franchise Agreement.

We reserve all rights not specifically granted to you in the Franchise Agreement and Area Development Agreement.

We reserve the right to use any channels of communication, including the internet, direct marketing and the use of our ATP Marks, to prospect for other Franchisees inside, or outside, the Restricted Area of the Premises, or the Restricted Area of the Premises. We will not pay any compensation to you in the event we choose to utilize such channels of communication within your Restricted Area of the Premises.

There are no restrictions on the manner, or location, in which other Franchisees can prospect for, and solicit, guests for their own Parks.

If you wish to relocate your Park, we will discuss that possibility with you. Each decision will be made on a case-by-case basis and you will need our prior written approval before doing so.

There are no other circumstances that permit us to modify your territorial rights; however, you acknowledge that the Franchise granted hereunder is non-exclusive and that we and our Affiliates retain the exclusive right, among others:

(a) to use, franchise and/or license others to use, the ATP Marks and ATP System for the operation of an ATP Business at any location other than within the Restricted Area of the Premises;

(b) to offer ATP services or products, or grant others the right to offer ATP services or products, whether using the ATP System and/or ATP Marks or other trademarks or service

marks, through alternative channels of distribution, including without limitation, television, radio, written materials, e-commerce, mail or otherwise, whether inside or outside the Designated Territory;

(c) to establish any websites utilizing a domain name incorporating one or more of the words "Altitude," "Trampoline," and/or "Park" or similar derivatives thereof. We retain the right to market on the Internet and use the ATP Marks on the Internet, including all use of websites, domain names, URL's, directory addresses, metatags, linking, advertising, and co-branding and other arrangements;

(d) to acquire other trampoline parks, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Restricted Area of the Premises, but only outside of the Restricted Area of the Premises; provided, however, we shall operate the acquired business as an Altitude Trampoline Park and convert such operation within a reasonable period of time from the date of such acquisition; and,

(e) to implement multi-area marketing programs which may allow us or others to solicit or sell to prospective franchisees or others anywhere in the world. We reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

Item 13. TRADEMARKS

Our affiliate, ATPIP, LLC, a Texas limited liability company ("ATPIP") owns the registered trademarks trade names, trade dress, words, symbols, logos, slogans, designs, insignia, emblems, devices, service marks or combinations thereof, used to identify or are otherwise associated by virtue of usage with Altitude Trampoline Parks ("ATP Marks"), including the following:

Trademark	Registration Number	Date	Register
	4526302	12/2/2014	Principal
ALTITUDE TRAMPOLINE PARK	4526302	5/6/14	Principal

At this time, no Affidavits of Continuing Use are required to be filed.

ATPIP also owns the rights to the proprietary and confidential information, trade secrets, operating, training and marketing methods and concepts, equipment standards, and other processes and procedures (the "ATP System") relating to the operations of an ATP Business.

ATPIP licenses those rights to us. We then sublicense those rights to our Franchisees. ATPIP has never operated a business of the type being offered in this disclosure document.

On execution of the Franchise Agreement, we grant to you the nonexclusive right to use the ATP Marks, including the trademarks ALTITUDE TRAMPOLINE PARK® and the SPIKE Logo® as well as various designs and logos associated with the Franchise. You may also use our other current and future ATP Marks as allowed per the Franchise Agreement.

ALTITUDE TRAMPOLINE PARK®, the SPIKE Logo® and the ATP System (the "Intellectual Property") are owned by ATPIP. ATPIP has granted us a non-exclusive license to use the Intellectual Property for purposes of franchising Altitude Trampoline parks around the world (the "IP License"). The IP License extends for fifty (50) years, commencing on November 20, 2015. Neither the IP License agreement, nor any other agreement of which we are a part, contains any restrictions on our ability to use or license the use of the trademarks in a manner which is material to the franchise.

Except as provided above, there are currently no determinations of the Patent and Trademark Office, trademark and appeal board, the trademark administrator of any state, or any court; pending infringement, opposition or cancellation or litigation involving the ATP Marks. We know of no prior rights or infringing uses that could materially affect your use of the ATP Marks in any state of the United States of America.

We, alone, have the right to control or settle any legal actions or proceedings regarding the ATP Marks. We are not required to protect your right to use the ATP Marks, however, we will indemnify you for, from and against all damages for which you are held liable in any lawsuit arising out of your use of the ATP Marks while you are in compliance with the Franchise Agreement. If we pursue or defend a claim of infringement, we may require you to cooperate with us, execute documents and take such actions to assist us in the defense or prosecution of the claim. In such instance, we will bear your out-of-pocket expenses.

You have an obligation to notify us of the use of, or claims of rights to, a trademark which is identical to or confusingly similar to a trademark licensed to you. You are not obligated to take affirmative action when notified of these uses or claims.

We retain the right to modify the ATP Marks, and the manner in which they are used, as well as add, remove or modify additional trademarks. You must comply with the modifications if requested. We will reimburse you for your out-of-pocket costs which you incur to comply. You will have no rights of damages, offset, or right to terminate the Franchise Agreement as a result of any modification or discontinuance of one or more of the ATP Marks.

You must use the ATP Marks in full compliance with the terms of the Franchise Agreement. You are prohibited from using ALTITUDE TRAMPOLINE PARK® trademark as part of any corporate name. You will conduct all business under your own name (individual, limited liability, corporation or any other legal entity) doing business as (DBA) "Altitude Trampoline Park," if allowed by the State in which you are operating your ATP Business.

Item 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Although we do not own any patent rights, we do believe that we have proprietary rights to aspects of the Park's design, construction and operations, including the information contained in the Operations Manual which may be suitable for copyright protection. We reserve the rights which we have in these items. We may, in our sole discretion, obtain copyright registration for any unregistered items.

At this time, we have not filed any copyright registrations, but we claim copyrights in the Operations Manual, advertising material and related items used in operating the franchise. Although we have not filed an application for a copyright registration for those items, we claim a copyright and the information is proprietary. We are not obligated to take any action to protect our copyrighted materials, but will respond to this information as we think appropriate.

The Operations Manual and other materials we provide to you contain our confidential and proprietary information. Certain information about the operation of the ATP Business including the standards, methods, procedures and specifications of the System, including the contents of the Operations Manual, is derived from information we disclose to you and all that information is of a proprietary and confidential nature and our trade secret ("Confidential Information"). You (if you are an individual) and each of your owners (if you are an entity), officers, directors, members, partners, manager, employees and agents must maintain the absolute confidentiality of all Confidential Information both during the term of your Franchise Agreement and after its termination or expiration and may use that Confidential Information only to the extent necessary to operate the ATP Business. You cannot disclose that Confidential Information for any reason, except to your owners, officers, directors, members, partners, managers, employees and agents only to the extent necessary for the operation of the ATP Business. You must sign, and shall cause all persons receiving the Confidential Information to sign such confidentiality agreement as we may require from time to time. You cannot use any Confidential Information in any other business or in any other manner or obtain any benefit from it not specifically approved in writing by us during the term of your Franchise Agreement or afterwards. You may not use our Confidential Information in an unauthorized manner and must take all reasonable steps to prevent its disclosure to others. You must promptly tell us when you learn about unauthorized use of our confidential and proprietary information.

Item 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are not obligated to participate in the operation of your Park but we do recommend it. You may engage, or appoint, others to do so and they do not need to complete our training program. We do encourage it, however. We may require you to enter into written agreements with your directors, managers, officers, owners and employees to ensure that they abide by our confidentiality and non-competition requirements as addressed in Paragraph 16.1(b) and 16.2 of the Franchise Agreement.

Each direct and indirect owner of a franchisee or an area developer that has a greater than 10% interest in the franchisee or area developer, must sign the Owners' Personal Guaranty of Franchisee's Obligations, attached as Exhibit C to each of the Franchise Agreement and the Area

Development Agreement. However, if we enter into the Area Development Agreement totally or partially based on the financial qualifications, experience, skills or managerial qualifications of any owner who directly or indirectly owns less than 10% in the area developer, we have the right to require that person to the personal guaranty. In addition, if the area developer is a partnership, then each person or entity who, at any time, is a general partner must sign the personal guaranty regardless of the percentage ownership interest.

If you sign an Area Development Agreement, you must designate 1 individual, who has the authority to, and does in fact, actively direct the area developer's business affairs related to Area Development Agreement ("**Responsible Person**"). The Responsible Person must exert their best efforts to the development of area developer's ATP Businesses and may not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with the obligations under the Area Development Agreement, except as permitted by us.

Our affiliate, L&A, offers different management services to our franchisees. These services include park management services, offered under the Management Agreement, attached as Exhibit G. If you and L&A agree to sign a Management Agreement, L&A will provide on-premises supervision at your ATP Park.

Item 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Unless you get our prior written approval, you must sell or offer for sale only those services and products which are authorized by us and which meet our standards and specifications of the ATP System. Such approval may be granted or withheld at our sole discretion. If we allow you to offer additional service or products all amounts you receive from the sale and offering of such services and products will be included in your Gross Sales and you will have to pay Royalty Fees on those amounts. We also retain the right to modify the ATP System to improve or enhance the ATP System. You will be required to make such reasonable expenditures as may be necessary to incorporate the modifications into your ATP Business, unless such modifications would result in financial hardship to you. If there is a dispute as to what constitutes financial hardship, the arbitration terms of the Franchise Agreement would apply.

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.

Franchise Agreement

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term of the Franchise	Section 5.1	Effective from the date the Franchise Agreement is executed until midnight on the

	Provision	Section in Franchise Agreement	Summary
			day before the 10th anniversary of the date the Park opened for business to the public (the "Initial Term").
b.	Renewal or extension of Term	Section 5.2, 5.4	You will have the option to extend the Initial Term for one additional 10 year period (the "renewal" term). If you continue to operate the ATP Park after expiration without our consent we have the right to either treat your Franchise Agreement as expired, or as continuing on a month-to-month basis.
c.	Requirements for Franchisee to renew or extend	Section 5.2	You must provide us with written notice 6-9 months prior to the expiration of the Initial Term of your decision to renew; be in compliance with the Franchise Agreement at the time of renewal; not having received 2 or more notices of breaches to the Franchise Agreement within a 24 month period prior to the expiration of the Initial Term, regardless if the breaches were cured; have been current for at least 6 months in payments to your landlord and suppliers; have the right to extend your lease for the ATP Park for the duration of the renewal term; execute a general release of claims; and execute our then current form of Franchise Agreement. This means that you may be asked to sign an agreement with terms and conditions that are materially different from those in your original agreement. We reserve the right to waive one or more of the foregoing requirements if we so choose.
d.	Termination by Franchisee	Not Applicable	
e.	Termination by Franchisor without cause	Not Applicable	
f.	Termination by Franchisor with cause	Section 20.1, 20.2 and 20.3	We can terminate the Franchise Agreement if you violate certain terms of the Franchise Agreement. At our option, we may, instead of terminating the Franchise Agreement, suspend certain services to you.

	Provision	Section in Franchise Agreement	Summary
g.	Cause defined – curable defaults	Section 20.2	You have 30 days to cure a failure to: (i) pay any amounts due; (ii) comply with our directions and guidelines relative to ATP Marks and design schemes; (iii) sell or offer only approved authorized services and products; (iv) maintain the required operating procedures and standards as set forth in the Operations Manual; (v) remain in good standing with your Lease or other agreements which materially impact your ability to operate your ATP Business or any other ATP Business you operate; or (vi) comply with any other provision in the Franchise Agreement, except for provisions that are subject to termination without the opportunity to cure.
h.	Cause defined – non-curable defaults	Section 20.1	(i) your failure to submit a site approval request within 60 days of the Franchise Agreement effective date, (ii) your failure to sign a lease or otherwise obtain possession of the location for your ATP Business within 6 months of the Franchise Agreement effective date; (iii) your failure to open the Park by the Park Opening Date; (iv) your intentional or negligent disclosure of Confidential Information or Trade Secrets; (v) you voluntary abandon your ATP Business; (vi) your insolvency; bankruptcy or assignment for the benefit of creditors; (vii) the levy of your assets without discharge within 30 days; (viii) you, an ATP manager or owner with greater than 5% interest in Franchisee, is charged or convicted of any felony charge or crime involving moral turpitude, or felony or misdemeanor of any type against a child, or any crime or offense that is reasonably likely to materially and unfavorably affect the ATP System, ATP Marks, or our goodwill or reputation; (ix) you receive 3 notices of default within a 12 month period; (x) you receive 5 notices of default within the Franchise Term; (xi) you transfer an

	Provision	Section in Franchise Agreement	Summary
			interest in your company or the ATP Business without complying with requirements of the Franchise Agreement; (xii) you submit, on 2 or more occasions, a report which understates Gross Sales by 3% or more; (xiii) you fail to submit a report, statement or other required information more than 10 days late on 2 or more occasions during the Term unless due to circumstances beyond your control; (xiv) you contest the validity of our ownership of the ATP Marks or copyrighted materials; (xv) you experience an action which purports to dissolve or liquidate your entity without our prior approval; (xvi) you fail to successfully complete our training programs after 3 opportunities; or (xvii) you violate any of the Anti-Terrorism laws.
I	Franchisee's obligations on termination /nonrenewal	Sections 20.6, 20.7 and 20.8	(i) Payment of all amounts owed to us, with interest if not paid within 5 days; (ii) De-identification from the ATP System and discontinue use of all ATP Marks; (iii) return the Operations Manual and other confidential information; (iv) at our direction, cancel or assign telephone numbers, internet addresses, social media accounts and email addresses; and (v) terminate any fictitious name filings and similar filings; (vi) at our option, assign to us any leasehold interest in which the Park operates; (vii) notify customers of the ATP Business who have booked events or have credits with the ATP Business as instructed by us.
j.	Assignment of contract by Franchisor	Section 18.1	No restrictions on our right to assign.

	Provision	Section in Franchise Agreement	Summary
k.	Transfer by Franchisee - defined	Section 1.21	Means the voluntary or involuntary, direct or indirect transfer, assignment, sale, gift, pledge, mortgage, hypothecation or other disposition (including those occurring by operation of law and a series of transfers that in the aggregate constitute a Transfer) of your interest in the Franchise Agreement, your ATP Park or a substantial portion of your assets or a controlling interest in your entity (by a direct or indirect owner), if applicable.
l.	Franchisor approval of transfer by Franchisee	Section 18.2 and 18.6	You must provide us with 90 days prior notice of any intended transfer which shall be subject to our approval. If you are an individual or group of individuals you may transfer, without our consent, your interest in the Franchise Agreement to an entity that is wholly owned by you and that does not have any business except for the ATP Business, if all the individual owners sign a general release and a guaranty.
m.	Conditions for Franchisor approval of transfer	Section 18.3	Transferee (i) is of good moral character; (ii) has sufficient business experience, aptitude and financial resources to purchase the interest; and (iii) has successfully completed our training program; (iv) you are current with all payments to us, our affiliates and your third-party creditors; (v) you and Transferee have signed the then current assumption and assignment agreement; (vi) Transferee signs the then current Franchise Agreement, and its owners sign the Guaranty, if applicable; (vii) you pay the then current transfer fee (currently $10,000.00); (viii) the Transferee obtains the lessor's consent to an assignment or sublease of the leased premises; and (ix) you and transferee comply with such other reasonable conditions which we may require from time to time.

	Provision	Section in Franchise Agreement	Summary
n.	Franchisor's right of first refusal to acquire Franchisee's business	Sections 19.1-19.3	We have the right to match any offer which you receive.
o.	Franchisor's option to purchase Franchisee's business	Section 20.8.5 and 20.9	Upon termination of the Franchise Agreement we have the right to purchase the inventory, supplies, all equipment, fixtures, furnishings, signs and other operating assets we designate at their fair market value for use in a Competitive Business.
p.	Death or disability of Franchisee	Section 18.5	In the event of death, your estate or legal representative must apply to us for the right to transfer to any approved party within 180 days of your death. During such 180 day period, or earlier if the transfer is approved, we may operate your ATP Business, or appoint a representative to do so. Your ATP Business shall pay us a management fee for that service. If no approved party is identified and approved within such 180 day period, such failure shall constitute a breach of the Franchise Agreement and we shall be entitled to terminate the Franchise Agreement. There is no provision addressing your disability. Any representative will be obligated to comply, on your behalf, with the terms of the Franchise Agreement
q.	Non-competition covenants during the term of the Franchise	Section 16.2.1	No involvement in any business operating as an indoor trampoline park, other than an ATP Park (**"Competitive Business"**).
r.	Non-competition covenants after the Franchise is terminated or expires	Section 16.2.2	No involvement in a Competitive Business for a 2 year period (i) in your Designated Territory or any other Designated Territory of other franchisees; (ii) within 50 miles of your Designated Territory or any other franchisees' Designated Territory; or (iii) within 50 miles of any of our, or Affiliated, owned ATP Parks. The 2 year period is tolled during any time period in which you are in violation of this restriction.
s.	Modification of the Agreement	Section 3.3, 4.2, 22.3	No modifications to the Franchise Agreement generally, but the Operations Manual is subject to change. Any other

	Provision	Section in Franchise Agreement	Summary
			modifications to the Franchise Agreement require our and your consent and can only be made in writing signed by you and by our President or another person we designate.
t.	Integration/merger clause	Section 22.5	Only the terms of the Franchise Agreement are binding (subject to 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	Section 21.2	We each have the option of initiating a mediation proceeding under the American Arbitration Association ("**AAA**") Rules or other mediation service mutually agreed upon. Also, we each have the option of initiating an arbitration proceeding under the AAA Commercial Arbitration Rules or other arbitration service mutually agreed upon. Mediation and/or arbitration will take place in the county and state where we have our principal place of business. No class actions can be brought. We have the option to submit to a court action: (i) to collect fees due; (ii) for injunctive relief; (iii) to protect our intellectual property, including Licensed Marks and the ATP System; and (iv) to terminate the Franchise Agreement for a default. This provision may be amended by the State Specific Addendum.
v.	Choice of forum	Section 21.2	All disputes must be brought in the county and state where our principal place of business is then located, except as required in the State Specific Addendum.
w.	Choice of law	Section 21.2	Texas law applies, except as provided in the State Specific Addendum.

Area Development Agreement

	Provision	Section in Area Development Agreement	Summary
a.	Length of the franchise term of the Franchise	Section 3.1	The term expires on the date we accept and execute a Franchise Agreement for the last of the ATP Businesses to be established pursuant to the Development Schedule, or on the date the last of the ATP Businesses to be established pursuant to the Development Schedule is to open according to the Development Schedule, whichever occurs first.
b.	Renewal or extension of Term	Section 3.1	There is no renewal right.
c.	Requirements for Franchisee to renew or extend	Not Applicable	
d.	Termination by Franchisee	Not Applicable	
e.	Termination by Franchisor without cause	Not Applicable	
f.	Termination by Franchisor with cause	Sections 9.1 and 9.2	We can terminate the Area Development Agreement if you violate certain terms of the Area Development Agreement
g.	Cause defined – curable defaults	Section 9.2	(i) you fail to comply with the development obligations set forth in the Development Schedule for any location at any time; (ii) you fail to comply with other terms of the Area Development Agreement; or (iii) if you, or the franchisee under a Franchise Agreement for an ATP Business to be developed pursuant to the Area Development Agreement, fails to comply with the terms of the Franchise Agreement for any ATP Business developed pursuant to the Area Development Agreement. You will have 30 days' notice with the opportunity to cure during that notice period.

	Provision	Section in Area Development Agreement	Summary
h.	Cause defined – non-curable defaults	Section 20.1	If: (i) you make or are deemed to have made a general assignment for the benefit of creditors, or if a petition is filed against you under the U.S. Bankruptcy Code and not dismissed within 60 days of filing, or if a petition is filed by you under the U.S. Bankruptcy Code, or if you are declared or adjudicated bankrupt, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator, or any other officer or similar is appointed for you, or if you commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consent to the institution of such appointment or proceedings, or if you admit in writing your inability to pay debts generally as they become due; (ii) you at any time have any of your business assets seized or taken in execution or in attachment by one of your creditors, or a writ of execution issues against such assets, or if you without our prior written consent gives any security interest in any of such assets or sell any of such assets except in the normal course of business, such that the foregoing materially impairs the operation of the business or any security interest which we may have in respect of the Area Development Agreement; (iii) you willfully or fraudulently misrepresented any fact or condition made in any application or report provided to us or required to be made; or (iv) by your actions or failure act, you adversely affect the goodwill associated with the Licensed Marks or ATP System.
i.	Franchisee's obligations on termination/nonrenewal	Section 9.5	You will have no right to establish or operate an ATP Business for which a Franchise Agreement has not been executed at time of termination.
j.	Assignment of contract by Franchisor	Section 14	No restrictions on our right to assign.

	Provision	Section in Area Development Agreement	Summary
k.	Transfer by Franchisee - defined	Section 15	You don't have the right to transfer, pledge or otherwise encumber any of your rights under the Area Development Agreement or transfer any voting interest in you (if you are an entity).
l.	Franchisor approval of transfer by Franchisee	Section 15	If you are an entity and want to transfer voting interests in you, you require our consent.
m.	Conditions for Franchisor approval of transfer	Not Applicable	
n.	Franchisor's right of first refusal to acquire Franchisee's business	Not Applicable	
o.	Franchisor's option to purchase Franchisee's business	Not Applicable	
p.	Death or disability of Franchisee	Not Applicable	
q.	Non-competition covenants during the term of the Franchise	Section 12.2	You and your owners, officers, directors, and managers shall not, without our prior written consent, either directly or indirectly, as principal, agent, shareholder, member, partner or any other way carry on or be engaged in or be involved with or interested in or advise, lend money to, guarantee the debts or obligations of or permit its name or any part thereof to be used or employed in any Competitive Business.
r.	Non-competition covenants after the Franchise is terminated or expires	Section 12.2	No direct or indirect involvement by you or any of your owners, officers, directors, or managers in any Competitive Business for a 2 year period (i) in your Development Area or any franchisee's Designated Territory; (ii) within 50 miles of your Development Area or any other franchisees' Designated Territory; or (iii) within 50 miles of any of our, or Affiliated-owned ATP Parks. The 2 year period is tolled during any time period in which you are in violation of this restriction.

	Provision	Section in Area Development Agreement	Summary
s.	Modification of the Agreement	Section 25.1	Our forbearance or delay in enforcement or exercise of any rights under the Area Development Agreement does not change our right to strictly enforce the agreement. No custom, usage or practice with regard to the Area Development Agreement by either you or us precludes the strict enforcement of the agreement. A waiver by us of performance of any provision of the Area Development Agreement does not constitute or be implied as a waiver of our rights at any future time. No interpretation, change, modification, amendment, termination or waiver of any provision of the Area Development Agreement is binding on you or us unless made in a writing setting forth the nature and extent of the interpretation, change, modification, amendment, termination or waiver and that is signed by you and by our CEO, President or Vice President, except that a waiver need be signed only by the party waiving its rights.
t.	Integration/merger clause	Section 24.1	The Area Development Agreement constitutes the sole agreement between you and us with respect to its subject matter. It embodies all prior agreements and negotiations with respect to the ATP Businesses authorized to be developed under the Area Development Agreement. We disclaim all understandings, agreements, inducements, course of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) which are not fully expressed in the Area Development Agreement, except that the Area Development Agreement is not intended to disclaim the representations made by us in this FDD. This provision may be amended by the State Specific Addendum.

	Provision	Section in Area Development Agreement	Summary
u.	Dispute Resolution by arbitration or mediation	Section 17	We each have the option of initiating a mediation proceeding under the AAA Rules or other mediation service mutually agreed upon. Also, we each have the option of initiating an arbitration proceeding under the AAA Commercial Arbitration Rules or other arbitration service mutually agreed upon. Mediation and/or arbitration will take place in the county and state where we have our principal place of business. No class actions can be brought. We have the option to submit to a court action: (i) to collect fees due; (ii) for injunctive relief; (iii) to protect our intellectual property, including Licensed Marks and the ATP System; and (iv) to terminate the Area Development Agreement for a default. This provision may be amended by the State Specific Addendum.
v.	Choice of forum	Section 17	All mediation and arbitration matters disputes shall take place in the county where we have our principal place of business. This provision may be amended by the State Specific Addendum.
w.	Choice of law	Section 21.2	Texas law applies, except as provided in the State Specific Addendum.

Accounting Management Services Agreement ("AMSA"), Marketing Services Agreement ("MSA"), Management Agreement ("MA")

	Provision	Section in Agreement	Summary
a.	Length of the franchise term of the Franchise	AMSA and MSA: Section 2 MA: Section 2.1	AMSA, MSA and MA: 12 months from commencement date. The MA will terminate if your Franchise Agreement is terminated or transferred.
b.	Renewal or extension of Term	AMSA and MSA: Section 2 MA: Section 2.1	AMSA, MSA and MA: Renews automatically for consecutive 12 month periods, unless terminated.

	Provision	Section in Agreement	Summary
c.	Requirements for Franchisee to renew or extend	AMSA, MSA and MA: Not applicable	
d.	Termination by Franchisee	AMSA and MSA: Section 10 MA: Section 2.1(c)	AMSA and MSA: Either party may terminate upon 30 days' notice. MA: You may terminate with or without "Just Cause."
e.	Termination by Franchisor without cause	AMSA and MSA: Section 10 MA: Section 2.1(b)	AMSA and MSA: Either party may terminate with or without cause upon 30 days' notice. MA: Our affiliate may terminate with or without "Good Reason."
f.	Termination by Franchisor with cause	AMSA and MSA: Section 10	AMSA and MSA: Either party may terminate with or without cause upon 30 days' notice.
g.	Cause defined – curable defaults	AMSA and MSA: Not applicable MA: Sections 2.1 (b) and (c)	MA: If our affiliate ("Manager") materially violates your policies and procedures that are not inconsistent with the ATP System after 3 warnings have been given; Manager fails to comply with the MA, other than isolated, insubstantial and inadvertent failure and which is remedied promptly after notice from you. Curable defaults under the MA also include the failure of a party not to make any required payment as of the due date (10 days' notice with opportunity to cure) and failure of a party to comply with other provisions in the MA (30 days' notice with opportunity to cure).
h.	Cause defined – non-curable defaults	AMSA and MSA: Not applicable MA: Section 9.1	MA: "Just Cause" means our affiliate ("Manager") is performing duties in a grossly negligent manner; Manager willfully misconduct the management of the Park; Manager materially violates your policies and procedures that are not inconsistent with the ATP System after 3 warnings have been given; Manager taking Park property without authorization; Manager has falsified records, acted with dishonesty, fraud or

	Provision	Section in Agreement	Summary
			willful misrepresentation; an owner or executive of Manager is indicted for a felony or other act causing material harm to the standing or reputation of Manager, you or the Park; Manager intentionally causes you to materially violate applicable law; Manager fails to comply with the MA, other than isolated, insubstantial and inadvertent failure and which is remedied promptly after notice from you; Manager's willful material misrepresentation or withholding of information from you; or drug abuse by general manager. "Good Reason" means your failure to comply with the terms of the MA other than isolated, insubstantial and inadvertent failure. Non-curable defaults under the MA also include the filing of a voluntary petition in bankruptcy or insolvency; consent to an involuntary petition in bankruptcy; the adjudication of a party as bankrupt or insolvent.
i.	Franchisee's obligations on termination /nonrenewal	AMSA and MSA: Section 10 MA: Section 2.2	AMSA and MSA: You must pay our affiliate for its services through the effective date of termination. MA: If the MA is terminated by Manager for Good Reason or by you without Just Cause, you must pay Manager the base management fee for the remainder of the term. If the MA is terminated by Manager other than for Good Reason you must pay Manager the base management for 60 days. If you terminate the MA with Just Cause, then you must pay the base management fee through the date of termination.

	Provision	Section in Agreement	Summary
j.	Assignment of contract by Franchisor	AMSA and MSA: Not applicable MA: Section 10.8	Manager may not assign the MA.
k.	Transfer by Franchisee - defined	AMSA, MSA and MA: Not applicable	
l.	Franchisor approval of transfer by Franchisee	AMSA and MSA: Not applicable MA: Section 10.8	You may assign the MA to any approved transferee of the Franchise Agreement.
m.	Conditions for Franchisor approval of transfer	AMSA and MSA: Not applicable MA: Section 10.8	The transferee of the MA must be an approved transferee under the Franchise Agreement.
n.	Franchisor's right of first refusal to acquire Franchisee's business	AMSA, MSA and MA: Not applicable.	
o.	Franchisor's option to purchase Franchisee's business	AMSA, MSA and MA: Not applicable.	
p.	Death or disability of Franchisee	AMSA, MSA and MA: Not applicable.	
q.	Non-competition covenants during the term of the Franchise	AMSA, MSA and MA: Not applicable.	
r.	Non-competition covenants after the Franchise is terminated or expires	AMSA, MSA and MA: Not applicable.	
s.	Modification of the Agreement	AMSA and MSA: Section 3 MA: Section 10.10	AMSA and MSA: Fee schedule may be amended annually. MA: Amendments can only be made in writing signed by both parties.
t.	Integration/merger clause	AMSA and MSA: Section 16 MA: Section 10.20	AMSA, MSA and MA: replaces any previous agreements and constitutes the entire agreement between the parties, as to the subject matter of the agreement. This provision may be amended by the State Specific Addendum.

	Provision	Section in Agreement	Summary
u.	Dispute Resolution by arbitration or mediation	AMSA and MSA: Section 24 MA: Section 10.5	Controversies with respect to AMSA, MSA and MA shall be settled by arbitration in the county and state where our affiliate has its principal place of business. This provision may be amended by the State Specific Addendum.
v.	Choice of forum	AMSA and MSA: Section 24 MA: Section 10.5	Controversies with respect to AMSA, MSA and MA shall be settled by arbitration in the county and state where our affiliate has its principal place of business. This provision may be amended by the State Specific Addendum.
w.	Choice of law	AMSA and MSA: Section 17	AMSA and MSA: Texas law applies, except as provided in the State Specific Addendum.

There are state specific addenda attached as **Exhibit E** for the states of California, Hawaii, Illinois, Minnesota, New York, North Dakota, Rhode Island, Virginia and Washington. The Michigan Addendum is attached following the state cover page.

Item 18. PUBLIC FIGURES

We currently do not use any public figure to promote ALTITUDE TRAMPOLINE PARK®

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.

Performance by Affiliate-Owned ATP Businesses

Our officers, Curt Skallerup and Jeff Rutten own, directly or indirectly, an interest in 2 ATP Businesses, located in Fort Worth, TX, and Rochester, NY. The chart below shows financial performance information for each of those ATP Businesses for the rolling 12 month period starting on July 1, 2017 and ending on June 30, 2018. Each ATP Business listed operated for the entire 12 month period.

Gross Revenues and Gross Expenses for the Period July 1, 2017 through June 30, 2018

	Fort Worth, TX	Rochester, NY
Gross Revenues[1]	$2,329,471	$3,000,371
Gross Operating Expenses[2]	$1,504,894	$1,816,126
Net Income[3]	$824,577	$1,184,245

Notes:

(1) "Gross Revenue" is defined as the total of all receipts derived from services performed or products sold at the Park, whether such receipts are evidenced by cash, credit, checks, gift certificates or coupons and does not include the following: (1) sales tax receipts collected by the Park and paid to the government; and (2) promotional or discount coupons to the extent that the Park received no revenue.

(2) The Operating Expense figure is based on the actual business expenses incurred relating directly to the operation of the Park. It includes, but is not limited to, rent, payroll expenses for employees and staff, business insurance, and various other operating expenses. The Affiliate-Owned ATP Businesses pay royalties and other fees the same as franchised ATP Businesses. There are no significant financial or operational difference between the affiliate-owned ATP Parks and franchised ATP Parks. Note that you will also incur expenses not included in the Operating Expense figure such as interest, taxes, depreciation or amortization. These expenses are within your control and can be researched before making your investment.

(3) The Net Income figure is defined as the difference between the average Gross Revenue and average Operating Expense for the ATP Parks operated by our affiliates.

Performance by Franchised ATP Businesses

We started franchising in 2016 and consequently, none of our franchisees were operational for all of that year. 9 ATP Parks were open for the entire rolling 12 month period from July 1, 2017 to June 30, 2018: Wilmington, DE, Delmar, MD, Hainesport, NJ, Marysville, WA, Louisville KY, Tampa FL, Spring, TX, Phoenix AZ, and Texas City TX. The financial performance information below includes all of those ATP Parks. One additional park, in Glen Carbon, IL operated, but was not open for the entire 12 month period. Because it was not open during the entire period, it has been excluded from the following financial performance information.

	Franchisee Average[4]	Franchisee Median
Gross Revenues[1]	$1,656,150.67	$1,789,589.90
Estimated Operating Expenses[2]	$1,159,305.47	$1,252,712.86
Estimated Net Income[3]	$496,845.20	$536,876.94

1. "Gross Revenue" is defined as the total of all receipts derived from services performed or products sold at the Park, whether such receipts are evidenced by cash, credit, checks, gift certificates or coupons and does not include the following: (1) sales tax receipts collected by the Park and paid to the government; and (2) promotional or discount coupons to the extent that the Park received no revenue.

2. We do not collect expense data for franchised ATP Businesses, except for those managed by our affiliates. The Estimated Operating Expenses figure is based on the average of the actual business expenses incurred by Affiliate-Owned ATP Businesses and those managed by our affiliates. The Estimated Operating Expenses include expenses relating directly to the operation of the Park. It includes, but is not limited to, rent, payroll expenses for employees and staff, business insurance, and various other operating expenses. Note that you will also incur expenses not included in the Operating Expenses figure such as interest, taxes, depreciation or amortization. These expenses are within your control and can be researched before making your investment.

3. The Net Income figure is defined as the difference between the Gross Revenue and Operating Expense for the ATP Parks.

4. Of the 9 ATP Parks included, 5 (or 55.56%) achieved or exceeded the average Gross Revenue stated above and 5 (55.56%) achieved or exceed the Net Income stated above, with the lowest performing franchised ATP Park having Gross Revenues of $739,633.01 and the highest performing franchised ATP Park having Gross Revenues of $2,935,386.18 and the lowest performing franchised ATP Park having a Net Income of $221,889.90 and the highest performing franchised ATP Park having a Net Income of $880,615.85.

You have the sole responsibility for developing your own business plan for the proposed ATP Park and market, including the capital budgets, pro forma financial statements, sales and expense projections and other elements appropriate to the particular circumstances of your location. In developing your business plan, you are cautioned to make necessary allowances for changes in financial results that may occur due to unforeseen circumstances, for any and all ranges of economic conditions that may exist now or in the future, or for any other circumstances that may impact the operation and performance of the business.

You should not consider the revenues or estimates of expenses presented above to be the actual potential revenues and expenses that you will realize. We do not represent that you can or will attain these levels, or any particular level or percentage of that level. We do not represent that you will generate income which exceeds the initial payment of, or investment in, the franchise. Many different factors will impact the performance of an ATP Park, including the location of the ATP Park, the surrounding demographics, competition, effectiveness of marketing efforts, economic and market conditions, business management skills, sales, cost of goods sold and operating expenses.

We recommend that you perform your own independent analysis to determine whether the franchise may be profitable or worthwhile for your investment. You should use the above information only as a reference in conducting your analysis and preparing your own projected income statements and cash flow projections. We strongly suggest that you consult a financial advisor or accountant concerning financial projections, federal, state and local income tax obligations and any other applicable taxes that you may incur in operating an ATP Park.

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

Written substantiation of the financial performance representations included in this Item will be made available to you upon reasonable request.

Other than the preceding financial performance representation, Altitude Franchising, LLC does not make any financial performance representations. 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 Curt Skallerup, 516 Silicon Drive, Southlake, TX 76092 (from July 16, 2018), and at 817-741-5867, the Federal Trade Commission, and the appropriate state regulatory agencies.

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Item 20. OUTLETS AND FRANCHISEE INFORMATION

Table #1

Systemwide Outlet Summary For Years 2015 to 2017[1]				
Outlet Type	**Year**	**Outlets at Start of Year**	**Outlets at End of Year**	**Net Change**
Franchised	2015	0	0	+/-0
	2016	0	1	+1
	2017	1	17	+16
Company Owned[2]	2015	1	2	+1
	2016	2	2	+/-0
	2017	2	2	+/-0
Total	2015	1	2	+1
	2016	2	3	+1
	2017	3	19	+16

(1) This table excludes parks operated under a license agreement with our affiliate, J&C IP, Inc.

(2) We do not operate ATP Parks. The Company Owned ATP Parks are operated by our affiliates, or by companies that Curt Skallerup and Jeff Rutten are part-owners in.

Table #2

Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor) for Years 2015 to 2017		
State	**Year**	**Number of Transfers**
Total	2015	0
	2016	0
	2017	0

Table #3

Status of Franchise Outlets
For Years 2015 to 2017*

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-renewals	Re-acquired by Franchisor	Ceased Operations	Outlets at End of the Year
Arizona	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Arkansas	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Delaware	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Illinois	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	2[1]	0	0	0	0	2
Maryland	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Massachusetts	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Missouri	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
New Jersey	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	2	0	0	0	0	2
Ohio	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	2	0	0	0	0	2
Pennsylvania	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Texas	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	3	0	0	0	0	3
Washington	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Totals	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	16	0	0	0	0	17

(1) One of the 2 ATP Parks that opened in Illinois was a conversion from a licensed park.

Table #4

Status of Company-Owned Outlets[1] For Years 2015-2017							
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired from Franchisees**	**Outlets Closed**	**Outlets Sold to Franchisees**	**Outlets at End of Year**
New York	2015	0	1	0	0	0	1
	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
Texas	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
Total	2015	1	1	0	0	0	2
	2016	2	0	0	0	0	2
	2017	2	0	0	0	0	2

(1) We do not operate ATP Parks. The Company Owned ATP Parks are operated by our affiliates, or by companies that Curt Skallerup and Jeff Rutten are part-owners in.

Table #5

Projected Openings as of December 31, 2017			
	Franchised Agreements Signed but Outlet Not Open	**Projected New Outlets in the Next Fiscal Year**	**Projected New Company Owned Outlet in the Next Fiscal Year**
Alabama	0	1	0
Arizona	0	1	0
Arkansas	0	1	0
California	0	1	0
Florida	0	2	0
Idaho	0	1	0
Illinois	0	3	0
Iowa	0	1	0
Louisiana	0	1	0
Massachusetts	0	3	0
Michigan	0	1	0
Nebraska	0	1	0
New Hampshire	0	2	0
New Mexico	0	1	0
North Carolina	0	2	0

Projected Openings as of December 31, 2017			
	Franchised Agreements Signed but Outlet Not Open	**Projected New Outlets in the Next Fiscal Year**	**Projected New Company Owned Outlet in the Next Fiscal Year**
Pennsylvania	0	1	0
Tennessee	0	2	0
Texas	0	5	1
Utah	0	1	0
Washington	0	1	0
Total	0	32	1

Attached as Exhibit J is a list of names of all franchisees and their addresses and telephone numbers.

Attached as Exhibit K is a list of the name, city and state and current business telephone number or last known home telephone number of every franchisee who, in our most recent fiscal year, had a Park terminated, cancelled, not renewed or otherwise voluntarily or involuntarily closed to do business under the Franchise Agreement, or has not communicated with us within 10 weeks of the disclosure document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No confidentiality clauses have been signed by the Franchisees.

Item 21. FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit B are the unaudited but Reviewed Financial Statements for the period October 26, 2015 (Date of Inception) to December 31, 2015 and the audited Financial Statements for the period January 1, 2016 through December 31, 2016 and January 1, 2017 through December 31, 2017. Each periods Financial Statements include the Balance Sheet, Statement of Operations and Statement of Cash Flows. Also enclosed are our unaudited financial statements as of June 30, 2018.

The franchisor has not been in business for three years or more and cannot include all the financial statements required by the Rule for its last three fiscal years.

Item 22. CONTRACTS

Attached is the following agreement proposed for use in connection with our offering of franchises:

Exhibit C: Franchise Agreement
Exhibit D: Area Development Agreement
Exhibit G: Management Agreement
Exhibit H: Accounting Management Services Agreement
Exhibit I: Marketing Services Agreement

Exhibit L: General Release

Item 23. RECEIPT

The last two pages of the franchise disclosure document (following the exhibits and attachments) are receipt pages acknowledging your receipt of the franchise disclosure document. One copy is for your records, and one copy must be signed and dated by you and returned to us.

EXHIBIT A - LIST OF STATE ADMINISTRATOR AND AGENT FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	California Department of Business Oversight One Sansome Street, Suite 600 San Francisco, CA 94104 415-972-8559 1-866-275-2677	California Commissioner of Business Oversight 320 West 4th Street, Suite 750 Los Angeles 90013-2344 1-866-275-2677
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 860-240-8230	Connecticut Banking Commissioner Same Address
FLORIDA	Department of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800 850-245-6000	Same
GEORGIA	Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 404-656-3790	Same
HAWAII	State of Hawaii Business Registration Division Securities Compliance Branch Dept. of Commerce and Consumer Affairs 335 Merchant Street, Room 205 Honolulu, HI 96813 808-586-2722	Hawaii Commissioner of Securities Same Address
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 217-782-4465	Illinois Attorney General Same Address
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 317-232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 515-281-4441	Same
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 502-696-5389	Same
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 504-342-7013 (gen. info.) 504-342-7900	Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 207-298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 410-576-6360	Maryland Securities Commissioner Same Address
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48913 517-373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101 651-539-1500	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance Bureau of Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, NE 68508-2732 402-471-2171	Same
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 603-271-3641	Same
NEW YORK	Bureau of Investor Protection and Securities New York State Department of Law 28 Liberty Street, 21st Floor New York, NY 10005 212-416-8222	Secretary of State of New York 41 State Street Albany, New York 12231
NORTH CAROLINA	Secretary of State's Office/Securities Division 2 South Salisbury Street Raleigh, NC 27601 919-733-3924	Secretary of State Secretary of State's Office Same Address
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor Bismarck, ND 58505-0510 701-328-4712	North Dakota Securities Commissioner Same Address
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 30 East Broad Street, 15th Floor Columbus, OH 43215 614-466-8831 800-282-0515	Same
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105 405-521-2451	Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 503-378-4387	Director Department of Insurance and Finance Same Address
RHODE ISLAND	Rhode Island Department of Business Regulation Securities Division John O. Pastore Center - Building 69-1 1511 Pontiac Avenue Cranston, RI 02920 401-222-3048	Director, Rhode Island Department of Business Regulation Same address
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 803-734-2166	Same
SOUTH DAKOTA	South Dakota Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501-3185 605-773-3563	Director of the South Dakota Division of Securities Same Address
TEXAS	Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887 512-475-1769	Same
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South (P.O. Box 45804) Salt Lake City, UT 84145-0804 TELE: 801-530-6601 FAX: 801-530-6001	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising Tyler Building, 9th Floor 1300 E. Main Street Richmond, VA 23219 804-371-9733	Clerk of the State Corporation Commission Tyler Building, 1st Floor 1300 E. Main Street Richmond, VA 23219 804-371-9051
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501 360-902-8762	Director, Dept. of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501
WISCONSIN	Wisconsin Department of Financial Institutions Division of Securities 201 W Washington Avenue Madison, WI 53703 608-266-8557	Wisconsin Commissioner of Securities Division of Securities 201 W Washington Avenue Madison, WI 53703 608-266-8557

EXHIBIT B – FINANCIAL STATEMENT

ALTITUDE FRANCHISING, LLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2017

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THE McMILLEN COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

12808 AUGUSTA AVENUE
OMAHA, NE 68144
PHONE: 402.697.8897
FAX: 402.697.9096

INDEPENDENT ACCOUNTANTS' AUDIT REPORT

To the Members
Altitude Franchising, LLC
Colleyville, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Altitude Franchising, LLC (a Texas Limited Liability Company), which comprise the balance sheet as of December 31, 2017, and the related statement of operations, members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Altitude Franchising, LLC as of December 31, 2017, and the results of its operations, members' equity, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The McMillen Company PC

The McMillen Company, P.C.
Certified Public Accountants
Omaha, Nebraska
April 03, 2018

ALTITUDE FRANCHISING, LLC

BALANCE SHEET

DECEMBER 31, 2017

ASSETS

Current Assets	
Cash	$ 36,787
Accounts receivable, net of allowance for bad debts of $68,405	375,720
	412,507
Other Assets	
Receivable from affiliate	119,797
Total Assets	$ 532,304

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities	
Accounts Payable	$ 10,847
Accrued expenses and other	34,671
	45,518
Other liabilities	
Due to affiliates	391,730
Members' Equity	
Members' equity	95,056
Total Liabilities and Members' Equity	$ 532,304

See accompanying notes and independent accountants' audit report.

ALTITUDE FRANCHISING, LLC

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUE	
Initial franchise fees	$ 425,000
Ongoing franchise fees	362,404
Total revenue	787,404
OPERATING EXPENSES	
Travel expense	150,558
Legal and professional	101,242
Common payroll burden	78,285
Bad debts reserved	68,405
Settlement related costs and expenses	61,945
Management Fee	50,000
Rent expense	42,000
Commissions	32,049
Meals and entertainment	17,643
Seminars and meetings	12,964
Utilities	10,000
Computer and Software	9,480
Administrative expenses	7,583
Bank fees	798
Taxes and licenses	250
Total operating expenses	643,202
OPERATING INCOME	144,202
OTHER INCOME (EXPENSES)	
NET INCOME	$ 144,202

See accompanying notes and independent accountants' audit report.

ALTITUDE FRANCHISING, LLC

STATEMENT OF MEMBERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

Members' equity December 31, 2016	156,854
Net income (loss)	144,202
Owner distributions	(206,000)
Members' equity December 31, 2017	95,056

See accompanying notes and independent accountants' audit report.

ALTITUDE FRANCHISING, LLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income (loss)	$ 144,202
(Increase) decrease in:	
Accounts receivable	(255,720)
Increase (decrease) in:	
Accounts payable	10,847
Accrued expenses	34,671
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(66,000)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-
CASH FLOWS FROM FINANCING ACTIVITIES:	
Advances to affiliate	(40,797)
Advances from affiliates	334,005
Owner distributions	(206,000)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	87,208
Net increase (decrease) in cash and cash equivalents	21,208
Cash and cash equivalents at beginning of year	15,579
Cash and cash equivalents at end of year	$ 36,787

See accompanying notes and independent accountants' audit report.

ALTITUDE FRANCHISING, LLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

1. Organization

Altitude Franchising, LLC (the Company) was formed on October 26, 2015 under the laws of the State of Texas. The Company operates as a franchisor by offering franchisees use of the Company's trademark "Altitude Trampoline Park" (ATP), the "Spike" logo, and other related trademarks and proprietary information relating to ATP trademarks and the ATP operating system for the purpose of operating an indoor trampoline park. An Altitude Trampoline Park provides recreational services in the nature of entertainment centers featuring indoor trampolines and other entertainment services, and sells products relating to the trade name and marks used by the Company relative to the operations of an Altitude Trampoline Park.

2. Significant Accounting Policies

Basis of Accounting

The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Cash

For the purposes of the statement of cash flows, cash is defined as demand deposits at banks.

Accounts Receivable

Accounts receivable consists of initial and ongoing franchising fees. Accounts receivable are written off when they are determine to be uncollectible. The Company estimates the allowance for doubtful accounts based on historical industry averages, the existing economic conditions within the industry, and the financial stability of its customers.

Revenue Recognition

Revenue consists of initial and ongoing franchise fees earned from Parks operating under executed franchising agreements as mentioned in Note 1. Ongoing franchise fees are generally based on a percentage of the franchisee's sales from operations and are recognized as the fees are earned and become receivable from the franchisee.

Advertising Cost

The Company expenses advertising costs as they are incurred.

Income Taxes

The Company is not a taxpaying entity; thus no provision or benefit for income taxes has been included in these financial statements. All taxable income or loss passes through to, and is reportable by, the members on their respective income tax returns.

For federal income tax purposes, the tax returns essentially remain open for possible examination by the taxing authorities for a period of three years after the date on which those returns are filed. Thus the 2015, 2016, and 2017 tax returns are open for possible examination. The Company's management is not aware of any material uncertain tax positions.

ALTITUDE FRANCHISING, LLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

2. **Significant Accounting Policies (continued)**

Subsequent Events

Management has evaluated subsequent events through April 03, 2018, the date the financial statements were available to be issued.

Compensated Absences

Personnel services for the Company are provided by an affiliate whereas the Company compensates the affiliate for such services. Therefore, the Company does not directly incur compensated absences for these services since they are included in compensation paid to the affiliate. The affiliate's policy for employees provides paid vacation and other time off depending on length of service and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the financial statements as of December 31, 2017 as management has determined the amount was not material as of the reporting date. The affiliate's policy is to recognize the cost of compensated absences when paid to employees and the Company would recognize such costs when it compensates the affiliate.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. **Retirement Plan**

The Company belongs to a multi-employer 401-k plan sponsored by an affiliate that provides eligibility to its employees. All employees above the age of 21 with one year of service are eligible for coverage. Covered employees can make voluntary contributions to the plan through salary deferrals. The Company contributes a matching contribution of 100% of the first 4% of salary deferral. The plan also provides for profit-sharing contributions at the Company's sole discretion. For the year ended December 31, 2017, the related party multi-employer 401-k plan made matching and profit sharing contributions of $190,660, of which $167,660 was paid subsequent to year-end. The Company contributed $78,285 as its share of the common payroll burden pertaining to the multi-employer 401-k plan.

4. **Franchise Agreements**

As stated in the accounting policy footnote, the Company's revenues will primarily consist of franchise fees realized from trampoline parks operated by franchisees. The fees are determined under certain franchise agreements executed between the Company and the trampoline park operator. As of December 31, 2017 the Company had franchise agreements with twenty-four franchised parks operating or under lease commencement dates.

5. Related Parties

The Company operates in an office maintained by an affiliate and pays for office use through an occupancy arrangement. For the year ended December 31, 2017, the Company incurred $42,000 of occupancy expense to the affiliate for the office fee arrangement.

As mentioned in the compensated absence policies note, the Company has an arrangement with an affiliate to provide for personnel services. For the year ended December 31, 2017, the Company incurred $78,285 to the affiliate for these services for the year ended December 31, 2017 and are included in the common payroll burden expense in the financial statements.

The Company has a management services arrangement with an affiliate which provides ongoing services such as accounting and other various daily management functions. The Company incurred $50,000 to the affiliate for these services for the year ended of December 31, 2017 and are included in management fees expense in the financial statements.

The amount due from affiliates reported on the balance sheet consists of unsecured advances to related parties at no interest.

The amount reported on the balance sheet as due to affiliates consists of unsecured advances from related parties at no interest.

6. Commitments & Contingencies

The affiliate providing personnel services to the Company mentioned in the related party footnote is currently a borrower on a $1,500,000 line of credit agreement with Citizens National Bank. The Company is a guarantor for this line of credit. The revolving line of credit is used by the affiliate for business purposes and is secured by substantially all assets of the Company and its affiliates.

The Company is also scheduled to become a guarantor on an additional $7,500,000 credit facility through Citizens National Bank. This financing will be utilized to fund future corporate owned trampoline parks. The details of this financing as specified in the committment letter contain customary financing conditions for security, covenance, and guarantees.

7. Concentrations

The Company began operations in October of 2015 with twenty-four franchisees as of December 31, 2017. Accordingly, some of the franchisee could be considered major customers as a sizeable portion of the Company's revenue would be realized from each.

ALTITUDE FRANCHISING, LLC

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2016

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McMillen & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

2835 South 132nd Street
Omaha, NE 68144

Phone (402) 697-8897
Fax (402) 697-9096

INDEPENDENT ACCOUNTANTS' AUDIT REPORT

To the Members
Altitude Franchising, LLC
Colleyville, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Altitude Franchising, LLC (a Texas Limited Liability Company), which comprise the balance sheet as of December 31, 2016 and the related statements of operations, members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Altitude Franchising, LLC as of December 31, 2016, and the results of its operations, members' equity, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

McMillen & Associates, P.C.

McMillen & Associates, P.C.
Certified Public Accountants
Omaha, Nebraska
March 31, 2017

ALTITUDE FRANCHISING, LLC
BALANCE SHEET
DECEMBER 31, 2016

ASSETS	
Current Assets	
Cash	$ 15,579
Accounts receivable	120,000
	135,579
Other Assets	
Receivable from affiliate	79,000
Total Assets	$ 214,579
LIABILITIES AND MEMBERS' EQUITY	
Current Liabilities	
Accounts payable	$ 57,726
Members' Equity	156,853
Total Liabilities and Members' Equity	$ 214,579

See accompanying notes and independent accountants' audit report.

ALTITUDE FRANCHISING, LLC

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

REVENUE	
Initial franchise fees	$ 120,000
Franchise fee revenue	29,129
Total revenue	149,129
OPERATING EXPENSES	
Legal and professional	45,160
Travel expense	31,638
Meals and entertainment	9,094
Rent expense	3,500
Taxes and licenses	1,275
Office expense	963
Dues and subscriptions	450
Administrative expenses	220
Bank fees	42
Total operating expenses	92,342
NET INCOME	$ 56,787

See accompanying notes and independent accountants' audit report.

ALTITUDE FRANCHISING, LLC

STATEMENT OF MEMBERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2016

	Total
Members' Equity December 31, 2015	$ 66
Net income (loss)	56,787
Contributed capital	100,000
Members' Equity December 31, 2016	$ 156,853

See accompanying notes and independent accountants' audit report.

ALTITUDE FRANCHISING, LLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income (loss)	$ 56,787
(Increase) decrease in accounts receivable	(120,000)
Increase (decrease) in accounts payable	57,726
NET CASH FLOWS FROM OPERATING ACTIVITIES	(5,487)
NET CASH USED BY INVESTING ACTIVITIES	-
CASH FLOWS FROM FINANCING ACTIVITIES:	
(Increase) decrease in due from affiliates	(79,000)
Proceeds from member contributions	100,000
NET CASH FLOWS FROM FINANCING ACTIVITIES	21,000
Net increase (decrease) in cash and cash equivalents	15,513
Cash and cash equivalents at beginning of year	66
Cash and cash equivalents at end of year	$ 15,579

See accompanying notes and independent accountants' audit report.

ALTITUDE FRANCHISING, LLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

1. Organization

Altitude Franchising, LLC (the "Company") was formed on October 26, 2015 under the laws of the State of Texas. The Company operates as a franchisor by offering franchisees use of the Company's trademark "Altitude Trampoline Park" (ATP), the "Spike" logo, and other related trademarks and proprietary information relating to ATP trademarks and the ATP operating system, for the purpose of operating an indoor trampoline park. An Altitude Trampoline Park provides recreational services in the nature of entertainment centers featuring indoor trampolines and other entertainment services, and sells products relating to the trade name and marks used by the Company relative to the operations of an Altitude Trampoline Park.

2. Significant Accounting Policies

Basis of Accounting

The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Cash

For the purposes of the statement of cash flows, cash is defined as demand deposits at banks.

Accounts Receivable

Accounts receivable consists primarily of initial and ongoing franchise fees. Accounts receivable are written off when they are determined to be uncollectible. The Company estimates the allowance for doubtful accounts based on historical industry averages, the existing economic conditions within the industry, and the financial stability of its customers.

Revenue Recognition

Revenue consists of initial franchise fees and ongoing franchise fees. Recognition of the initial franchise fee will generally occur upon signature of the franchisee's lease agreement or 6 months subsequent to the signature date of the Franchise Agreement. In certain states, the initial franchise fee is deferred until all initial obligations of the Company have been completed and the franchisee has commenced business pursuant to the Franchise Agreement. Ongoing franchise fees are in the nature of royalties and are primarily based on a percentage of the franchisees' gross sales. The ongoing franchise fee revenue is recognized as the fees are earned and become receivable from the franchisee.

Advertising

The Company expenses advertising costs as they are incurred.

2. Significant Accounting Policies (continued)

Income Taxes

The Company is not a taxpaying entity; thus no provision or benefit for income taxes has been included in these financial statements. All taxable income or loss passes through to, and is reportable by, the members on their respective income tax returns.

For federal income tax purposes, the tax returns essentially remain open for possible examination by the taxing authorities for a period of three years after the date on which those returns are filed. As stated in Note 1, the Company was formed in October of 2015, thus only the 2015 and 2016 tax returns are open for possible examination. The Company's management is not aware of any uncertain tax positions for the open tax years.

Subsequent Events

Management has evaluated subsequent events through March 31, 2017, the date the financial statements were available to be issued.

Compensated Absences

Personnel services for the Company are provided by an affiliate whereas the Company compensates the affiliate for such services. Therefore, the Company does not directly incur compensated absences since they are included in compensation paid to the affiliate. The affiliate's policy for employees provides paid vacation and other time off depending on length of service and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the financial statements as of December 31, 2016 as management has determined the amount was not material as of the reporting date. The affiliate's policy is to recognize the cost of compensated absences when paid to employees and the Company would recognize such costs when it compensates the affiliate.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. Franchise Agreements

As stated in the accounting policy footnote, the Company's revenues will primarily consist of franchise fees realized from Parks operated by franchisees. The fees are determined under certain franchise agreements executed between the Company and the Park operator. As of December 31, 2016 the Company had fourteen Parks signed under executed franchise agreements, of which five were responsible for the Company's realized revenue through the audit report period.

4. Related Parties

The Company operates in an office maintained by an affiliate and pays for office use through an occupancy arrangement. For the year ended December 31, 2016, the Company incurred $3,500 of occupancy expense to the affiliate for the office fee arrangement.

The amount receivable from affiliate reported on the balance sheet consists of two unsecured advances due from related parties at no interest.

The amount reported on the balance sheet as accounts payable are due to related parties for advances pertaining to start-up costs.

5. Concentrations

The Company began operations in October of 2015 with fourteen franchisees as of December 31, 2016. Accordingly, the first several franchisees would be considered major customers as a sizeable portion of the Company's revenue would be realized from these franchisees.

ALTITUDE FRANCHISING, LLC

REVIEWED FINANCIAL STATEMENTS

FROM OCTOBER 26, 2015 (DATE OF INCEPTION) TO DECEMBER 31, 2015

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McMillen & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

2835 South 132nd Street
Omaha, NE 68144

Phone (402) 697-8897
Fax (402) 697-9096

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Members
Altitude Franchising, LLC
Fort Worth, TX

We have reviewed the accompanying balance sheet of Altitude Franchising, LLC as of December 31, 2015, and the related statements of operations and cash flows for the period of inception through the year ended December 31, 2015, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

McMillen + Associates, P.C.

May 17, 2016

ALTITUDE FRANCHISING, LLC

BALANCE SHEET

DECEMBER 31, 2015

ASSETS	
CURRENT ASSETS	
Cash	$ 66
TOTAL ASSETS	$ 66
LIABILITIES AND MEMBERS' EQUITY	
TOTAL LIABILITIES	$ -
MEMBERS' EQUITY	
Contributed capital	100
Net loss	(34)
Total Members' Equity	66
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 66

See accompanying notes and independent accountants' review report.

ALTITUDE FRANCHISING, LLC

STATEMENT OF OPERATIONS

FROM OCTOBER 26, 2015 (DATE OF INCEPTION) TO DECEMBER 31, 2015

REVENUE	$ -
OPERATING EXPENSES	
Administrative expenses	34
Total Operating Expenses	34
NET LOSS	$ (34)

See accompanying notes and independent accountants' review report.

ALTITUDE FRANCHISING, LLC

STATEMENT OF CASH FLOWS

FROM OCTOBER 26, 2015 (DATE OF INCEPTION) TO DECEMBER 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income (loss) for the period	$ (34)
NET CASH USED BY INVESTING ACTIVITIES	-
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from member contributions	100
Net Increase (Decrease) in Cash	66
Cash at Beginning of Period	-
Cash at End of Period	$ 66

See accompanying notes and independent accountants' review report.

ALTITUDE FRANCHISING, LLC

NOTES TO THE FINANCIAL STATEMENTS

FROM OCTOBER 26, 2015 (DATE OF INCEPTION) TO DECEMBER 31, 2015

1. Organization

Altitude Franchising, LLC (the "Company") was formed on October 26, 2015 under the laws of the State of Texas. The Company operates as a franchisor by offering franchisees use of the Company's trademark "Altitude Trampoline Park" (ATP), the "Spike" logo, and other related trademarks and proprietary information relating to ATP trademarks and the ATP operating system, for the purpose of operating an indoor trampoline park. An Altitude Trampoline Park provides recreational services in the nature of entertainment centers featuring indoor trampolines and other entertainment services, and sells products relating to the trade name and marks used by the Company relative to the operations of an Altitude Trampoline Park.

2. Significant Accounting Policies

Basis of Accounting

The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Cash

For the purposes of the statement of cash flows, cash is defined as demand deposits at banks.

Accounts Receivable

Accounts receivable will consist primarily of receivables for licensing fees. As of the end of the review period, there were no accounts receivable.

Revenue Recognition

Revenue will consist of initial franchise fees and ongoing franchise fees. Recognition of the initial franchise fee will generally occur at the execution of the Franchise Agreement. In certain states, the initial franchise fee is deferred until all initial obligations of the Company have been completed and the franchisee has commenced business pursuant to the Franchise Agreement. Ongoing franchise fees are primarily based on a percentage of the franchisees' gross sales and are recognized as revenue as the fees are earned and become receivable from the franchisee. As of the review report date, there were no franchises thus no revenue has been recognized through the report period.

Advertising cost

The company expenses advertising costs as they are incurred.

ALTITUDE FRANCHISING, LLC

NOTES TO THE FINANCIAL STATEMENTS

FROM OCTOBER 26, 2015 (DATE OF INCEPTION) TO DECEMBER 31, 2015

2. **Significant Accounting Policies (Continued)**

Income Taxes

The Company is not a taxpaying entity; thus no provision or benefit for income taxes has been included in these financial statements. All taxable income or loss passes through to, and is reportable by, the members on their respective income tax returns.

For federal income tax purposes, the tax returns essentially remain open for possible examination by the taxing authorities for a period of three years after the date on which those returns are filed. As stated in Footnote #1, the Company was formed in October of 2015, thus only the 2015 tax return is open for possible examination. The Company's management is not aware of any uncertain tax positions for the open tax year.

Subsequent Events

Management has evaluated subsequent events through May 17, 2016, the date the financial statements were available to be issued.

Compensated Absences

Employees of the company are entitled to paid vacation and other time off depending on length of service and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the financial statements. The company's policy is to recognize the cost of compensated absences when paid to employees.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. **Franchise Agreements**

As stated in the accounting policy footnote, the Company's revenues will primarily consist of franchise fees realized from Parks operated by franchisees. The fees are determined under certain franchise agreements executed between the Company and the Park operator. As of December 31, 2015 there were no Parks open and operating under franchise agreements the Company realized revenue from through the review report period.

4. **Related Parties**

The Company operates in an office maintained by an affiliate and does not pay any rent directly. The Company will pay for office use and administration services through a fee arrangement with the affiliate. As of December 31, 2015 the Company did not incur any expenses to the affiliate for the office fee arrangement.

ALTITUDE FRANCHISING, LLC

NOTES TO THE FINANCIAL STATEMENTS

FROM OCTOBER 26, 2015 (DATE OF INCEPTION) TO DECEMBER 31, 2015

5. Concentrations

The Company began operations in October of 2015 with no franchisees as of May 17, 2016. Accordingly, the first several franchisees would be considered major customers as a sizeable portion of the Company's revenue would be realized from these franchisees.

UNAUDITED FINANCIAL STATEMENTS
AS OF JUNE 30, 2018

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

Altitude Franchising, LLC

BALANCE SHEET

As of June 30, 2018

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Operating Account - 8673	126,268.64
Total Bank Accounts	**$126,268.64**
Accounts Receivable	
Accounts Receivable	506,346.60
Total Accounts Receivable	**$506,346.60**
Other Current Assets	
ADA Origination Fee Asset	525,000.00
Due From	203,523.15
Inventory Asset	0.00
Notes Receivable	107,659.94
Undeposited Funds	16,619.57
Total Other Current Assets	**$852,802.66**
Total Current Assets	**$1,485,417.90**
Fixed Assets	
Accumulated Amortization	-533.01
Intangible Assets	6,396.00
Total Fixed Assets	**$5,862.99**
TOTAL ASSETS	**$1,491,280.89**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	90,557.03
Total Accounts Payable	**$90,557.03**
Other Current Liabilities	
Accrued Expense Payable	32,021.46
Due To	428,324.71
Other Current Liabilities	34,671.47
Total Other Current Liabilities	**$495,017.64**
Total Current Liabilities	**$585,574.67**
Total Liabilities	**$585,574.67**
Equity	
Capital	0.00
Partner Contributions - Rutten	-71,573.15
Partner Contributions - Skallerup	-71,573.15
Partner Distributions	-631,000.00
Retained Earnings	114,201.46
Net Income	1,565,651.06
Total Equity	**$905,706.22**

	TOTAL
TOTAL LIABILITIES AND EQUITY	**$1,491,280.89**

Altitude Franchising, LLC

PROFIT AND LOSS

January - June, 2018

	TOTAL
Income	
Franchise Fee	1,021,237.10
Franchise Origination Fee	1,369,853.52
Total Income	**$2,391,090.62**
GROSS PROFIT	**$2,391,090.62**
Expenses	
Accounting	35,185.00
Advertising	24,298.73
Auto Expense	40.78
Bad Debts	9,127.92
Bank Charges	1,081.67
Commission Paid	158,974.36
Computer & Software Expense	8,605.21
Legal & Professional Fees	114,751.24
Management Fee	100,194.72
Meals and Entertainment	3,888.38
Office Expenses	8,655.62
Other General and Admin Expenses	443.42
Payroll Expenses	61,570.66
Rent or Lease	30,929.51
Repair & Maintenance	685.60
Shipping and delivery expense	2,717.34
Supplies	245.24
Taxes & Licenses	6,517.20
Travel	214,920.53
Travel Meals	4,752.19
Uncategorized Expense	32,508.00
Uniform	1,782.38
Utilities	7,116.60
Total Expenses	**$828,992.30**
NET OPERATING INCOME	**$1,562,098.32**
Other Income	
Cash Back Rewards	4,085.75
Total Other Income	**$4,085.75**
Other Expenses	
Amortization Expense	533.01
Total Other Expenses	**$533.01**
NET OTHER INCOME	**$3,552.74**
NET INCOME	**$1,565,651.06**

Altitude Franchising, LLC

STATEMENT OF CASH FLOWS

January - June, 2018

	TOTAL
OPERATING ACTIVITIES	
Net Income	1,565,651.06
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable	-130,626.92
ADA Origination Fee Asset	-525,000.00
Due From:From 4800 Elmore Avenue	-350.00
Due From:From ATP Metal	-120.00
Due From:From H2O Rosharon	-1,642.89
Due From:From J&C IP	-3,500.00
Due From:From L&A Mgmt	0.00
Due From:From Round Rock	-78,112.76
Inventory Asset	0.00
Notes Receivable	-107,659.94
Accumulated Amortization	533.01
Accounts Payable	79,709.59
Accrued Expense Payable	32,021.46
Due To:To J&C IP	15,000.00
Due To:To L&A Altitude Mgmt	-4,421.00
Due To:To Rochester	0.00
Due To:To VTPE	26,015.85
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	**-698,153.60**
Net cash provided by operating activities	**$867,497.46**
INVESTING ACTIVITIES	
Intangible Assets	-6,396.00
Net cash provided by investing activities	**$ -6,396.00**
FINANCING ACTIVITIES	
Partner Contributions - Rutten	-150,000.00
Partner Contributions - Skallerup	-150,000.00
Partner Distributions	-425,000.00
Retained Earnings	-30,000.00
Net cash provided by financing activities	**$ -755,000.00**
NET CASH INCREASE FOR PERIOD	**$106,101.46**
Cash at beginning of period	36,786.75
CASH AT END OF PERIOD	**$142,888.21**

EXHIBIT C - FRANCHISE AGREEMENT

ALTITUDE TRAMPOLINE PARK
FRANCHISE AGREEMENT

ALTITUDE TRAMPOLINE PARK
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ALTITUDE TRAMPOLINE PARK
FRANCHISE AGREEMENT

THIS AGREEMENT, dated _____, 20___ (the **"Effective Date"**), is entered into by and between **ALTITUDE FRANCHISING, LLC**, a Texas limited liability company, whose principal business address is 516 Silicon Drive, Southlake, Texas 76092 (**"Franchisor"**) and _____ _____ a _____ with its principal place of business located at _____ _____ (**"Franchisee"**) (collectively the **"Parties"**).

RECITALS

WHEREAS, Franchisor has created and owns a system, under the Proprietary Marks for the purpose of developing, operating and maintaining an indoor trampoline business which (i) provides recreational services in the nature of entertainment centers featuring trampolines and other entertainment services, and (ii) sells products relating to the tradename and marks used by Franchisor relative to the operations of an Altitude Trampoline Park;

WHEREAS, Franchisee acknowledges that the system is a unique system which incorporates, in part, the use of proprietary and confidential information, Trade Secrets, Proprietary Marks, operating and training methods and procedures, equipment standards, concepts and other processes and procedures of value to the creation and operation of an Altitude Trampoline Park (the **"System"**);

WHEREAS, Franchisee acknowledges the importance and benefits of operating its Altitude Trampoline Park in strict conformity with the System and further acknowledges that this Agreement requires Franchisee to strictly comply with the requirements of the System and the terms of this Agreement; and

WHEREAS, Franchisee is fully aware of the foregoing and desires to operate an Altitude Trampoline Park in compliance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the Parties agree as follows:

1. DEFINITIONS

1.1 **"Affiliate"** means any person, including any legal person, that directly or indirectly controls, is controlled by, or under common control with such person. For purposes of this Agreement, the word "control" or "is controlled by" shall mean (i) the possession of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise, including their respective partners, venturers, members, managers, directors, officers, shareholders, agents, servants and employees, or (ii) the ownership of a greater than five percent (5.0%) interest in the subject entity.

1.2 **"Agreement"** shall have the meaning set forth in the introductory paragraph hereof.

1.3 **"Approved Location"** shall have the meaning set forth on Exhibit A hereto.

1.4 **"Altitude Trampoline Park Business"** or **"ATP Business"** or **"Park"** means the business franchised to, and developed and operated by Franchisee under this Agreement which provides an indoor trampoline recreation and party center featuring trampolines, foam pits, and other

entertainment elements, now or hereinafter part of the System, as well as the sale of products and services related to the System.

1.5 **"Confidential Information"** means all knowledge, know-how, standards, methods, specifications and procedures related to the System and Altitude Trampoline Parks and includes all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, Franchisee's ATP Business including, without limitation, all databases (whether in print, electronic or other form), all names, addresses, phone numbers, e-mail addresses, customer purchase records, manuals, promotional and marketing materials, marketing strategies and any other data which Franchisor designates as confidential.

1.6 **"Designated Territory"** means the area which is identified as such on Exhibit A.

1.7 **"Franchise"** means the business operations conducted or to be conducted by Franchisee under this Agreement at the Approved Location using the System and in association with the Proprietary Marks.

1.8 **"Franchise Disclosure Document"** means the franchise disclosure document provided by Franchisor to Franchisee or its representatives.

1.9 **"Initial Franchise Fee"** means the amount of the non-refundable payment, as identified on Exhibit A, which is paid by Franchisee to Franchisor on execution of this Agreement.

1.10 **"Initial Term"** means the period of time as identified in Section 5.1 of this Agreement.

1.11 **"License"** means the written authorization which is granted by Franchisor to Franchisee to own and operate an Altitude Trampoline Park in accordance with the terms of this Agreement.

1.12 **"Operations Manual"** means, but is not limited to, collectively, the operations manual and all other System standards manuals and directions (whether written, electronic or in any other form), including books, pamphlets, bulletins, memoranda, order forms, packing slips, invoices, letters, e-mail, Internet data, or other publications, documents, software programs, video tapes, transmittances or communications, prepared by, or on behalf of, Franchisor for use by Franchisees generally or for Franchisee in particular, setting forth information, advice and standards, methods, techniques, requirements, marketing specifications, information and procedures, operating procedures, instructions or policies relating to the operation of the ATP Business or the operation of franchises, as the same may be added to, modified, supplemented deleted or otherwise amended by Franchisor from time-to-time. The form and content of the Operations Manual maintained by Franchisor shall prevail in the event of any dispute regarding the form of or content of the Operations Manual between Franchisor and Franchisee.

1.13 **"Park Opening Date"** means the date, as identified on Exhibit A, by which the Franchisee shall open its Altitude Trampoline Park.

1.14 **"Premises"** means the location where the Franchisee's ATP Business operates.

1.15 **"Proprietary Marks"** means the registered trademarks ALTITUDE TRAMPOLINE PARK® and the SPIKE Logo®to the extent of Franchisor's rights to same, and such other trademarks, trade names, trade dress, words, symbols, logos, slogans, designs, insignia, emblems, devices, service marks or combinations thereof, that are now or hereinafter designated by Franchisor as part of the System, all as may be changed, deleted, added to or otherwise modified by Franchisor in its sole

discretion. The term applies whether the Proprietary Marks are owned currently by Franchisor, any of its Affiliates, or a third party, or are later developed or acquired, and whether or not they are registered in any state, foreign country or in the United States Patent and Trademark Office.

1.16 **"Renewal Term"** means the period of time identified in Section 5.2 of this Agreement.

1.17 **"Restricted Area of the Premises"** means the radius of miles, as identified on Exhibit A, from the location of the Premises.

1.18 **"Royalty Fee"** means the amount of the monthly payment, as identified on Exhibit A, which is paid by Franchisee to Franchisor as a percentage of Franchisee's Gross Sales as that term is defined in Section 6.2.1 of this Agreement.

1.19 **"Term"** means the Initial Term and Renewal Term collectively.

1.20 **"Trade Secret(s)"** mean information, including any formula, pattern, compilation, program, device, method, training technique or process related to the System that both derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

1.21 **"Transfer"** means the voluntary or involuntary, direct or indirect transfer, assignment, sale, gift, pledge, mortgage, hypothecation or other disposition (including those occurring by operation of law and a series of transfers that in the aggregate constitute a Transfer) of any or all of Franchisee's interest in this Agreement, Franchisee's ATP Park or a substantial portion of its assets, or by a Franchisee direct or indirect owner of a controlling interest in Franchisee.

2. COVENANTS, REPRESENTATIONS AND WARRANTIES OF FRANCHISEE

Franchisee covenants, represents and warrants as follows and acknowledges that Franchisor is relying upon such covenants, representations and warranties in making its decision to enter into this Agreement:

2.1 Non-reliance. Franchisee represents and warrants that it did not rely on, and Franchisor and Franchisor's representatives have not made, any promises, representations, warranties or agreements relating to franchising the System, except as expressly contained in this Agreement and in the Franchise Disclosure Document. In all of their dealings with Franchisee, the members, managers, officers, employees, directors, and/or agents of Franchisor act only in a representative capacity, not in an individual capacity, and that this Agreement and all business dealings between Franchisee and such individuals as a result of this Agreement are solely between Franchisee and Franchisor.

2.2 Substantial Business Risk. Franchisee has conducted an independent investigation of the business contemplated by this Agreement. Franchisee agrees that the business venture contemplated by this Agreement involves substantial business risks and its success will be largely dependent on the ability of Franchisee as an independent business. Franchisor expressly disclaims the making of, and Franchisee agrees that it has not received, any information, warranty or guaranty, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement. If Franchisor furnishes advice, consultation, training or other forms of assistance in connection with the operation of the ATP Business, Franchisor does not guaranty or assure the success or satisfactory result of such assistance.

2.3 Acknowledgement of Receipt. Franchisee acknowledges that Franchisee received a copy of this Agreement, the Exhibits and attachments hereto, if any, and agreements relating thereto, if any, at least seven (7) calendar days before the date on which this Agreement was executed. Franchisee further acknowledges that Franchisee has received the Franchise Disclosure Document at least fourteen (14) calendar days before the date on which this Agreement was executed.

2.4 Professional Counsel. Franchisee acknowledges that it has received, has had ample time to read, and has read this Agreement, and all related agreements with Franchisor. Franchisee acknowledges that Franchisor has advised it to obtain independent legal and accounting advice with respect to this Agreement and the transactions arising out of this Agreement. Franchisee further acknowledges that it has had an adequate opportunity to be advised by legal, accounting and other professional advisors of its own choosing regarding all pertinent aspects of the ATP Business, Franchisor and this Agreement.

2.5 Self-financing. Franchisee has, or has made firm arrangements to acquire funds to commence, open and operate the ATP Business and is financially and otherwise able to accept the risks attendant upon entering into this Agreement.

2.6 Accuracy of Representations. All statements made by Franchisee in writing in connection with its application for this franchise were, to the best of its knowledge, true when made and continue to be true as of the date of this Agreement.

2.7 No Conflict. Franchisee represents that it is not a party, nor subject, to agreements that might conflict with the terms of this Agreement and agrees not to enter into any conflicting agreements during the Term of this Agreement.

2.8 Anti-Terrorism Laws.

Franchisee and its owners understand the requirements of, and will abide by, all United States government economic sanctions requirements. Franchisee represents and warrants that neither it nor any of its direct or indirect owners, directors, officers, employees or agents is a person subject to trade restrictions under United States law, including (without limitation) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., or any Executive Orders or regulations promulgated thereunder (including Executive Order 13224 of September 24, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, and the Specially Designated Nationals and Blocked Persons List) and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. (**"Anti-Terrorism Laws"**). Franchisee and its owners may not engage in any activity that would expose us to a risk of criminal or civil penalties under applicable United States law. Any violation of the Anti-Terrorism Laws by Franchisee or its owners, or any blocking of Franchisee's or its owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement. Any violation of the Anti-Terrorism Laws by Franchisee or its owners, or any blocking of Franchisee or its owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement. Franchisee is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities set forth in this Agreement pertain to its obligations under this Section 2.8.

2.9 Court Proceedings. Franchisee is not a party, nor subject, to any court or administrative order or action of any governmental authority which would limit or interfere in any way with the performance by Franchisee of its obligation hereunder.

3. GRANT OF LICENSE

3.1 Grant of License. Subject to and in accordance with the terms of this Agreement, for the Term of this Agreement, Franchisor grants to Franchisee the non-exclusive right, license and privilege, and Franchisee undertakes the obligation, to use the System and Proprietary Marks for the purpose of developing and operating one Altitude Trampoline Park Business at the Approved Location.

3.2 Franchisee's Acceptance of the License and Approved Location. Franchisee agrees to (i) accept such non-exclusive right, license and privilege, (ii) operate its ATP Business in accordance with the System and the terms of this Agreement only at the Approved Location, and (iii) offer only Franchisor approved services and products to its guests. Franchisee shall operate its ATP Business at, and only at, the Approved Location specified on Exhibit A. If Franchisee's site application has not been approved at the time of this Agreement, then Exhibit A shall be automatically amended to list the Approved Location upon the unconditional approval of the site application by Franchisor.

3.3 Franchisor's Right to Modify the System. Franchisee recognizes that variations and additions to the System may be required from time-to-time in order to preserve and/or enhance the System. Therefore, Franchisor expressly reserves the right to add to, subtract from, revise, modify or change from time-to-time the System or any part thereof, and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and to make such expenditures as may be necessary to comply with the terms of this Agreement. Franchisee further recognizes that regional or local variations of the System may be required and that, consequently, the Franchisor has the right to vary and modify the System between different franchisees.

3.4 Reservation of Certain Rights. Except as expressly provided in this Agreement, Franchisor and all of its Affiliates (and their respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all of their rights with respect to the Proprietary Marks and the System anywhere in the world, and the rights to engage in any business whatsoever, including the rights specified in Section 7.5.

3.5 Limitation to Approved Location. Franchisee recognizes that the rights that are granted to Franchisee are for the specific Approved Location and cannot be transferred to an alternate location without the prior written approval of Franchisor, which approval may be granted or withheld in Franchisor's sole discretion. This Agreement does not entitle Franchisee to any protected territory, territorial rights or exclusivity, except as set forth in this Section 7.5.

4. OPERATIONS MANUAL

4.1 On Loan to Franchisee. During the term of this Agreement, Franchisor will loan Franchisee one copy of Franchisor's Operations Manual. The Operations Manual contains mandatory and suggested specifications, standards and operating procedures, including System standards that Franchisor prescribes for Altitude Trampoline Parks. Franchisee shall operate its ATP Business strictly in accordance with the mandatory specifications, standards and operating procedures set forth in the Operations Manual. Failure to comply with the mandatory standards set forth in the Operations Manual shall constitute a material breach of this Agreement.

4.2 Modifications. Franchisor shall have the right to add to, delete, and otherwise modify, the Operations Manual from time-to-time to reflect changes, including in the business, authorized products or services (or specifications therefor), FF&E requirements, quality standards, and operating procedures of the ATP Business, as determined by Franchisor. Such additions or modifications may be made through various communications by Franchisor, including policy statements, memoranda, bulletins, directives, instructions, intranet, electronic communications, or other material prepared by or on behalf of Franchisor.

4.3 Form of Manual. Franchisor has the right, at Franchisor's option, to furnish or make available to Franchisee the Operations Manual, and any updates, in the form of a paper copy, an electronic copy, or an electronic copy accessed through the Internet or other communication systems. Specifications, standards and operating procedures prescribed from time-to-time by Franchisor in the Operations Manual, or otherwise communicated to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth herein.

4.4 Franchisor's Property and Return. Franchisee hereby acknowledges that the Operations Manual is loaned to Franchisee during the term of this Agreement and shall at all times remain the sole and exclusive property of Franchisor. On termination of this Agreement, Franchisee shall return to Franchisor the Operations Manual together with all copies, or copies of portions thereof. If Franchisee loses or destroys any printed Operations Manual, Franchisor may charge a lost Operations Manual fee in the amount of Five Hundred Dollars ($500.00).

5. INITIAL TERM AND RENEWAL

5.1 Initial Term of the Franchise Agreement. Subject to the prior termination provisions of this Agreement, this Agreement and the License granted herein shall become effective on the date this Agreement is executed by Franchisor and shall continue until midnight on the day before the tenth (10^{th}) anniversary of the date the ATP Park opened for business (**"Initial Term"**).

5.2 Renewal Term. Franchisee shall have the option to extend Franchisee's rights to operate the ATP Business for an additional ten (10) year term (**"Renewal Term"**), provided, however, Franchisee meets the following requirements:

5.2.1 Franchisee has given written notice to Franchisor of its intent to renew no later than six (6), or earlier than nine (9), months prior to expiration of the Term;

5.2.2 Franchisee is in compliance with the terms of this Agreement as of the ending date of the Initial Term;

5.2.3 Franchisee has not received notice of two (2) or more breaches of this Agreement in the twenty-four (24) months prior to the end of the Initial Term, even if such breaches were timely remedied;

5.2.4 Franchisee has been current in its payment obligations to Franchisee's Lessor, suppliers, and trade creditors for the six (6) month period prior to the end of the Initial Term;

5.2.5 Franchisee has the right to continue to operate the ATP Business, at the Approved Location, for the duration of the Renewal Term;

5.2.6 Franchisee executes a general release of all claims Franchisee may have against Franchisor, its officers, directors, members, shareholders, agents, Affiliates, and employees, whether in

their corporate and/or individual capacities. This release shall include all claims arising under any federal, state, or local law, rule, or ordinance arising out of or concerning this Agreement (to the fullest extent permitted by law) and shall be in a form satisfactory to Franchisor. Franchisee's failure or refusal to sign such a release shall constitute good cause for Franchisor's refusal to allow a Renewal Term; and

5.2.7 Franchisee executes a new Franchise Agreement, and all other agreements in the form then being used by Franchisor in granting new franchises. Franchisee shall sign and return such agreements within thirty (30) days of receiving the same from Franchisor. Franchisor reserves the right to change any term(s) of the Franchise Agreement form to be signed by Franchisee prior to, or at the time, Franchisee extends its rights to operate its ATP Business. Notwithstanding the foregoing, Franchisee will not be required to pay another Initial Franchise Fee at the time the new Franchise Agreement is executed and the new Franchise Agreement will not include any right to renew past its initial term.

5.2.8 Franchisor retains the right to waive one or more of the foregoing requirements if it so chooses.

5.3 Additional Conditions of Renewal. As additional conditions to renewal, in Franchisor's sole discretion, Franchisee may be required to:

5.3.1 attend additional training courses;

5.3.2 update the Premises to meet the then current standards and requirements for new ATP Businesses; and

5.3.3 provide proof of current licenses, insurance and permits.

5.4 Interim Period. If Franchisee does not sign a new Franchise Agreement prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement, then at the option of Franchisor, this Agreement may be treated either as (i) expired as of the date of expiration with Franchisee then operating without a franchise to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis (**"Interim Period"**) until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

6. FEES

6.1 Initial Franchise Fee. Franchisee shall pay to Franchisor a non-recurring Initial Franchise Fee in the sum set forth on attached Exhibit A. The Initial Franchise Fee shall be paid at the earlier of (i) the execution of the lease agreement for the Premises, or (ii) one hundred and eighty (180) days after the Effective Date of this Franchise Agreement. In the event that the Premises lease is not executed within such one hundred and eighty (180) day period, Franchisor may, upon Franchisee's request and payment of an extension fee of $5,000, extend the one hundred and eighty (180) day period, at its sole discretion, by providing written notice to Franchisee. The Initial Fee shall be paid by means of cashier's check or wire transfer. The Initial Franchise Fee shall be deemed to have been fully earned by Franchisor when paid. The Initial Franchise Fee is non-refundable once paid.

6.2 Royalty Fee. Franchisee shall pay to Franchisor a Royalty Fee equal to a percentage of the Gross Sales for each month, or partial month (if applicable), of the Franchisee's ATP Business as set forth on attached Exhibit A.

6.2.1 "Gross Sales" means all sales attributable to, or derived from, the operation of the ATP Business, including from all trampoline and other entertainment activities, as well as related services and products, which are sold at the Park including, but not limited to, Park admission fees, specific entertainment "a la carte" activity fees, event packages fees, apparel sales, food and beverage sales, and proceeds received or realized by Franchisee in connection with any business interruption insurance maintained by, or for, the benefit of Franchisee

6.2.2 Franchisee must accurately and timely report Gross Sales to Franchisor. Franchisee acknowledges that accurate reporting of Gross Sales requires, among other things, compliance with all standards related thereto and recording of all sales at the time the services and/or product is delivered to the purchaser, whether for cash, by redemption of gift certificates or coupons, or sales for which payment may be deferred.

6.2.3 Royalties, and other fees calculated based on the prior month's Gross Sales, will be due and payable on the tenth (10^{th}) day of each month and shall be payable through the entire term of this Agreement. **Each Royalty Fee payment shall be, without exception, accompanied by a statement of the previous month's Gross Sales on a form approved by Franchisor.** Royalties and any other fees that are not paid within five (5) days after their due date will bear interest at the rate of 18% per annum commencing from the due date until the date paid. In addition thereto, Franchisee shall pay to Franchisor a "late fee" in the amount of the greater of $100 or three percent (3%) of the unpaid amount.

6.2.4 Franchisor reserves the right to require Franchisee to remit fees and other amounts due to Franchisor hereunder via electronic funds transfer (**"EFT"**) or other similar means utilizing a Franchisor approved computer system or otherwise. The EFT Authorization is attached to the Franchise Agreement as Exhibit B. If Franchisor notifies Franchisee to use such payment method, Franchisee agrees to comply with procedures specified by Franchisor and/or perform such acts and deliver and execute such documents, including authorization for direct debits from Franchisee's business bank operating account, as may be necessary to assist in or accomplish payment by such method. Under this procedure Franchisee shall authorize Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to Franchisor and any interest charged due thereon. Franchisee shall make funds available to Franchisor for withdrawal by electronic transfer no later than the due date for payment therefore. If Franchisee has not timely reported the Gross Sales to Franchisor for any reporting period, then Franchisor shall be authorized, at Franchisor's option, to debit Franchisee's account in an amount equal to the fees transferred from Franchisee's account for the last reporting period for which a report of the Gross Sales was provided to Franchisor as required hereunder; or (b) the amount due based on information retrieved from Franchisor approved computer system.

6.3 Marketing Fee. Franchisee shall pay to Franchisor a Marketing Fee contribution to the Marketing Fund, administered by the Marketing Committee, on a calendar month basis in the amount designated by Franchisor, but not to exceed two and one half percent (2.5%) of Franchisee's Gross Sales (**"Marketing Fee"**). In lieu of charging Franchisee a Marketing Fee, and independent of whether a Marketing Fund has been established, Franchisor may, at its option, charge Franchisee on a pro rata basis for marketing and advertising projects that fall within the scope of the permissible use of the Marketing Fund, In the event Franchisor charges Franchisee on a project basis, Franchisee's share of the project cost will be payable against invoice.

6.4 Training Fee. Except for Franchisee's travel and related expense obligations as set forth in Article 8 below, Franchisee shall receive the Initial and Pre and Post-Opening Training sessions, as well as the Subsequent Support services, without charge.

6.5 Other Fees. Franchisee shall pay such other fees that are set forth in other sections of this Agreement or otherwise imposed. Such fees shall be due as set forth in Section 6.2.3 of this Agreement, unless different payment terms are expressly stated for such fees at the time they are imposed or thereafter.

7. TERRITORY, SITE SELECTION & PARK DEVELOPMENT

7.1 ATP Business Location. Franchisee shall operate its ATP Business at the Approved Location which is identified on Exhibit A which is incorporated herein by reference.

7.2 Site Approval Process. Franchisee acknowledges and confirms that, if Franchisee has no yet submitted a site application to Franchisor as of the Effective Date, then within 60 days of the Effective Date, Franchisee will submit a site application for a site located in the Designated Territory set forth in Exhibit A, to be approved by Franchisor, for the Premises in which the ATP Business will be established and operated by Franchisee. Franchisor will assist Franchisee in connection with site selection by: (i) providing Franchisee with its then-current site selection criteria, to the extent such criteria has been reduced to writing; and (ii) providing Franchisee with access to a real estate consultant that is familiar with Franchisor's confidential site evaluation criteria, to the extent Franchisor has established relationships with such consultants. Franchisor will use commercially reasonable efforts to approve or reject a proposal for an Approved Location within 60 days of the date Franchisor receives all reasonably-requested information regarding the proposed site. Franchisor agrees not to unreasonably withhold approval of a site that meets its site criteria. Franchisee acknowledges that although Franchisor, its affiliated party, or independent third-party, at Franchisor's suggestion, may have assisted Franchisee with Franchisee's search of the Approved Location, Franchisee has conducted its own diligent review of the location and Franchisee's acceptance of a Franchise for the operation of its ATP Business at the Approved Location is based on Franchisee's own independent investigation of the suitability of the Approved Location. Franchisee acknowledges that Franchisor's review of the Approved Location is limited to a review for compliance with System standards and that the success and profitability of any Franchised Business depends on many factors, including Franchisee's business acumen and efforts. Franchisee further acknowledges that Franchisor's approval of a proposed site is permission only and not an assurance or guaranty to Franchisee of the availability, suitability or success of a location, and cannot create a liability for Franchisor. Franchisee alone is ultimately responsible for selecting and developing an acceptable location for the ATP Business. Franchisee agrees to hold Franchisor harmless with respect to the selection of the Approved Location by Franchisee. Franchisee must obtain lawful possession of an Approved Location by lease, purchase or other method and open for regular, continuous business within six (6) months of the Effective Date of this Agreement. Franchisor has the right to terminate this Agreement if Franchisee fails to select a site for the ATP Business that meets Franchisor's approval, within the time period allotted above.

7.3 Replacement of Approved Location. Should the approved location not be acquired by Franchisee or become redundant for any reason, Franchisee may submit a replacement site application and pay a non-refundable fee of $5,000 to Franchisor to cover the costs and expenses associated with the review of the alternative proposed site, including, but not limited to travel expenses to and from such site. Franchisee will have no more than 60 days from the date that Franchisee first communicated to Franchisor its intention to abandon development of the previously approved site to submit a replacement site application. Failure to do so may result in a termination of this Agreement and/or loss of Franchisee's right to develop an ATP Business in the Designated Territory identified in Exhibit A

hereto. Franchisor shall have 60 days after receipt of the replacement site application and all other such information and materials required by Franchisor to approve or disapprove the replacement site application for any reason. If a replacement site application is submitted, it will be subject to the same terms and conditions stated above, and will be approved or disapproved under the same terms and conditions described above. Franchisor shall have no obligation to consider more than 2 site applications under this Agreement.

7.4 Franchisor's Designated Territory Restriction. During the Term of this Agreement, and unless Franchisee agrees otherwise in writing, Franchisor, or its Affiliates, shall not own or operate an Altitude Trampoline Park or any other trampoline park, nor grant a Franchise to any other individual or entity for the operation of an ATP licensed business, within the Restricted Area of the Premises, as identified on Exhibit A. For the avoidance of doubt, nothing in this Agreement prevents Franchisor, its Affiliates or any other franchisees from advertising or marketing other Altitude Trampoline Parks located outside the Restricted Area of the Premises within the Restricted Area of the Premises.

7.5 Franchisor's Rights Within and Outside the Restricted Area of the Premises. Except for the restricted terms set forth in Section 7.4 of this Agreement, Franchisee acknowledges that the Franchise granted hereunder is non-exclusive and that Franchisor and its Affiliates retain the exclusive right, among others:

7.5.1 to use, franchise and/or license others to use, the Proprietary Marks and System for the operation of an ATP Business at any location other than: (i) before the Approved Location has been approved by Franchisor, within the Designated Territory; and (ii) after the Approved Location has been approved by Franchisor, within the Restricted Area of the Premises;

7.5.2 to offer ATP services or products, or grant others the right to offer ATP services or products, whether using the System and/or Proprietary Marks or other trademarks or service marks, through alternative channels or methods of distribution, including without limitation, television, radio, written materials, retail stores, wholesale, e-commerce, mail or otherwise, whether inside or outside the Restricted Area of the Premises;

7.5.3 to establish any websites utilizing a domain name incorporating one or more of the words "Altitude," "Trampoline," and/or "Park" or similar derivatives thereof. Franchisor retains the right to market on the Internet and use the Proprietary Marks on the Internet, including all use of websites, domain names, URL's, directory addresses, metatags, linking, advertising, and co-branding and other arrangements;

7.5.4 to use, franchise and/or license others to use, the trampoline parks and other businesses under other trademarks and trade names than the Proprietary Marks at any location;

7.5.5 to acquire, or be acquired by, other trampoline parks, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Restricted Area of the Premises, but only outside of the Restricted Area of the Premises; provided, however, Franchisor shall operate the acquired business as an Altitude Trampoline Park and convert such operation within a reasonable period of time from the date of such acquisition; and,

7.5.6 to implement multi-area marketing programs which may allow Franchisor or others to solicit or sell to prospective franchisees or others anywhere in the world. Franchisor reserves the right to issue mandatory policies to coordinate such multi-area marketing programs.

7.6 Franchisee's Lease Obligation. Unless Franchisee owns the Premises, Franchisee shall obtain the necessary lease or sublease for the Premises. The lease or sublease must include the following provisions:

7.6.1 the obligation of the Landlord to notify Franchisor of any default by Franchisee and allow Franchisor the right (but not obligation) to cure the default. If Franchisor cures any default, the total amount of all costs and payments incurred by Franchisor in curing the default will be immediately due and owing to Franchisor by Franchisee; and

7.6.2 a restriction on the Landlord leasing other space on the property to a competitor of Altitude Trampoline Park.

7.7 Park Development.

7.7.1 Before commencing construction of the Park, Franchisee shall have completed or satisfied all of the following:

(a) If Franchisee is leasing the Premises, Franchisee shall submit to Franchisor with a request for approval, prior to execution by Franchisee, a copy of the lease for the proposed site, which must not contain any provision that is inconsistent with or interferes with the performance of any provision of this Agreement and which lease must include provisions: (i) authorizing Franchisor to enter the Approved Location and Premises and make any modifications necessary to protect the Proprietary Marks, (ii) granting to Franchisor the right (but not the duty) to assume the lease if Franchisee is in default under its terms and provisions and/or if this Agreement expires or is terminated, (iii) requiring concurrent notice from lessor to Franchisor of any default or termination, and (iv) providing for a term of at least 10 years; which lease, when approved by Franchisor, shall not thereafter be materially modified without the prior written consent of Franchisor. Under no circumstances shall Franchisor have any obligation or liability under such lease.

(b) Inform Franchisor by written notice, not less than 30 days prior to commencing construction of the Park, of the name of the architect and the general contractor to be used for the construction of the Park, and such other information about the architect and general contractor as Franchisor may deem necessary.

(c) Franchisor will make available to Franchisee prototype plans and specifications for the Park, but Franchisee must, at its expense, adapt the Approved Location and the Premises to Franchisor's standard plans and specifications for the exterior and interior design and layout, fixtures, furnishings, signs, trade dress for the Park. Franchisee must submit to Franchisor its architectural drawings and specifications for the construction of the Park for Franchisor's approval. Franchisor may require that Franchisee uses only architectural and engineering firms that it has approved. Franchisee may not begin construction until Franchisor has given its written approval of the architectural plans. Franchisor's review of the plans will only be to confirm compliance with System standards and it is the Franchisee's responsibility to ensure that such plans comply with local building codes and zoning requirements and other Applicable Law, including the Americans with Disabilities Act.

(d) Submit to Franchisor with a request for approval, after the schematic design development documents for the Premises have been approved by Franchisor, final building plans and specifications prepared by a registered architect or engineer in compliance with all applicable laws, regulations, ordinances and Franchisor standards which plans and specifications, when approved by Franchisor, shall not thereafter be materially modified without the prior written consent of Franchisor.

(e) Provide to Franchisor satisfactory evidence that all permits, licenses, and certifications required for the lawful construction and operation of the proposed Premises, including, without limitation, all applicable building permits, zoning, access, sign and fire requirements, have been obtained.

(f) Provide to Franchisor insurance certificates satisfying the applicable requirements set forth in Article 15 of this Agreement.

(g) Provide to Franchisor evidence that Franchisee possesses or has obtained adequate financing for constructing, furnishing, and operating the ATP Business.

(h) Such other information as Franchisor may reasonably request.

7.7.2 Franchisee shall commence construction of the Park upon the earlier of (i) 30 days of the point in time when a building permit for the Park is ready for issuance and (ii) in the case the Approved Location has been approved as of the Effective Date, 60 days of the Effective Date, and in the case an Approved Location has not been approved as of the Effective Date, 60 days of the date Franchisor approves the Approved Location. A building permit shall be deemed ready for issuance at the point in time when the issuing authority has taken all steps necessary for issuance, and would issue the building permit upon the payment of the fee therefor. In Franchisor' discretion, Franchisor may grant Franchisee up to 4 30-day extensions for a fee of $5,000 for each extension. Any such extensions shall be granted only in Franchisor' sole discretion and upon payment of such additional extension fees as Franchisor deems appropriate in its sole discretion. Franchisee shall pay Franchisor a fee of $5,000 at the time the extension is requested. If the extension is not granted, the fee will be refunded. Franchisee shall provide written notice to Franchisor of the date construction begins (such date, the **"Commencement of Construction"**). Once commenced, construction work shall continue uninterrupted (except for interruption by reason of events constituting force majeure) until it is completed. Except for the occurrence of any events constituting force majeure, construction work shall be completed and the Park shall be equipped, and otherwise be made ready to open in accordance with this Agreement not later than 240 days after Commencement of Construction. Franchisor shall have the sole right to determine whether the construction work has been completed in accordance with this Agreement, the approved plans, and the Manual.

7.7.3 Franchisee shall diligently and continuously prosecute the construction, furnishing, and equipping of the Premises (including its acquisition and installation of all FF&E, signs, supplies, and other items necessary for completion and opening of the ATP Business) in accordance with the plans previously approved by Franchisor and in accordance with the Operations Manual, but in any event the construction, furnishing, and equipping of the Premises shall be completed within 240 days after the date of Commencement of Construction. Franchisee acknowledges and understands that time is of the essence in the construction and opening of the Premises, and except for the occurrence of any events constituting force majeure, the construction shall be completed and the Premises shall be furnished, equipped, and otherwise be made ready to open for business, and all governmental licenses and permits (including a certificate of occupancy) necessary to operate the ATP Business under the System shall have been obtained by Franchisee, not later than 240 days after Commencement of Construction. In

Franchisor' discretion, Franchisor may allow Franchisee up to 4 additional 30-day extensions of the construction completion date for a fee of $5,000 per extension. The fee for each extension shall be payable at the time Franchisee applies for the extension. If the extension is not granted, the fee will be refunded. Any further extensions shall be granted only in Franchisor' sole discretion and upon payment of such additional extension fees as Franchisor deems appropriate in its sole discretion.

7.7.4 Franchisee agrees that Franchisor and its agents shall have the right (without, however, any duty or obligation to do so) to visit and inspect the construction of the Premises at all reasonable times. Franchisor's exercise of its rights to approve the plans and specifications and to inspect construction of the Premises shall be solely for the purpose of assuring compliance with System.

7.7.5 Relative to the park development, Franchisee acknowledges and agrees that Franchisee is responsible for and assumes all risk relating to the construction and development of the Park, and Franchisor's approval of the construction plans and specifications do not constitute an express or implied representation or warranty of any kind as to the quality of such construction or development of the Park.

7.8 Furnishings, Equipment and Signage. In developing and operating the Park, Franchisee agrees to:

7.8.1 use only the fixtures, furnishings, equipment and signage that Franchisor requires, or otherwise approves, as meeting the System standards; and

7.8.2 place or display at the Premises (interior and exterior) only the signs, emblems, lettering, logos and display materials as required by the System standards, unless Franchisor approves otherwise in writing.

8. TRAINING AND SUBSEQUENT SUPPORT

8.1 Before Franchisee opening its Park, Franchisor will furnish to Franchisee a training program relative to the operations of the Park. The training program will be provided at such locations as set forth below. Franchisee (either one or more owners of Franchisee or Franchisee's Park manager) must complete all phases of the training program. Franchisee agrees that during the first six (6) months of the Park's operation, the Park will only be managed by the Franchisee (either one or more owners of Franchisee or Franchisee's Park manager) who has completed the initial training program.

8.2 Initial Training. Before the opening of Franchisee's Park, Franchisee (or, if Franchisee is an entity, its owner(s)) and/or its Park manager (**"Required Trainees"**) shall attend and complete to Franchisor's satisfaction, such initial training as is required at the time. At Franchisee's option three (3) additional persons may attend the initial training. Currently, initial training includes on-the job training and some class-room training at the Altitude Trampoline Park in Fort Worth, Texas, or at such other Altitude Trampoline Park as designated by Franchisor. Unless Franchisor allows otherwise, the training shall last for no less than five (5) days and no more than fourteen (14) days. Franchisee shall be responsible for all travel, lodging, meal and personal expenses which are incurred by Franchisee, and its attendees, while attending the training program. If any of the Required Trainees fails to successfully complete the initial training before the time Franchisee is required to open the Park they will be given one additional opportunity to successfully complete the training. If one or more Required Trainees do not successfully complete the initial training Franchisor may terminate this Agreement upon written notice to Franchisee. At Franchisor's option, any new Park manager employed after the Park opens, may be required to complete the initial training described in this Sections.

8.3 Pre and Post-Opening Training. Before opening, we will provide you with such opening advice and training as we then currently offer. Currently, we offer the following pre-opening advice and training: approximately three (3) weeks before the opening of Franchisee's Park, a Franchisor representative will visit Franchisee's Park for three (3) days and provide pre-opening assistance. During the following week, a Franchisor representative will return to Franchisee's Park to provide additional training and operational assistance for a three (3) to five (5) day period, as deemed needed by the Franchisor. Thereafter, during the week in which Franchisee will open its Park, one (1) to two (2) Franchisor representatives will return to the Park to assist with the pre-opening activities and Franchisee's post-opening operational needs. At Franchisee's request, a Franchisor representative will visit the Park within a week or two thereafter, to provide additional assistance relative to Park operations and such other areas as Franchisee may reasonably request. Franchisee shall be responsible for the reasonable costs of travel, lodging and meal expenses of the Franchisor representatives.

8.4 Subsequent Support.

8.4.1 During the terms of this Agreement, a representative of Franchisor will be reasonably available to discuss Franchisee's operational issues and support needs, as Franchisor determines is necessary; and,

8.4.2 Franchisor may provide mandatory or optional training programs for the Required Trainees and Franchisee's other staff at such locations as Franchisor will designate. Franchisor may also hold annual conferences and meetings to discuss sales techniques, new product and service developments, bookkeeping, training, accounting, inventory control, safety and maintenance issues, performance standards, advertising programs, merchandising procedures and other topics. Such meetings will be held at locations designated by Franchisor. Franchisor may charge reasonable fees for attendance at such training programs, meetings and conferences. All travel, lodging, meal and other attendance expenses at any such training, meetings of conferences shall be paid by Franchisee.

8.5 Guidance and Operating Assistance. After the Initial and Pre and Post-Opening Training sessions, Franchisor may, but shall not be obligated to, advise Franchisee of operating concerns which Franchisor identifies at Franchisee's Park. At Franchisee's request, Franchisor will furnish to Franchisee reasonable guidance and operating assistance in connection with the Park's operations. Any guidance and assistance Franchisor furnishes or makes available to Franchisee will be, at Franchisor's option, in the form of references to the Operations Manual and other written materials, electronic messages, telephonic conversations and/or consultations with Franchisee. Franchisee agrees that Franchisor will not be liable to Franchisee or any other person, and Franchisee waives all claims for liability or damages of any type (whether direct, indirect, incidental, consequential, or exemplary), on account of any guidance or operating assistance offered by Franchisor in accordance with this Article 8. Franchisor may, at its discretion, charge Franchisee a reasonable fee for the foregoing guidance and operating assistance.

8.6 Franchisor's Training and Support Services. Franchisor is not obligated to perform services set forth in this Agreement to Franchisee's particular level of satisfaction, but as a function of Franchisor's experience, knowledge and judgment. Franchisor does not represent or warrant that any other services will be provided to Franchisee, other than as set forth in this Agreement. To the extent any other services, or any specific level or quality of service is expected, Franchisee must obtain a commitment to provide such service or level of service, in writing, which is signed by an authorized officer of Franchisor. Otherwise, Franchisee hereby acknowledges and agrees that Franchisor shall not be obligated to provide any other services or specific level or quality of services.

9. FRANCHISEE'S DUTIES, OBLIGATIONS AND OPERATING STANDARDS

9.1 Franchisee:

9.1.1 acknowledges and agrees that the operation of Franchisee's Park in accordance with the System is the essence of this Agreement and is essential to preserve the goodwill of the System, Proprietary Marks and all Altitude Trampoline Parks. As such, Franchisee agrees that at all times during the term of this Agreement, Franchisee will maintain and operate its Park in strict accordance with all mandatory System standards and the Operations Manual. Franchisee agrees that Franchisor has the right to modify the System standards and the Operations Manual from time-to-time and Franchisee will comply with the required modifications. Franchisee will comply with revised mandatory System standards within thirty (30) days, unless otherwise specified;

9.1.2 shall open its Park for business on or before the Park Opening Date as set forth on Exhibit A, unless Franchisee obtains Franchisor's written consent to extend the opening date, which permission may be granted or denied in Franchisor's sole discretion;

9.1.3 shall maintain the Park interior and exterior and equipment in a clean, safe and sanitary condition. Any equipment repairs and/or replacement shall be done promptly and in conformance with the Operations Manual;

9.1.4 shall operate the ATP Business with the highest integrity and good business standards and shall use Franchisee's good efforts to enhance the goodwill associated with Altitude Trampoline Parks;

9.1.5 shall only use, in its Park, the services, equipment, tools, inventory, products, signage, supplies, and uniforms that meet Franchisor's standards and specifications;

9.1.6 shall cause the ATP Business to be consistent in color, design and style with the specifications provided by Franchisor. Any variations in color, design, style, appearance or atmosphere must first be approved by Franchisor, in writing, with such approval or declination to be at Franchisor's sole discretion;

9.1.7 shall keep the ATP Business exterior and interior and all equipment, fixtures, furnishings, signs and other operating assets (collectively, the **"Operating Assets"**) in the highest degree of cleanliness, orderliness, sanitation and repair in accordance with the Operations Manual;

9.1.8 shall take the following actions throughout the Term: (i) thorough cleaning, repainting and redecorating of the interior and exterior of the ATP Business at intervals periodically designated by Franchisor; (ii) interior and exterior repair of the ATP Business as needed; and (iii) repair or replacement at Franchisor's direction, of damaged, worn-out or obsolete Operating Assets at intervals periodically designated by Franchisor. At Franchisor's request Franchisee will refurbish the ATP Business at Franchisee's expense to conform the décor, trade dress, color schemes, signage and Proprietary Marks to Franchisor's then-current image. Such refurbishing may include, as Franchisor deems necessary, remodeling, redecoration and other modifications to existing improvements and updating or replacing Operating Assets. Franchisee acknowledges that this obligation could result in structural changes to, and significantly remodeling and renovating the ATP Business.

9.1.9 agrees that, subject to the terms of Article 9.1, any required services or products which Franchisor introduces into the System must be offered for sale on a continuing basis at the time and

in the manner required by Franchisor. Franchisor will provide at least thirty (30) days prior written notice of any new required service or product introduced into the System;

9.1.10 agrees that any additional services or products which Franchisee would like to introduce into its Park, must first be approved by Franchisor, in writing, with such approval or declination to be at Franchisor's sole discretion.

9.1.11 must obtain and maintain all licenses and permits required to be held by Franchisee in connection with the conduct of the ATP Business and must comply with all applicable federal, state and local laws, regulations, rules and ordinances in connection with the conduct of the ATP Business, including health, safety, sanitation, employment, environmental and taxation laws, regulations, rules and ordinances;

9.1.12 shall promptly remove or discard any product, or correct any condition, which Franchisor believes, in good faith, is unhealthy, unsafe or unsanitary;

9.1.13 agrees to hire, train and supervise efficient, competent and courteous employees of good character for the operation of its ATP Business. Franchisee shall conduct background checks on employees as required by the terms of the Operations Manual. Franchisee is solely responsible for hiring, training and discharging the employees of the ATP Business. Franchisee is solely responsible for setting the wages, benefits, personnel and discipline policies and such other terms of employment for the employees of the ATP Business. The number of employees must be sufficient to meet the anticipated volume of business and to ensure the safety and security of the Franchisee's guests. Employees must wear appropriate ATP attire while working at the Park as prescribed in the Operations Manual;

9.1.14 shall use its best efforts to ensure customer satisfaction; use good faith in all dealings with customers, potential customers, referral sources, suppliers and creditors; respond to customer complaints in a courteous, prompt and professional manner; use its best efforts to promptly and fairly resolve customer disputes in a mutually agreeable manner; and take such actions as Franchisor deems necessary or appropriate to resolve customer disputes;

9.1.15 shall not make disparaging comments about Franchisor, its employees, its agents, products, services or the Trademark;

9.1.16 shall acquire, maintain, and upgrade hardware, software, information processing and communication systems, and Internet and other network access providers, as prescribed in the Operations Manual;

9.1.17 shall at all times maintain an active email account and shall check the account regularly;

9.1.18 may not open its ATP Business until: (1) the Initial Training program has been completed to Franchisor's satisfaction; (2) all amounts due to Franchisor have been paid; (3) Franchisor has been furnished with copies of all insurance policies and certificates, or other documentation of insurance coverage and payment of premiums that Franchisor may request; (4) Franchisee has obtained all necessary permits and licenses; and (5) Franchisee has ordered, received and installed all equipment, supplies, inventory, tools, products, uniforms and computer hardware and software as required by Franchisor;

9.1.19 acknowledges that Franchisor and Franchisor's representatives will have the right during business hours to inspect the ATP Business facilities and will have the right to observe the manner

in which Franchisee is rendering its services and conducting its operations of Franchisee's ATP Business. Franchisor and Franchisor's representatives will have the right to discuss with Franchisee, or other personnel Franchisee may designate, all matters that may pertain to compliance with this Agreement and with Franchisor's standards, specifications, requirements, instructions and procedures. Franchisor and Franchisor's representatives will have the right to have any of Franchisor's required services rendered by any employee at the Franchisee's ATP Business. Franchisee shall in all respects cooperate with Franchisor's rights under this Section; provided that Franchisor's exercise of these rights shall not unreasonably interfere with Franchisee's conduct of its ATP Business;

9.1.20 acknowledges that Franchisor may require Franchisee to participate in a mystery shopper program in order to ensure compliance with System requirements, including customer service standards. Franchisor may specify a mystery shopper program that Franchisee must engage at Franchisee's expense, or may engage the mystery shopper on Franchisee's behalf. If Franchisor engages the mystery shopper Franchisee must pay Franchisor a reasonable fee to reimburse Franchisor for the expenses incurred.

9.1.21 acknowledges, if, at any time in Franchisor's reasonable judgment, Franchisee's ATP Business, or any part thereof, including without limitation its design, finishes, fixtures, equipment, furniture, signs or utensils, do not meet Franchisor's then-current System standards, Franchisor will notify Franchisee, specifying in reasonable detail the actions to be taken by Franchisee to comply with the System standards. If Franchisee fails or refuses to complete the necessary actions as set forth in the notice, and subject to the terms of this Agreement, Franchisee will be in default under this Agreement. In addition to any of Franchisor's other rights to enforce this Agreement, Franchisor will have the right (but not the obligation) to enter upon Franchisee's ATP Business premises and complete the necessary actions described in the notice, such as repairs, replacements and maintenance and Franchisee will reimburse Franchisor for the entire cost thereof upon demand. Franchisee agrees to cooperate fully with Franchisor in connection with any of Franchisor's actions under this Section;

9.1.22 acknowledges that in prescribing the System, Franchisor will provide guidance to Franchisee, as required in Franchisor's sole discretion, in determining the prices to be charged by Franchisee for its services. Although Franchisee shall be free to establish its own minimum Park admission fee, Franchisor shall, to the extent permitted by law, have the right to set the maximum Park admission fee;

9.1.23 acknowledges and agrees that Franchisor, at its sole discretion, has the absolute right to waive or defer the enforcement of any provision of this Article 9 with respect to one or more franchisees of Altitude Trampoline Park; and,

9.1.24 acknowledges that an affiliate of Franchisor, prior to Franchisor establishing the System, granted licensing rights to the Proprietary Marks and other ATP proprietary information to licensees who currently operate Altitude Trampoline Parks in the United States and internationally. Such licensing rights include certain limitations and obligations of the licensor and licensee which differ from the limitations and obligations of the Franchisor and Franchisee as set forth herein.

10. PURCHASE OF TRAMPOLINE EQUIPMENT AND COMPUTER SOFTWARE

In order to maintain the high standards of product and service quality and consistency associated with the System:

10.1 Trampoline Equipment. Franchisee, at its sole cost, must purchase all trampoline equipment including the frames, springs, jumping mats, redundant jumping mats, foam pads and nets above the walls from Franchisor's designated or approved supplier(s).

10.2 Computer Software. Franchisee, at its sole cost, must purchase the point-of-sale software and the related support contract from Franchisor's designated or approved supplier(s). Franchisee, at its cost, shall ensure that its computer system is compatible to the point-of-sale software. Franchisor retains the right to require Franchisee, in the future, to purchase additional or different components of Franchisee's computer system, including computer hardware, software and connection services, from a supplier or suppliers as Franchisor designates. Franchisor has the right to independently access the information and data which Franchisee collects through the point-of-sale software.

10.3 Volume Discounts or other Revenues to Franchisor. Franchisee acknowledges and agrees that Franchisor may receive periodic volume discounts or other financial consideration from designated or approved suppliers of products, services, equipment, inventory and supplies, when either (i) purchasing such products, services, equipment, inventory and supplies, which Franchisor may then sell to Franchisee, or (ii) directing Franchisee to purchase such products, services, equipment, inventory and supplies. Although Franchisor may financially benefit from such arrangements, it is expected that Franchisee will also benefit from the arrangement by paying for products and services at rates which are less than those which Franchisee might, otherwise, be required to pay if not for the discount or financial consideration to Franchisor.

10.4 Suppliers. The names and addresses of Franchisor's required or approved suppliers, manufacturers and distributors shall be maintained in the Operations Manual. Except as it relates to the trampoline equipment and the point-of-sale software, Franchisee may, upon written request to Franchisor, request that Franchisor approve or designate a new supplier as suggested by Franchisee. The written request must include all information, specifications and samples that Franchisor requests. Franchisor will have the right to require that its representatives, at Franchisee's expense, be permitted to inspect the proposed supplier's facilities and that samples from the proposed supplier be delivered to Franchisor or Franchisor's designated testing facility for evaluation and testing. Franchisor has the right to assess Franchisee its standard fee for evaluating proposed suppliers, or its actual cost for such evaluation if it exceeds the standard fee. Franchisor will not unreasonably withhold the approval of a supplier; provided, however, the quality of the products, services, equipment, inventory and supplies meet System standards as determined by the Franchisor. The approval may be conditioned on requirements relating to the frequency of delivery, standards of service, including prompt attention to complaints, concentration of purchases and other criteria, and may be conditioned on the supplier providing Franchisor with adequate insurance protection, the supplier's execution of reasonable indemnity and confidentiality agreements, and the supplier's payment of reasonable license fees to us if the Proprietary Marks are to be used, and may be temporary or conditional, pending Franchisor's further evaluation of the supplier. Franchisor will reply to Franchisee's request within fourteen (14) days of Franchisee providing to Franchisor a sample of the product which is being offered by the requested alternative supplier, or of such date when all required information has been provided to Franchisor. Approval of alternative suppliers may be revoked if Franchisor determines that the quality of the products, services, equipment, inventory and supplies no longer meet System standards as determined by Franchisor.

11. PROPRIETARY MARKS, COPYRIGHTED WORKS AND OWNERSHIP OF IMPROVEMENTS

11.1 Franchisor's Ownership. Franchisee acknowledges and agrees that:

11.1.1 Franchisor is the owner or licensee of all right, title and interest, together with all the goodwill of the Proprietary Marks. Franchisee further acknowledges that the Proprietary Marks designate the origin or sponsorship of the System, the ATP Business, and the products and services, and that Franchisor desires to protect its right in and the goodwill of the Proprietary Marks and to preserve and enhance the value of the Proprietary Marks. In the event that Franchisee acquires any rights, title or interest in the Proprietary Marks, Franchisee agrees to assign and hereby assigns all such rights, title or interest to Franchisor;

11.1.2 All right, title and interest in and to all materials, including but not limited to, all artwork and designs, created by Franchisor, and used with the Proprietary Marks or in association with the Altitude Trampoline Parks (**"Copyrighted Materials"**) are the property of Franchisor;

11.1.3 Franchisee will never dispute, contest, or challenge, directly or indirectly, the validity or enforceability of the Proprietary Marks or Copyrighted Materials or Franchisor's ownership of the Proprietary Marks or Copyrighted Materials, nor counsel, procure, or assist anyone else to do the same, nor will Franchisee take any action that is inconsistent with Franchisor's ownership of the Proprietary Marks or Copyrighted Materials, nor will it represent that it has any right, title, or interest in the Proprietary Marks or Copyrighted Materials other than those expressly granted by this Agreement;

11.1.4 Franchisor may decide, in its sole and absolute discretion, to apply to register, or to register, any Proprietary Marks or copyrights with respect to any services and/or products and the Copyrighted Materials. Failure of Franchisor to pursue, obtain or maintain in effect any such application or registration is not a breach of this Agreement. Franchisee will not, before or after termination or expiration of the Agreement, register or apply to register any of the Proprietary Marks or any trademark, trade name, service mark or logo confusingly similar thereto or any Copyrighted Materials, anywhere in the world;

11.1.5 On Franchisor's request, Franchisee will cooperate fully, both before and after termination or expiration of this Agreement and at Franchisor's expense, in confirming, perfecting, preserving, and enforcing Franchisor's rights in the Proprietary Marks and Copyrighted Materials, including but not limited to, executing and delivering to Franchisor such documents as Franchisor reasonably requests for any such purpose, including but not limited to, assignments, powers of attorney, and copies of commercial documents showing sale and advertising of the services and products. Franchisee hereby irrevocably appoints Franchisor as its attorney-in-fact for the purpose of executing such documents;

11.1.6 All usage of the Proprietary Marks by Franchisee and any goodwill established by Franchisee's use of the Proprietary Marks shall inure to the exclusive benefit of Franchisor. This Agreement does not confer any goodwill or other interests in the Proprietary Marks to Franchisee upon expiration or termination of the Agreement;

11.1.7 FRANCHISOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE PROPRIETARY MARKS OR COPYRIGHTED MATERIALS.

11.1.8 Franchisee's right to use the Proprietary Marks and Copyrighted Materials are derived solely from this Agreement. Franchisee may only use the Proprietary Marks and Copyrighted Materials in its operation of its ATP Business and only in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by Franchisor in the Operations Manual and elsewhere from time-to-time during the Term. Franchisee wall make every effort consistent to protect, maintain, and promote the Proprietary Marks as identifying the System and only the System;

11.1.9 Any unauthorized use of the Proprietary Marks or Copyrighted Materials by Franchisee constitutes a breach of this Agreement and an infringement of the rights of Franchisor and in and to the Proprietary Marks and Copyrighted Materials;

11.1.10 Franchisee will not use any Proprietary Marks or portion of any Proprietary Marks as part of a corporate or trade name, domain name, electronic address, meta tag, social media account name, in any electronic medium, or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form unless Franchisor agrees otherwise in writing. Franchisee shall obtain such fictitious or assumed name registrations as may be required by Franchisor or under applicable law;

11.1.11 Franchisee will safeguard and maintain the reputation and prestige of the Proprietary Marks and Copyrighted Materials and will not do anything that would tarnish the image of or adversely affect the value, reputation or goodwill associated with the Proprietary Marks. Franchisee will not do anything that would dilute, directly or indirectly, the value of the goodwill attached to the Proprietary Marks, nor counsel, procure or assist anyone else to do the same;

11.1.12 Franchisee will use the Proprietary Marks and Copyrighted Materials only in lettering, logos, print styles, forms, and formats, including but not limited to, advertising and promotional materials, invoices, signage, business checks, business cards, stationery, and promotional items which have been approved by Franchisor in accordance with this Agreement, and promptly follow instructions regarding the Proprietary Marks and Copyrighted Materials as provided in the Operations Manual and otherwise given by Franchisor from time-to-time;

11.1.13 Franchisee will use the following copyright notice at least once on each piece of advertising, promotional, or other material used in connection with the products and services: "© (year of first publication). ALTITUDE FRANCHISING, LLC. All Rights Reserved;"

11.1.14 Franchisee will use the Proprietary Marks with a superscript "®" or "™", as specified by Franchisor, unless and until advised by Franchisor to use a different notice;

11.1.15 If, in Franchisor's reasonable determination, the use of Proprietary Marks or Copyrighted Materials in connection with the products and services or the ATP Business will infringe or potentially infringe upon the rights of any third party, weakens or impairs Franchisor's rights in the Proprietary Marks or Copyrighted Materials, or it otherwise becomes advisable at any time for any reason determined by Franchisor in Franchisor's sole discretion for Franchisor to modify or discontinue use an or all of the Proprietary Marks or Copyrighted Materials then upon notice from Franchisor, Franchisee will immediately terminate or modify such use in the manner prescribed by Franchisor. Franchisor may require Franchisee to use one or more additional or substitute trade names, trademarks, service Proprietary Marks or other commercial symbols or copyrighted materials and Franchisee shall implement such additional or substitute Proprietary Marks at its own expense. Franchisee will have no rights of damages, offset, or right to terminate this Agreement as a result thereof and Franchisor shall have no liability or obligation whatsoever with respect to Franchisee's modification or discontinuance of any Proprietary Marks or Copyrighted Materials; and

11.1.16 Franchisee shall promptly notify Franchisor after receiving notice of any claim, demand or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Proprietary Marks or any colorable imitation thereof or the Copyrighted Materials. Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Proprietary Marks or Copyrighted Materials, Franchisor shall have the sole right, but not the duty, to defend any such action. Franchisor shall have the exclusive right to contest or bring action against any third party

regarding the third party's use of any of the Proprietary Marks or Copyrighted Materials and shall exercise such right in the sole discretion of Franchisor. Franchisor shall control all actions but not be obligated to take any action. In any defense or prosecution of any litigation relating to the Proprietary Marks, Copyrighted Materials or components of the System undertaken by Franchisor, Franchisee shall cooperate with Franchisor, execute any and all documents, and take all actions as may be desirable or necessary in the opinion of Franchisor's counsel, to carry out such defense or prosecution. At Franchisor's option, Franchisee will join in any action, in which case Franchisor shall bear all the out-of-pocket costs of Franchisee for such participation.

11.2 Franchisee Improvements and Innovations. If Franchisee, its owners, employees or contractors during the Term of the franchise relationship, conceives or develops any ideas, concepts, techniques, materials or other improvements or additions to the System, Copyrighted Materials, website or any other documents or information pertaining to or relating to the System or the ATP Business, or any new trade names, trade and service marks, logos, or commercial symbols related to the ATP Business or any advertising and promotional ideas or inventions related to the ATP Business (collectively, the **"Improvements"**), Franchisee shall promptly fully disclose the Improvements to Franchisor, without disclosure of the Improvements to others, and shall obtain Franchisor's written approval prior to using such Improvements. Any such Improvement will be deemed work made for hire by Franchisor and, at Franchisor's option, will be deemed part of the System and may be used by Franchisor and all other franchisees without any obligation to Franchisee for royalties or other fees. To the extent the Improvement does not qualify as work made for hire Franchisee shall assign and does hereby assign to Franchisor, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement. Franchisor, at its discretion, may make application for and own copyrights, patents, trade names, trademarks and service marks relating to any such Improvement and Franchisee shall cooperate with Franchisor in securing such rights. Franchisor may also consider such Improvements as the property and Trade Secrets of Franchisor. In return, Franchisor shall authorize Franchisee to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees if such Improvement is made part of the System.

11.3 Franchisor's Article 11 Legal Rights. Upon any breach by Franchisee of any of the terms of this Article 11, Franchisor may institute and prosecute proceedings, at law or in equity, in any court of competent jurisdiction, to obtain an injunction to enforce the provisions of this Agreement and to pursue any other remedy to which Franchisor may be entitled. Franchisee agrees that the rights conveyed by this Agreement are of a unique and special nature and Franchisor's remedy at law for any breach would be inadequate and agrees and consents that temporary or permanent injunctive relief may be granted in any proceeding which may be brought to enforce any provision of this Article 11, without the necessity of posting bond therefor or proof of actual damages.

12. FINANCIAL REPORTING; EVALUATIONS; AUDITS

12.1 Monthly Income Statement. Franchisee must utilize the software programs designated by Franchisor from time to time and must submit to Franchisor, no later than the fifth day of the month, an Income Statement which shall be prepared each month for the preceding month. The Income Statement shall reflect the prior month's activities as well as the year-to-date revenues and expenses.

12.2 Maintenance of Books and Records. Franchisee must maintain its books and records for the ATP Business in an orderly fashion and in accordance with requirements set forth in the Operations Manual. Tax returns, income statements (to be prepared at least annually by an independent Certified Public Accountant), and balance sheets (to be prepared at least annually by an independent Certified Public Accountant), and such other books and records and required by the Operations Manual shall be maintained by Franchisee during the term of this Agreement and for a two (2) year period following the

expiration or termination of this Agreement. Franchisee must maintain such information and records on the Point-of-Sale system (the **"POS System"**) as Franchisor requires from time to time.

12.3 Right of Inspection. Franchisor may inspect or cause its agents or representatives to inspect at any time, Franchisee's books and records with respect to the ATP Business, including Franchisee's federal and state tax returns, sales and use tax returns, customer records and financial accounts. Franchisee must maintain its books and records with respect to the ATP Business on the premises of its ATP Business or such other place as is approved in writing by Franchisor and must also maintain such files electronically as may be required by the Franchisor from time to time. Franchisee must, within seventy-two (72) hours of the day on which such request is made, provide Franchisor, or its agents or representatives, access to Franchisee's books and records (and/or accurate and complete copies thereof, at Franchisor's option) at the place at which they are maintained. Franchisee must assist and cooperate with Franchisor in establishing and maintaining the POS System and Franchisee agrees to give Franchisor independent access to data maintained on or through the POS System via a network connection that Franchisor specifies.

12.4 Right of Audit. From the Effective Date of this Agreement, and until two (2) years after the end of the Term, Franchisor's authorized agent shall have the right to request, receive, inspect and audit any of the records referred to above wherever they may be located. Franchisee must provide Franchisor and its representatives and agents access to Franchisee's books and records with respect to the ATP Business, and must cooperate with the conduct of any audit. Franchisor will pay all costs and expenses in connection with any audit unless the audit reveals that Franchisee has underreported its Gross Sales, or underpaid its Royalties during the audited period by three percent (3.0%) or more. In this event, Franchisee must promptly pay, or reimburse Franchisor for, all costs and expenses in connection with the audit (including reasonable attorneys' fees and costs), and must pay Franchisor the amount of the underpayment, plus interest at the rate of 18% per annum on the amount of the underpayment (or if less, the highest rate of interest permitted under Applicable Law) from the respective due date of each underpayment. Should the audit disclose an overpayment of any Royalty Fees or other amounts due, Franchisor shall credit the amount of the overpayment to Franchisee's payments of Royalty Fees next becoming due. Franchisee agrees that, during the Term and for two (2) years after the expiration and termination of this Agreement, Franchisee shall supply to Franchisor Franchisee's home address and telephone number.

12.5 Delinquent Payment.

To encourage prompt payment and to cover the costs and expenses involved in handling and processing late payments, Franchisee shall also pay, upon demand, a late interest charge equal to the lesser of (i) 1.5% per month; or (ii) the highest legal rate permitted by applicable law, on all payments due to Franchisor during the period of time said payments are due and unpaid. Each failure to pay a Royalty Fee, and other amounts payable to Franchisor when due, shall constitute a material breach of this Agreement. Franchisee acknowledges that this Section shall not constitute Franchisor's agreement to accept such payments after same are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of the ATP Business. Further, Franchisee acknowledges that failure to pay all such amounts when due shall, notwithstanding the provisions of this Section 12.5, constitute grounds for termination of this Agreement.

12.6 Non-Sufficient Funds and Multiple Delinquencies. If Franchisee pays any fees or other sums due to Franchisor under this Agreement with a check returned for non-sufficient funds more than one time in any calendar year, in addition to all other remedies which may be available, Franchisor shall have the right to require that such payments be made by certified or cashier's checks. If Franchisee fails to pay any sums due to Franchisor under this Agreement by the due date two (2) times during the Term,

in addition to all other remedies which may be available, Franchisor reserves the right to require, in its sole discretion, that Franchisee pay the Royalty Fee or any other sums due to Franchisor under this Agreement weekly.

13. INTERNET AND WEBSITE

13.1 Franchisor's Right. Franchisor has established and maintains an Internet website that provides information about Altitude Trampoline Park, the System and the products and services that Altitude Trampoline Parks offer. Franchisor will have sole discretion and control over the website's design and content.

13.2 Internet and Social Media Conduct. Franchisee shall establish, and until otherwise directed by Franchisor, maintain, its own Website for Franchisee's Park. Franchisee shall obtain Franchisor's written approval before the Franchisee's Website "goes live," with such approval not to be unreasonably withheld. Franchisor may also require that Franchisee establishes social media accounts and profiles on such platforms as the Franchisor may designate from time to time. Franchisee agrees that Franchisee's conduct on the Internet (or any other form of electronic commerce), and specifically Franchisee's use of Proprietary Marks, are subject to the provisions of this Agreement. In addition thereto, Franchisee shall follow Franchisor's policies and procedures as they may be communicated to Franchisee periodically in the Operations Manual or otherwise regarding the use of Franchisee's website, social media and similar methods of communication.

In establishing and using its Website, whether for business operations or promotion, Franchisee agrees to use the highest standards of integrity, proper decorum and the goodwill associated with Altitude Trampoline Parks. Franchisee shall obtain Franchisor's written approval before registering for a Domain Name. The Domain Name shall incorporate the words: "Altitude" or "Altitude Trampoline Park" and some identifier for the location of the Park. Domain Names including the name or names of the owner or operator of the Park, or something similar, will not be approved (e.g. "johnsmithsaltitude"). Except as provided for in Section 13.3, Franchisee shall obtain Franchisor's prior written approval before Franchisee links, or allows to be linked, to other websites. Such approval shall not be unreasonably withheld. Franchisee hereby agrees and acknowledges that any domain name, social media account name, including any of the above, is automatically transferred to Franchisor upon termination or expiration of this Agreement. Furthermore, Franchisee agrees that, upon Franchisor's request, whether during the Term or after its expiration or termination, Franchisee will grant Franchisor administrative rights to any such accounts, or make such accounts/profiles party of any account/profile structure that would integrate Franchisee's accounts with that of the Franchisor or other franchisees, and that Franchisee will cooperate with Franchisor to grant such access or transfer such rights as may be required.

Franchisee acknowledges that Franchisor has the right to require Franchisee to have access to the Internet from Franchisee's Park and submit reports, including Gross Sales reports, to Franchisor over the Internet in accordance with System standards.

13.3 Parallel Links. Franchisor shall, during the term of this Agreement, include a location on Franchisor's website which identifies Franchisee as a licensed franchisee of Altitude Trampoline Park and shall include Franchisee's business address, telephone number and email address, as well as a link to Franchisee's website. In addition thereto, Franchisee shall, during the term of this Agreement, include on Franchisee's website a link to the Franchisor's website with the accompanying language which provides: *"Interested in bringing an Altitude Trampoline Park to your area? Please click the link below"* or something similar as directed by Franchisor.

13.4 Internet Security. Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Franchisor does not guarantee that information or communication systems supplied by Franchisor or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, Lessors, customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.

14. MARKETING, ADVERTISING AND PROMOTION

14.1 Franchisee's Responsibility and Cost. Unless Franchisor modifies its Operations Manual and notifies Franchisee otherwise, as allowed per this Agreement, Franchisee shall, at its sole cost, be responsible for its own marketing, advertising and promotional campaigns. Notwithstanding the foregoing, Franchisee will receive information and guidance about ATP marketing, advertising and promotional matters during the training program and will also receive a website address which will assist Franchisee with its marketing, advertising and promotional efforts. Franchisor will provide Franchisee with samples of ATP marketing, advertising and promotional materials for Franchisee to consider and, if Franchisee so chooses, Franchisee may select and purchase the desired materials from Franchisor's approved supplier.

14.2 Franchisee's Self-Created Materials. All marketing, advertising and promotional materials or communications, which have not been previously approved by Franchisor, shall be submitted by Franchisee to Franchisor for Franchisor's prior written approval, with such approval not to be unreasonably withheld provided such materials and communications are consistent with System standards. With respect to social media marketing, advertising and promotional communications, Franchisee will not need to obtain Franchisor's prior written approval; provided, however, Franchisee uses sound business judgment when communicating its messages, while promoting the highest standards of integrity, proper decorum and the goodwill associated with Altitude Trampoline Parks and otherwise complies with System standards. If Franchisee fails to meet such standards after multiple warnings, Franchisor shall have the right to require Franchisee to obtain Franchisor's prior written approval of any and all social media content before such communications are broadcasted.

14.3 Operations Manual Compliance. Franchisee shall comply with the Operations Manual relating to such marketing, advertising and promotional matters, including the allowance and restrictions of the use of the Proprietary Marks including conformance with the Franchisor's "Brand Style Guide" which Franchisor will provide to Franchisee in its Operations Manual.

14.4 No False or Misleading Statements. Franchisee shall not make any false or intentionally misleading statements through any communication medium. Failure to comply with this Section 15.4 shall constitute a material breach of this Agreement.

14.5 National Promotions. In the instance where Franchisor desires to implement promotional campaigns, prize contests, special offers, and other programs (including the introduction of new services, products or other marketing programs directed or approved by Franchisor), Franchisee agrees to fully participate in such programs. Franchisee shall be responsible for the costs of such participation.

14.6 Legal Compliance. Franchisee will ensure that all advertising, labeling, packaging and other materials associated with the marketing, advertising, promotions, services and products of the ATP Business shall fully conform to all applicable laws and regulations.

14.7 Marketing Fund. Franchisor has the right to establish a Marketing Fund (**"Marketing Fund"**). The Marketing Fund will be administered by the Marketing Committee. The Marketing Fund will be used to meet any and all costs of researching, developing and preparing national, regional, point of sale, and local direct sales advertising and marketing strategy materials for use by the System, including, without limitation, costs associated with developing, preparing, directing, administering, maintaining, and disseminating advertising, marketing, promotional, and public relations materials; conducting marketing research; maintaining a national sales and marketing staff and related expenses; development, maintenance and updates to the System online content and presence; and preparing, producing, broadcasting, and disseminating advertising and promotions, including, without limitation, radio, television, newspaper, magazine and Internet advertising, market surveys, public relations activities, and employment of advertising agencies. If the Franchisor or any of its Affiliate operate another franchise program or brand (each, an **"Affiliate Brand"** and together with the System, the **"Brands"**), Franchisor and its Affiliates shall have the right to combine the Marketing Fund for the System and for one or more Affiliate Brands into one fund. If a joint Marketing Fund is set up for several of the Brands, the Marketing Fund may also be used for joint promotional programs for such Brands. The Marketing Committee shall choose and determine the nature, theme, and timing of advertising and the kind and quality of advertising materials to be provided to Franchisees through the Marketing Fund. All payments, plus income earned therefrom, shall be used exclusively for the above-stated purposes, and shall not be used to defray any of Franchisor's general operating expenses, except for reasonable salaries, administrative costs, travel expenses, overhead, and similar expenses Franchisor may incur in activities related to the administration of the Marketing Fund and all costs of development and preparing national, regional, point of sale, and local advertising materials for use within the System. The Marketing Committee or its designee shall direct all advertising, marketing, and direct sales promotional programs and activities, with sole discretion over the concepts, materials, and media used in such programs and activities and the placement and allocation thereof. Franchisee acknowledges that the intent of the Marketing Fund shall be to maximize general public recognition, direct sales programs, and acceptance of the Proprietary Marks for the benefit of the System and any Affiliate Brand whose franchisees also contribute to the Marketing Fund, and the Marketing Committee or its designee shall have no obligation in administering the Marketing Fund, to make expenditures for Franchisee which are equivalent or proportionate to any payments by Franchisee, or to ensure that any particular Franchisee or any particular franchised location benefits directly or pro rata from advertising or promotion conducted under the Marketing Fund. The Marketing Fund is not a trust or escrow account, and Franchisor has no fiduciary obligation to franchisees with respect to the Marketing Fund; provided, however, that Franchisor will make a good faith effort to expend such fees in a manner that Franchisor determines is in the general best interests of the Brands. Franchisor has the right to advance monies to the Marketing Fund and subsequently obtain reimbursement of such advances out of Marketing Fund fees collected. The Marketing Committee is not required to spend all Marketing Fee collected in any calendar year. Any Marketing Fees collected in one calendar year not spent in such calendar year shall be retained for Marketing Fund expenses in subsequent calendar years. Franchisor has the right to divide the Marketing Fund into two or more funds, by Brand or otherwise. If Franchisor divides the Marketing Fund, Franchisee will pay its Marketing Fee to such fund as directed by Franchisor, if any. **"Marketing Committee"** shall mean a committee selected by Franchisor or by Franchisor and its Affiliate(s) to administer the Marketing Fund.

15. INSURANCE AND INDEMNITY

15.1 Insurance.

15.1.1 Franchisee agrees, at Franchisee's sole cost and expense, at all times during the term of this Agreement, to maintain insurance coverage in the amounts, covering the risks and containing only the exceptions and exclusions that Franchisor may specify from time to time. As of the Effective Date, Franchisee agrees, at Franchisee's sole cost and expense to maintain insurance coverage on an occurrence basis, which must include:

(a) General Liability Insurance with minimum coverage of $1,000,000.00 per occurrence and $2,000,000.00 in the aggregate. The Policy is to be written on an Occurrence Based form;

(b) Excess Liability Insurance with minimum coverage of $3,000,000.00 in the aggregate. The Policy is to be written on an Occurrence Based form; and,

(c) Workman's Compensation as required by State statute.

15.1.2 Franchisee shall name Franchisor and its affiliates as "additional insureds" to the General Liability and Excess Liability policies on a primary non-contributory basis. Franchisee shall provide Certificates of Insurance to Franchisor prior to opening its Park and at such times as Franchisor reasonably requests. The policies must stipulate that Franchisor shall receive a 30-day prior written notice of cancellation and must contain endorsements by the insurance companies waiving all rights of subrogation against Franchisor. Franchisee shall furnish Franchisor with certificates and endorsements evidencing such insurance coverage within ten (10) days after each of the following events: (i) at all policy renewal periods, no less often than annually, and (ii) at all instances of any change to, addition to, or replacement of any insurance. In the event Franchisee fails to obtain the required insurance and to keep the same in full force and effect, Franchisor may, but shall not be obligated to, purchase insurance on Franchisee's behalf from an insurance carrier of Franchisor's choice, and Franchisee shall reimburse Franchisor for the full cost of such insurance, along with a reasonable service charge to compensate Franchisor for the time and effort expended to secure such insurance, within five (5) days of the date Franchisor delivers an invoice detailing such costs and expenses to Franchisee. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement or exercise any or a combination of the other default remedies set forth in Article 20 of this Agreement. All public liability and property damage policies shall contain a provision that Franchisor, although named as an additional insured, shall nevertheless be entitled to recover under such policies on any loss occasioned to Franchisor or its shareholders, members, directors, managers, employees or agents.

15.2 Indemnity. Franchisee shall, during the Initial Term, all Renewal Terms and after the termination or expiration of this Agreement, indemnify and defend Franchisor, its Affiliates and their respective officers, directors, managers, members, and employees, and hold them harmless against all claims, demands, losses, damages (including punitive damages), costs, suits, judgments, penalties, expenses (including reasonable attorneys' fees and amounts paid in settlement or compromise) and liabilities of any kind, whether or not ultimately determined to be meritorious (and including damages suffered by Franchisee or any of its property) (collectively, "damages") for which they are held liable, or which they incur (including travel, investigation and living expenses of employees and witness fees) in any litigation or proceeding as a result of or arising out of:

15.2.1 a breach of this Agreement, or any other agreement between the parties;

15.2.2 the operation of the Park and Franchisee's ATP Business, including out of any injury to, or loss of property of, any person in, or at the Franchisee's Park or any other premises used by Franchisee to operate the ATP Business;

15.2.3 any negligent or willful act or omission of Franchisee, its officers, directors, managers, members, partners, employees, agents, servants, contractors or others for whom it is, in law, responsible;

15.2.4 any violation or alleged violation of any federal, state or local law, ordinance or regulation, including laws imposing requirements or prohibitions on Franchisee in the operation of the ATP Business; and

15.2.5 any advertising or promotional material distributed, broadcasted or in any way disseminated by Franchisee, or on its behalf unless such material has been produced, or approved in writing, by Franchisor.

16. RESTRICTIVE COVENANTS

16.1 Confidential Information and Trade Secrets.

16.1.1 Franchisee acknowledges and agrees that:

(a) the knowledge of the operation of the ATP Business, the System, and the concepts and methods of promoting Altitude Trampoline Park hereunder, that it has now or obtains in the future, is derived from Franchisor's Confidential Information and Trade Secrets. Franchisee further acknowledges and agrees that all of the Confidential Information and Trade Secrets are the sole property of Franchisor, represent valuable assets of Franchisor and that Franchisor has the right to use the Confidential Information and Trade Secrets in any manner it wishes at any time;

(b) during, and after, the Term of this Agreement, Franchisee and Franchisee's owners, officers, directors, members, partners, managers and employees who have access to the Confidential Information and Trade Secrets agree that they: (1) will not use the Confidential Information or Trade Secrets in any other business or capacity or for their own benefit; (2) will maintain the absolute confidentiality of the Confidential Information and Trade Secrets; (3) will not make unauthorized copies of any portion of the Confidential Information and Trade Secrets; and (4) will adopt and implement all reasonable procedures Franchisor periodically requires to prevent unauthorized use or disclosure of the Confidential Information and Trade Secrets including requiring employees, training class attendees, and Franchisee owners who have access to the Confidential Information and Trade Secrets to execute such nondisclosure and noncompetition agreements as Franchisor may require periodically, and provide Franchisor, at Franchisor's request, with signed copies of each of those agreements. Franchisor will be named as a third party beneficiary on such nondisclosure and noncompetition agreements.

(c) Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to the following: (a) Confidential Information in the public domain after it was communicated to Franchisee through no fault of Franchisee, its owners, managers or employees; (b) Confidential Information in Franchisee's possession free of any obligation of confidence at the time it was communicated to Franchisee; or (c) the disclosure of the Confidential Information in judicial or administrative proceedings to the extent that Franchisee is legally compelled to disclose the information, if Franchisee has notified Franchisor before disclosure and used Franchisee's best efforts, and afforded Franchisor the opportunity, to obtain an

appropriate protective order or other assurance satisfactory to Franchisor of confidential treatment for the information required to be so disclosed.

16.2 Non-Competition. Franchisee covenants and agrees that:

16.2.1 During the Term of this Agreement, Franchisee, its owners, officers, directors, managers, members, partners and Park managers shall not, without the prior written consent of Franchisor, either directly or through any form of entity, either individually or in a partnership, corporation, limited liability company, joint venture or other business entity or jointly or in conjunction with any person, firm, association, syndicate or entity, as principal, agent, shareholder, member, partner or in any manner whatsoever, carry on or be engaged in or be involved with or interested in or advise, lend money to, guarantee the debts or obligations of or permit its name or any part thereof to be used or employed in any business operating as an indoor trampoline park, other than an Altitude Trampoline Park (a **"Competitive Business"**).

16.2.2 On termination or expiration of the Term, or the transfer, sale or assignment of this Agreement by Franchisee, neither Franchisee, its owners, officers, directors, managers, members, or partners will have any direct or indirect interest (i.e. through a relative or Affiliated party) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent, for two (2) years, in any, then existing, Competitive Business in: (1) the Designated Territory or Restricted Area of the Premises or any other franchisee's Designated Territory or Restricted Area of the Premises; (2) within fifty (50) miles of the Designated Territory or Restricted Area of the Premises, or any other franchisee's Designated Territory or Restricted Area of the Premises; or (3) within fifty (50) miles of any Franchisor or Affiliate owned Altitude Trampoline Park. Franchisee agrees and acknowledges that the two (2) year period of this restriction shall be tolled during any time period in which you are in violation of this restriction.

16.3 Non-Solicitation of Employees. During the Term of this Agreement and for a period of two (2) years thereafter, Franchisee, Franchisee's owners, officers, directors, managers, members, partners and Park managers shall not attempt to attain an unfair advantage over other franchisees or Franchisor or any Affiliates thereof by soliciting for employment any person who is, at the time of such solicitation, employed by Franchisor, other franchisees or any Affiliates, nor shall Franchisee, Franchisee's owners, officers, directors, managers, members, partners, nor the Park manager, directly or indirectly induce or attempt to induce any such person to leave his or her employment as aforesaid, unless approved by Franchisor in writing.

16.4 Disputed Enforceability. The parties have attempted in Section 16 to limit Franchisee's right to compete only to the extent necessary to protect Franchisor from unfair competition. The parties hereby expressly agree that if the scope of enforceability of the provision of Section 16 is disputed, the Franchisor may modify Section 16 to the extent it deems necessary to make such provision enforceable under applicable law. In addition, Franchisor reserves the right to reduce the scope of said provision without Franchisee's consent, at any time or times, effective immediately upon notice to Franchisee. FRANCHISEE EXPRESSLY ACKNOWLEDGES THAT IT POSSESSES SKILLS AND ABILITIES OF A GENERAL NATURE AND HAS OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS. CONSEQUENTLY, ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE FRANCHISEE OF THE ABILITY TO EARN A LIVING.

16.5 Permissible Investment. Nothing in this Section 16 shall prevent any active officer of Franchisee or member of Franchisee's family, either individually or collectively, from owning not more than a total of 5% of the stock of any company which is subject to the reporting requirements of the U.S. Securities and Exchange Act of 1934 and operates an indoor trampoline facility, provided that Franchisee

or any member of Franchisee's family is otherwise not actively involved in the management or operation of that business and does not serve that business in any capacity other than as a shareholder.

16.6 Franchisee's Acknowledgement. Franchisor must be protected against the potential for unfair competition by Franchisee's use of Franchisor's training, assistance, Confidential Information and Trade Secrets in direct competition with Franchisor. Franchisee further acknowledges that Franchisor would not have entered into this Agreement or shared the Confidential Information, Trade Secrets and other information with Franchisee absent Franchisee's agreement to strictly comply with the provisions of this Section 16. Franchisee acknowledges that as a Franchisee of Franchisor, it will have access to Franchisor's Trade Secrets and Confidential Information and therefore be in a unique position to use the special knowledge gained as a franchisee. Franchisee acknowledges that a breach of the covenants contained in this Section 16 will be deemed to threaten immediate and substantial irreparable injury to Franchisor. Accordingly, Franchisee agrees that Franchisor will have the right, without prior notice to Franchisee, to obtain immediate injunctive relief without limiting any other rights or remedies and without posting a bond.

16.7 Application to Franchisee Entity. In the event that Franchisee is not an individual, this Section 16 will also apply to the officers, directors, stockholders, partners, members, trustees, beneficiaries and/or principals of Franchisee, Franchisee, and any persons controlled by, controlling or under common control with Franchisee.

17. RELATIONSHIP

17.1 This Agreement does not create a fiduciary relationship between the parties. Franchisor and Franchisee are independent contractors and nothing in this Agreement is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose. All employees hired by or working for Franchisee shall be the employees of Franchisee and shall not, for any purpose, be deemed employees of Franchisor or subject to Franchisor's control;

17.2 Franchisee shall conspicuously identify itself in all dealings as the owner of the ATP Business under a franchise granted by Franchisor and will place such other notices of independent ownership on the forms, business cards, stationery, marketing and other materials as Franchisor has the right to require from time-to-time;

17.3 Franchisee has no authority to create or assume in Franchisor's name or on behalf of Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Franchisor for any purpose whatsoever;

17.4 Neither party is liable or responsible for the other's debts or obligations; and,

17.5 each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

18. TRANSFERS

18.1 Allowable Transfers by Franchisor. Franchisor shall have the absolute right, in its sole discretion and at any time, to transfer this Agreement or any of its rights or obligation under this Agreement to any person, corporation or other party and its terms will inure to the benefit of the transferee or other legal successor. Franchisor shall also have the right to transfer its assets including, but not limited to the Proprietary Marks and/or the System, transfer ownership interest in Franchisor's

company; merge with or acquire other business entities or be acquired by another business entity, and terminate or cease to exist or dissolve, without Franchisee's consent.

18.2 Restrictions on Transfers by Franchisee. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and Franchisor has agreed to the terms of this Agreement in reliance on Franchisor's perceptions of the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of Franchisee and, if Franchisee is not an individual, the entity owners. Accordingly, Franchisee must provide to Franchisor, ninety (90) days prior written notice, of Franchisee's intention to complete any Transfer hereunder. No Transfer will be made without Franchisor's prior written approval. Any Transfer which is purported to be made without Franchisor's approval will constitute a breach of this Agreement and will be void and of no effect.

18.3 Conditions for Approval of Transfer. Provided that Franchisee is in full compliance with this Agreement and provided that prior written notice is given to Franchisor in accordance with Section 18.2, Franchisor will not unreasonably withhold its approval of a Transfer if all of the following requirements are met:

18.3.1 the transferee, or the individuals owning the transferee entity, must be individuals of good moral character and meet the applicable standards which Franchisor has set for owners of an Altitude Trampoline Park;

18.3.2 the transferee, or the individuals owning the transferee entity, must have sufficient business experience, aptitude and financial resources to purchase the ATP Business under the terms and conditions proposed, own and operate the Park and comply with the terms of this Agreement;

18.3.3 the transferee and/or its senior management personnel have completed to Franchisor's satisfaction the Franchisor's then current training program for transferees after signing the franchise documents set forth herein, but prior to assuming operations of the ATP Business;

18.3.4 Franchisee is current with all payments due to Franchisor, its affiliates (if applicable), and Franchisee's third-party creditors;

18.3.5 Franchisor, Franchisee and the transferee enters into the Franchisor's then current form of assignment and assumption agreement; the transferee executes the Franchisor's then current Franchise Agreement for a term equal to the remainder of this Agreement; the transferee's owners, if applicable, execute Franchisor's then current form of guaranty, Franchisee agrees to release Franchisor and its Affiliates, members, officers, managers, employees and agents from any and all claims;

18.3.6 Franchisee or the transferee has paid Franchisor's then current transfer fee for a Franchise Agreement. As of the Effective Date, the transfer fee is $10,000. Franchisor reserves the right to charge a reduced fee in certain circumstances;

18.3.7 the transferee obtains the Lessor's consent, if required, of the assignment or sublease of the premises to the transferee; and,

18.3.8 Franchisee and the transferee agree to comply with any other conditions that Franchisor reasonably requires from time-to-time as part of Franchisor's transfer policies.

18.4 Transferee's Assumption. With and after a valid assignment of this Agreement pursuant to this Section 18, the assignee or assignees of Franchisee shall be deemed to be Franchisee under this Agreement and will be bound by and liable for all of Franchisee's existing and future obligations.

18.5 Death. On the death of an individual Franchisee (or the controlling shareholder, member or partner if Franchisee is a legal entity), the personal representative of such person shall transfer all right, title and interest in this Agreement or such interest in Franchisee to any approved third party, which may include an heir or legatee that otherwise satisfies Franchisor's then-current standards and qualifications for new Franchisee. Such disposition of this Agreement or such interest (including, without limitation, transfer by bequest or inheritance, provided such transfer is in accordance with the requirements of this Section 18.5) shall be completed within a reasonable time, not to exceed six (6) months from the date of death (unless extended by probate proceedings), and shall be subject to all the terms and conditions applicable to transfers contained in this Section. Franchisor shall have the right, in Franchisor's sole discretion, to operate the Franchisee's ATP Business or to appoint a representative or designee to operate Franchisee's ATP Business, for a period of up to 180 days, or until such time as Franchisee's interest shall have been transferred to an approved third party, whichever occurs first. If Franchisor exercises such right, Franchisor or the appointed representative shall receive a management fee from Franchisee's ATP Business in amount equal to the then existing fee which Franchisor's affiliate (currently L&A Altitude Management, LLC) charges to other ATP Parks who engage L&A Altitude Management, LLC for such Park management services. Failure to transfer the interest in this Agreement or such interest in Franchisee within said period of time shall constitute a breach of this Agreement and shall entitle Franchisor to terminate this Agreement without further notice or the opportunity to cure.

18.6 Permitted Transfers. If Franchisee is an individual or group of individuals, such Franchisee may transfer his or her interest in this Agreement and the ATP Business to a legal entity without Franchisor's consent, provided that (i) the entity has and will have no other business besides operating the ATP Business; and (ii) the individual or group of individuals who are the Franchisee before the transfer: are the sole owners of the entity that is the Franchisee after the transfer; sign a general release in a form satisfactory to Franchisor; execute a guaranty in the form of owner guaranty used by Franchisor at the time of transfer; and reimburse Franchisor for any costs incurred in connection with such Transfer, including attorney's fees.

18.7 Subfranchise. Franchisee shall not have the right to grant a subfranchise.

19. OPTION TO PURCHASE — RIGHT OF FIRST REFUSAL

19.1 Submission of Bona Fide Offer. If Franchisee or its owners desire to make a Transfer, except for a Transfer pursuant to Sections 18.5 or 18.6, Franchisee will obtain a bona fide, executed written offer and an earnest money deposit (in the amount of 5% or more of the offering price) from a responsible and fully disclosed purchaser and will immediately submit to Franchisor a true and complete copy of such offer, which will include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price and a list of the owners of record and beneficially of any offeror that is an entity and the individuals ultimately owning or controlling the offeror. To be a valid, bona fide offer, the proposed purchase price will be denominated in a dollar amount. The offer must apply only to an interest in this Agreement or in the Franchisee and may not include an offer to purchase any other property or rights of Franchisee. However, if the offeror proposes to buy any other property or rights from Franchisee or its owners under a separate, contemporaneous offer, the price and terms of purchase offered to Franchisee for the interest in this Agreement will reflect the bona fide price offered for that interest and will not reflect any value for any other property or rights.

19.2 Right of Exercise. Franchisor will have the right, exercisable by written notice delivered to Franchisee within sixty (60) days from the date of delivery of an exact copy of the offer to Franchisor, to purchase the interest in this Agreement for the price and on the terms and conditions contained in the

offer. Franchisor will have an additional sixty (60) days after serving such notice to Franchisee to close the purchase. Without regard to the representations and warranties demanded by the proposed purchaser, if any, Franchisor will have the right to purchase the interest, receiving from Franchisee all customary representations and warranties given by the seller of the assets, or equity interest, as applicable, including representations and warranties as to ownership, condition of and title to assets, absence of liens and encumbrances relating to the ownership interest and assets, and validity of contracts and liabilities affecting the assets being purchased, contingent or otherwise.

19.3 Declination of Exercise. If Franchisor does not exercise its right of first refusal, Franchisee may complete the sale to such purchaser pursuant to and on the terms of such offer, subject to Franchisor's approval as provided in Section 18.3. However, if the sale to the purchaser is not completed within one hundred and twenty (120) days after delivery of the offer to Franchisor, or if there is a material change in the terms of the sale, Franchisor's right of first refusal will be extended for thirty (30) days after the expiration of the 120-day period or after the material change in the terms of the sale.

20. DEFAULT AND TERMINATION

20.1 Termination Without Opportunity to Cure. Each of the following events constitute a default under this Agreement and Franchisor shall have the right, at its option, to terminate this Agreement and all rights granted Franchisee hereunder (subject to the provisions of applicable state law governing franchise termination and renewal) effective:

20.1.1 immediately without giving Franchisee notice:

(a) Franchisee becomes insolvent or is adjudicated a bankrupt; or any action is taken by Franchisee, or by others against Franchisee under any insolvency, bankruptcy or reorganization act, or if Franchisee makes an assignment for the benefit of creditors, or a receiver is appointed for Franchisee;

(b) if execution is levied against Franchisee's ATP Business or any of the property used in the operation of ATP Business and is not discharged within thirty (30) days; or if the real or personal property of Franchisee's ATP Business shall be sold after levy thereupon by any law enforcement;

(c) Franchisee is a corporation, limited liability company, partnership or other business entity and any action is taken which purports to dissolve or liquidate such entity without Franchisor's prior written consent;

20.1.2 Immediately upon Franchisor giving Franchisee notice:

(a) Franchisee fails to submit a site approval request or sign a lease by such dates as required under this Agreement;

(b) Franchisee fails or refuses to open the ATP Park by the Park Opening Date;

(c) Franchisee intentionally or negligently discloses to any unauthorized person the contents, in a material manner, of or any part of Franchisor's Operations Manual, Confidential Information or Trade Secrets of Franchisor. For purposes herein,

an authorized person includes, the owner(s), directors, officers, managers, employees and professional advisors of Franchisee;

(d) Franchisee voluntarily abandons Franchisee ATP Business for a period of time that indicates an intent by Franchisee to discontinue operation of the ATP Business, unless such abandonment is due to fire, flood, earthquake or other similar causes beyond Franchisee's control and not related to the availability of funds to Franchisee;

(e) Franchisee, an ATP manager, or any owner of greater than five percent (5%) of the Franchisee entity is charged or convicted of a any felony charge, or a crime involving moral turpitude, or a felony or misdemeanor of any type against a child, or any crime or offense that is reasonably likely, in the sole opinion of Franchisor, to materially and unfavorably affect the System, Proprietary Marks, goodwill or reputation thereof;

(f) Franchisee receives from Franchisor three (3) notices of default with respect to Franchisee's obligations hereunder, within a 12 month period, regardless of whether the defaults were cured by Franchisee;

(g) Franchisee receives from Franchisor five (5) notices of default with respect to Franchisee's obligations hereunder, within the Term, regardless of whether the defaults were cured by Franchisee;

(h) Franchisee sells, Transfers or otherwise assigns the ATP Business, an interest in the ATP Business or Franchisee entity, this Agreement, or a substantial portion of the assets of ATP Business owned by Franchisee without complying with the provisions of this Agreement;

(i) Franchisee submits on two or more occasions, during the Term, a report which understates its Gross Sales by three percent (3.0%) or more;

(j) Franchisee fails, or refuses, to submit any report, financial statement or other information/records required herein, or submits such reports more than ten (10) days late on two or more occasions during the Term unless due to circumstances beyond the control of Franchisee;

(k) Franchisee contests in any court or proceeding the validity of or Franchisor's ownership of the Proprietary Marks or copyrighted materials;

(l) Franchisee, or its manager, fails to successfully complete Franchisor's training program after Franchisor extends three (3) opportunities; or

(m) Any misrepresentation under Section 2.8 or any violation of Anti-Terrorism Laws by Franchisee, its owners, manager, officers, directors, managers, members, partners, agents or employees.

20.2 Termination With Opportunity to Cure. Franchisor shall have the right, at its option, to terminate this Agreement (subject to any state laws to the contrary, where state law shall prevail), effective upon thirty (30) days written notice to Franchisee, if Franchisee breaches any other provision of this Agreement not enumerated in Section 20.1 and fails to cure the default during such thirty (30) day

period. In that event, this Agreement will terminate without further notice to Franchisee, effective upon expiration of the thirty (30) day period. Defaults shall include, but not be limited to, the following:

20.2.1 Franchisee fails to pay any amounts due Franchisor or its affiliates after receiving notice that such fees or amounts are overdue;

20.2.2 Franchisee fails, after the second notification from Franchisor, to follow Franchisor's directions and guidelines concerning the Proprietary Marks and design scheme as required;

20.2.3 Franchisee sells or offers for sale any unauthorized merchandise, product or service, engages in any unauthorized business or practice or sells any unauthorized product or service under the Proprietary Marks or under a name or mark which is confusingly similar to the Proprietary Marks;

20.2.4 Franchisee fails to maintain the then-current operating procedures and standards established by Franchisor as set forth herein or in the Operations Manual, as it may be amended and updated from time-to-time;

20.2.5 Franchisee fails, refuses or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

20.2.6 Franchisee, or any partnership, joint venture, limited liability company, corporation or other business entity in which Franchisee has a controlling equity interest or which has a controlling interest in Franchisee, defaults under any term of the Lease of the ATP Business facility or any other premises used by Franchisee to operate the ATP Business, any other franchise agreement with Franchisor or any other agreement material to the ATP Business and such default is not cured within the time specified in such Lease, other franchise agreement or other agreement; or

20.2.7 Franchisee is otherwise in breach or default under any provision in this Agreement.

20.3 Other Relief.

20.3.1 In lieu of terminating the Franchise Agreement under Sections 20.1 and 20.2 of this Agreement, Franchisor shall have the right, at its option, during the time period Franchisee is in default of this Agreement: to suspend performance of certain or all of its services to Franchisee; and remove Franchisee and the ATP Business from marketing materials and channels used by the System. Such restriction of access to services or inclusion in marketing materials and channels shall not entitle Franchisee to any relief from paying any fees such as the Royalty, Marketing Fund fee or any other fees that are generally set to cover services and marketing for all System franchisees, and not assessed for specific services provided directly to Franchisee.

20.3.2 Any termination under Sections 20.1 and 20.2 of this Agreement shall be without prejudice to any other rights (including any right of indemnity), remedy or relief vested in or to which Franchisor may otherwise be entitled against you. All moneys paid by you to us under this Agreement or otherwise will be retained by us as consideration for the rights and benefits previously conferred on you hereunder. The foregoing remedy shall not exclude any of the remedies which Franchisor may have at law or in equity by reason of the default, breach or non-observance by Franchisee of any provision of this Agreement.

20.4 No Right of Set-Off. A termination of this Agreement by Franchisee shall be deemed to be a termination without cause, and a breach hereof, by Franchisee. Franchisee agrees that it shall not, on grounds of an alleged nonperformance by Franchisor of any of its obligations or any other reason, withhold payment of any amount due to Franchisor whatsoever or set off amounts owed to Franchisor under this Agreement, against any monies owed to Franchisee, which right of set-off is hereby expressly waived by Franchisee.

20.5 No Accord or Satisfaction. No endorsement or statement on any check or payment of any sum less than the full sum due to Franchisor shall be construed as an acknowledgment of payment in full or an accord and satisfaction, and Franchisor may accept and cash such check or payment without prejudice to its right to recover the balance due or pursue any other remedy provided herein or by law. Franchisor may apply any payments made by Franchisee against any past due indebtedness of Franchisee as Franchisor may see fit. Franchisor may set-off against any payment due to Franchisee hereunder any outstanding debts of Franchisee to Franchisor, and may, at Franchisor's option, pay Franchisee's trade creditors out of any sum otherwise due to Franchisee.

20.6 Amounts Due. Franchisee agrees to pay within five (5) days of the effective date of termination or expiration of the Franchise all amounts owed to Franchisor.

20.7 Delinquent Interest. All Royalty Fees, all amounts due for goods purchased by Franchisee from Franchisor (if applicable) or its Affiliates, and any other amounts owed to Franchisor or its Affiliates by Franchisee pursuant to this Agreement or any other agreement shall bear interest after the due date at the rate of 18% per annum or the highest rate permitted by law, whichever is lower, both before and after default, with interest on overdue interest at the aforesaid rate. The acceptance of any interest payment shall not be construed as a waiver by Franchisor of its rights in respect of the default giving rise to such payment and shall be without prejudice to Franchisor's right to terminate this Agreement in respect of such default.

20.8 Action on Termination. Franchisee agrees that upon termination or expiration of this Agreement, it shall take the following action:

20.8.1 Immediately discontinue the use of all Proprietary Marks, signs, structures, forms of advertising, telephone listings, facsimile numbers, e-mail addresses, the Operations Manual, and all materials, products and services of any kind which are identified or associated with the System and return all these materials and products to Franchisor;

20.8.2 Immediately turn over to Franchisor the Operations Manual, all Confidential Information, Trade Secrets and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the ATP Business (all of which are acknowledged to be Franchisor's property). Under no circumstances shall Franchisee retain any printed or electronic copies of the Operations Manual, Confidential Information or Trade Secrets or portions thereof upon expiration or termination of this Agreement;

20.8.3 Franchisee hereby acknowledges that all telephone numbers, facsimile numbers and Internet addresses, domain names, social media account and profile names, used in the operation of the ATP Business constitute assets of Franchisor, and upon termination or expiration of this Agreement, Franchisee shall take such action within five (5) days to cancel or assign to Franchisor or its designee as determined by Franchisor, all Franchisee's right, title and interest in and to Franchisee's telephone numbers, facsimile numbers and Internet addresses and shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number, facsimile number, and Internet addresses, domain names, social media account and profile names, and e-mail

addresses, and any regular, classified or other telephone directory listing associated with the Proprietary Marks and to authorize a transfer of same to or at the direction of Franchisor;

20.8.4 Immediately take all steps necessary to amend or terminate any registration or filing of any d/b/a or business name or fictitious name or any other registration or filing containing the Proprietary Marks so as to delete the Proprietary Marks and all references to anything associated with the System;

20.8.5 Franchisee shall, at Franchisor's option, immediately assign to Franchisor any interest in which Franchisee has in any Lease for the ATP Business facility. In the event Franchisor does not elect to exercise its option to acquire the Lease for the ATP Business facility, then, Franchisee is permitted to conduct any business at the ATP Business facility, except for a Competitive Business. If Franchisor does not exercise its option to take over the Lease Franchisee shall make such modifications or alterations to the premises immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of such premises from that of other ATP Businesses operating under the System and Proprietary Marks, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. Franchisee hereby grants Franchisor the right to enter the Premises and to remove such Proprietary Marks, signs, structures, forms of advertising and products as Franchisor deems necessary in order to de-identify the Premises as an Altitude Trampoline Park, without Franchisor being guilty of trespass or any other tort, if Franchisee has not complied with the requirements of this Section in a timely manner;

20.8.6 Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business in any location, not to use any reproduction, counterfeit copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Proprietary Marks, and further agrees not to use any designation of origin, description, representation, trademark, or trade name which suggests or represents a past or present association or connection with Franchisor, the System, or the Proprietary Marks;

20.8.7 Franchisee agrees to follow any procedures set forth in the Operations Manual, or as it may otherwise be instructed by Franchisor, to notify all of the ATP Business' customers who have booked events to take place after the termination or expiration, or who, as of the date of termination or expiration have credits with Franchisee, and to provide such customers such reasonable compensation as Franchisor may require.

20.8.8 Comply with the provisions of this Agreement.

20.9 Franchisor's Right to Purchase ATP Business Upon Termination.

20.9.1 Upon termination of this Agreement for any reason or expiration of this Agreement without Franchisor and Franchisee entering into a new franchise agreement for the ATP Business, Franchisor has the option, exercisable by giving Franchisee written notice within fifteen (15) days after the date of termination or expiration to purchase the inventory, supplies, Operating Assets and other assets used in the operation of the ATP Business that Franchisor designates (the **"Purchased Assets"**). Franchisor has the unrestricted right to exclude any assets it specifies relating to the ATP Business from the Purchased Assets. Franchisee agrees to provide Franchisor the financial statement and other information Franchisor reasonably requires, and to allow Franchisor to inspect the ATP Business and its assets, to determine whether to exercise its option under this Section. Franchisor may assign its rights under this Section to a third party, including to Franchisor's Affiliates.

20.9.2 While Franchisor is deciding whether to exercise its option under this Section and, if it exercises that option until the closing of Franchisor's purchase of the Purchased Assets Franchisee must continue to operate the ATP Business in accordance with this Agreement, provided that Franchisor may, at its option, at any time during that period, assume management of the ATP Business itself or through its agent.

20.9.3 The purchase price for the Purchased Assets will be their fair market value for use in the operation of a Competitive Business. If the parties cannot agree on fair market value for the Purchased Assets, Franchisor will select an independent appraiser after consultation with Franchisee, and the appraiser's determination of fair market value will be the final and binding purchase price. Franchisor may set off against the purchase price any and all amounts owed by Franchisee to Franchisor or Franchisor's affiliates.

20.10 Franchisor's Self-help – Proprietary Marks. If, within thirty (30) days after termination or expiration of this Agreement by Franchisor, Franchisee fails to remove all displays of the Proprietary Marks from the ATP Business, which are identified or associated with the System, Franchisor may enter the ATP Business facility to effect removal. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any displays or materials.

20.11 Franchisor's Self-help – Registration. If, within thirty (30) days after termination or expiration of this Agreement Franchisee has not taken all steps necessary to amend or terminate any registration or filing of any business name or d/b/a or any other registration or filing containing the Marks, Franchisee hereby irrevocably appoints Franchisor as Franchisee's true and lawful attorney for Franchisee, and in Franchisee's name, place and stead and on Franchisee's behalf, to take action as may be necessary to amend or terminate all registrations and filings, this appointment being coupled with an interest to enable Franchisor to protect the System.

20.12 Franchisor's Continuing Rights. Termination or expiration of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies which Franchisor may have against Franchisee, whether such claims or rights arise before or after termination or expiration.

20.13 Survival of Terms. All obligations of the parties hereto which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect notwithstanding such expiration or termination. In particular, but without limiting the generality of the foregoing, the provisions of Articles 11, 15 and 16, hereof shall survive termination or expiration of this Agreement.

20.14 Alternatively Required Notice. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice requirements hereof. Such modifications to this Agreement shall be effective only in such jurisdiction and shall be enforced as originally made and entered into in all other jurisdictions.

20.15 Acceptance of Claim. In the event of termination of the Agreement for any reason whatsoever the parties shall accept the default remedies contained herein as full and final satisfaction of all claims. The parties waive, to the extent permitted by law, any claim against the other for punitive or exemplary damages; except for such punitive or exemplary damages for violation of the Lanham Act, trademark infringement or dilution, unauthorized dissemination of the Confidential Information or Trade Secrets or arising under the indemnification set out in Article 15.

20.16 Cumulative Rights. The rights of the parties hereto are cumulative and no exercise or enforcement by a party of any right or remedy hereunder shall preclude the exercise or enforcement by that party of any other right or remedy herein contained, or to which it is entitled by law.

20.17 Right to Injunctive Relief. Nothing herein shall prevent Franchisor or Franchisee from seeking injunctive relief to prevent irreparable harm, in addition to all other remedies. If it is necessary for Franchisor to seek preliminary or permanent injunctive relief, Franchisor may do so without a bond.

21. DISPUTE RESOLUTION

21.1 Waiver of Rights. FRANCHISOR AND FRANCHISEE WAIVE AND AGREE NOT TO INCLUDE IN ANY PLEADING OR ARBITRATION DEMAND: CLASS ACTION CLAIMS; DEMAND FOR TRIAL BY JURY; OR, EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR AGAINST FRANCHISEE FOR UNAUTHORIZED USE OF THE LICENSED MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, CLAIMS FOR PUNITIVE, MULTIPLE, OR EXEMPLARY DAMAGES. IF ANY PLEADING IS FILED THAT CONTAINS ANY OF THESE CLAIMS OR A JURY DEMAND, OR IF A COURT DETERMINES THAT ALL OR ANY PART OF THE WAIVERS ARE INEFFECTIVE, THEN THE PLEADING SHALL BE DISMISSED WITH PREJUDICE, LEAVING THE PLEADING PARTY TO ITS ARBITRATION REMEDY. NO CLAIM BY EITHER PARTY CAN BE CONSOLIDATED WITH THE CLAIMS OF ANY OTHER PARTY. IF SUCH CLAIMS AND DEMANDS CANNOT BE WAIVED BY LAW, THEN THE PARTIES AGREE THAT ANY RECOVERY WILL NOT EXCEED TWO (2) TIMES ACTUAL DAMAGES.

21.2 Mediation. In the event of any dispute, other than disputes that are the subject of Franchisee's default pursuant to Section 20.1 (Termination Without Opportunity to Cure), either party has the option of initiating a mediation proceeding by submitting a written request for mediation to American Arbitration Association ("**AAA**") according to its procedures, or any other mediation service mutually agreed to by the parties according to the procedures of such other mediation service.

The mediation process shall begin promptly and shall be concluded within ten (10) business days after the day the request for mediation is made, unless the parties mutually otherwise agree. Any and all discussions, negotiations, findings or other statements by the mediator and/or the parties made in connection with the mediation shall be privileged and confidential and shall not be admissible into evidence in any arbitration or litigation.

All mediation proceedings shall take place in the county and state where Franchisor has its principal place of business. The expenses of the mediation service shall be borne equally by both parties, and all other expenses relating to such mediation shall be borne by the party incurring them.

The commencement of any dispute resolution procedure shall not act to prevent Franchisor from instituting or proceeding with any action which may be the subject of the dispute.

21.3 Arbitration. Either party may choose to submit a dispute, controversy or claim between Franchisee and Franchisor, and any of Franchisor's or Franchisee's Affiliates, officers, directors, owners, guarantors or employees arising under, out of, in connection with or in relation to this Agreement to arbitration administered by the AAA under its Commercial Arbitration Rules (or by another nationally established arbitration association acceptable to both parties) and under the Federal Rules of Evidence. Notwithstanding the foregoing, Franchisor shall have the option to submit to a court any of the following actions: (i) to collect fees due under this Agreement; (ii) for injunctive relief; (iii) to protect Franchisor's intellectual property, including Licensed Marks and the ATP System; and (iv) to terminate this

Agreement for a default. The parties shall jointly select one (1) arbitrator. If the parties cannot select one (1) arbitrator jointly, each party shall select one (1) arbitrator and those arbitrators shall jointly select a third arbitrator, and the arbitration shall be heard by those three (3) arbitrators so selected. The arbitrator(s) shall issue a reasoned award, with findings of fact and conclusions of law. The arbitration award and the decision on any appeal will be conclusive and binding on the parties. Actions to enforce an express obligation to pay money may be brought under the Expedited Procedures of the AAA's Commercial Arbitration Rules. All arbitration proceedings shall take place in the county and state where Franchisor has its principal place of business FRANCHISOR AND FRANCHISEE HAVE NEGOTIATED REGARDING A FORUM IN WHICH TO RESOLVE ANY DISPUTES THAT MAY ARISE BETWEEN THEM AND HAVE AGREED TO SELECT A FORUM IN ORDER TO PROMOTE STABILITY IN THEIR RELATIONSHIP. THEREFORE, IF A CLAIM IS ASSERTED IN ANY LEGAL PROCEEDING INVOLVING FRANCHISOR, ITS OFFICERS DIRECTORS, MANAGERS, MEMBERS, OR PARTNERS AND FRANCHISEE, ITS OFFICERS, DIRECTORS, SHAREHOLDERS, MANAGERS, MEMBERS, EMPLOYEES OR AFFILIATES OF BOTH PARTIES AGREE THAT THE EXCLUSIVE VENUE FOR ARBITRATION PROCEEDINGS OR COURT PROCEEDINGS (WITH RESPECT TO CLAIMS NOT SUBJECT TO ARBITRATION) BETWEEN THEM SHALL TAKE PLACE IN THE COUNTY AND STATE WHERE FRANCHISOR HAS ITS PRINCIPAL PLACE OF BUSINESS AND EACH WAIVE ANY OBJECTION EITHER MAY HAVE TO THE PERSONAL JURISDICTION OF OR VENUE IN SUCH COUNTY AND STATE. FOR CLAIMS EXCLUDED FROM THE ARBITRATION PROVISION, FRANCHISEE IRREVOCABLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND WAIVES ANY OBJECTION FRANCHISEE MAY HAVE TO EITHER THE JURISDICTION OR VENUE IN SUCH COURT. FRANCHISOR AND FRANCHISEE FURTHER WAIVE EACH OF THEIR RIGHTS TO A JURY TRIAL FOR ANY MATTER THAT IS TRIED BEFORE A COURT OF LAW. Arbitration must be commenced within two (2) years after discovery of facts giving rise to the claim.

21.4 Counter Claims. In connection with any arbitration proceeding, each party will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be barred.

21.5 No Class Actions. Any arbitration must be on an individual basis only as to a single development agreement (and not as or through an association) and the parties and the arbitrator will have no authority or power to proceed with any claim on a class-wide basis or otherwise to join or consolidate any claim with any claim or any other proceeding involving third parties. If a court or arbitrator determines that this limitation on joinder of or class-wide claims is unenforceable, then the agreement to arbitrate the dispute will be null and void and the parties must submit all claims to the jurisdiction of the courts.

21.6 Scope of Arbitration. Disputes concerning the validity or scope of this Section, including whether a dispute is subject to arbitration, are beyond the authority of the arbitrator(s) and shall be determined by a court of competent jurisdiction pursuant to the Federal Arbitration Act, 9 U.S.C. §1 et seq., as amended from time to time. The provisions of this Section shall continue in full force and effect subsequent to any expiration or termination of this Agreement.

21.7 Prevailing Party. If either party institutes a legal proceeding, including court proceedings or arbitration, and prevails entirely or in part in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party, in addition to any judgment, reasonable attorneys' fees and court costs.

21.8 Performance to Continue. Each party must continue to perform its obligations under this Agreement pending final resolution of any dispute pursuant to this Article 21, unless to do so would be impossible or impracticable under the circumstances.

21.9 Business Judgment. The parties hereto recognize, and any mediator, arbitrator or judge is affirmatively advised, that certain provisions of this Agreement describe Franchisor's right to take (or refrain from taking) certain actions in the exercise of our business judgment based on our assessment of the overall best interests of the ATP System and/or franchise network. Where such discretion has been exercised, and is supported by our business judgment, neither a mediator nor an arbitrator nor a judge shall substitute his or her judgment for the judgment so exercised by us.

21.10 Governing Law. This Agreement shall be governed, construed and interpreted in accordance with the substantive laws of the State of Texas, without giving effect to its conflicts of law principles and except that the Federal Arbitration Act (9 U.S.C. §§ 1 et. seq.) shall apply to any arbitration pursuant to this Agreement. Notwithstanding the foregoing, if the covenants in Section 16 of this Agreement would not be enforceable under the laws of Texas, and the Development Area is located outside of that state, then such covenants shall be interpreted and construed under the laws of the state in which the Development Area is located, or the majority of the Development Area is located, if located in more than one state. Nothing in this Section 17 is intended by the parties to subject this Agreement to any franchise of similar law, rule or regulation of the State of Texas to which this Agreement would not otherwise be subject. If applicable law provides Franchisee with additional rights as to notices, opportunities to cure or otherwise than as are provided by this Agreement as to termination, renewal, transfers or otherwise, Franchisor will comply with the requirements of such laws to the extent they exceed Franchisor's obligations under this Agreement.

21.11 No Forbearance. No failure, forbearance, neglect or delay of any kind on the part of Franchisor in connection with the enforcement or exercise of any rights under this Agreement shall affect or diminish Franchisor's right to strictly enforce and take full benefit of each provision of this Agreement at any time, whether at law for damages, in equity for injunctive relief or specific performance, or otherwise. No custom, usage or practice with regard to this Agreement by Franchisee or Franchisor's other franchisees shall preclude the strict enforcement of this Agreement in accordance with its literal terms. No waiver by Franchisor of performance of any provision of this Agreement shall constitute or be implied as a waiver of Franchisor's right to enforce that provision at any future time. No interpretation, change, termination or waiver of any provision of this Agreement, and no consent or approval under this Agreement, shall be binding upon Franchisee or Franchisor or effective unless in writing signed by Franchisee and Franchisor's CEO, President or Vice President, except that a waiver need be signed only by the party waiving.

22. MISCELLANEOUS

22.1 Provisions. Each provision, condition and term of this Agreement is material, and a breach or violation of any of them will constitute a default of that party's obligations under this Agreement.

22.2 Notices. All communications or notices required or permitted to be given or served under this Agreement must be in the English language and in writing and will be deemed to have been duly given or made if (a) delivered in person or by courier (including by Federal Express or other courier), or (b) deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested. All communications and notices will be effective upon delivery in person or by courier to the address set forth in this Agreement upon being deposited in the United States mail in the manner set forth above. Any party may change his, her or its address by giving notice in writing,

stating his, her or its new address, to the other party to this Agreement as provided in the foregoing manner.

Successors and Assigns. Subject to Article 18, which restricts Franchisee's rights to assign this Agreement and its rights hereunder, this Agreement will be binding upon and inure to the benefit of the parties and their respective permitted assigns, legal representatives, executors, heirs and successors. Any attempt by Franchisee to assign this Agreement or any of its rights hereunder, or to delegate its obligations hereunder, without compliance with the terms of Article 18 will be void.

22.3 Amendment and Waiver. Except as set forth in this Agreement, no amendment, modification or waiver of any condition, provision or term of this Agreement will be valid or of any effect unless made in a writing specifying with particularity the nature and extent of the amendment, modification or waiver and signed by Franchisee and by Franchisor's President or by another person designated in writing to Franchisee by Franchisor. Franchisee acknowledges that Franchisor may modify its standards and specifications and operating and marketing techniques set forth in the Operations Manual unilaterally under any conditions and to the extent in which Franchisor, in its sole discretion, deems necessary to protect, promote, or improve the Proprietary Marks, and the quality of the System, but under no circumstances will such modifications be made arbitrarily without such determination.

22.4 Severable Provisions; Enforceability. Each and every provision of this Agreement is intended to be independent of and severable from the others. If any provision of this Agreement is declared by a court of competent jurisdiction to be illegal, unenforceable or invalid for any reason whatsoever, that illegality, unenforceability or invalidity will not affect the validity of the remainder of this Agreement or the legality, enforceability or validity of that provision in any other jurisdiction. It is the intention and the agreement of the parties to this Agreement that the noncompetition and confidential information provisions set forth in this Agreement be enforceable to the maximum extent permitted by law and, to that end, understand and agree that said provisions may be limited or modified by a court of competent jurisdiction to ensure enforceability thereof.

22.5 Entire Agreement. This Agreement, including the exhibits hereto, contains the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between the parties with respect to that subject matter. Each of the other agreements contained as exhibits are incorporated in this Agreement by this reference and constitute a part of this Agreement.

22.6 Terminology. All references in this Agreement to the term "including" means "including, without limitation." All references in this Agreement to the term "entity" include, among other things, a trust. Unless expressly provided to the contrary, any reference in this Agreement to Franchisor's discretion or judgment means Franchisor's sole and absolute discretion or judgment, and any determination (such as approval or consent), decision or judgment required or permitted to be taken or given by Franchisor will be subject to Franchisor's sole and absolute discretion. All captions, headings or titles in the paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement or a limitation of the scope of the particular paragraph or section to which they apply. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, will, where appropriate, include all other genders and the singular will include the plural and vice versa.

22.7 Force Majeure. Neither party hereto shall be liable for any loss or damage due to any delay in the due performance of the terms hereof (except for the payment of money) by reason of strikes, lockouts and other labor relations, fires, riots, wars, embargoes and civil commotion, or acts of God. Any such delay shall extend performance only so long as such event is in progress except such Force Majeure

Event will not affect or change Franchisee's obligation to pay Royalty Fees when due. Notwithstanding the foregoing, if there is a force majeure event, Franchisor, may in its sole discretion, elect to waive the Royalty Fees during the period of delay caused by the Force Majeure Event or such shorter period.

22.8 Cooperation. Franchisee shall execute and deliver such further instruments, contracts, forms and other documents, and shall perform such further acts, as may be necessary or desirable, to carry out, complete and perform all terms, covenants and obligations herein contained. Franchisee hereby irrevocably appoints Franchisor as his attorney, which appointment is coupled with an interest, and hereby empowers it to execute such instruments regarding the Proprietary Marks for and in Franchisee's name in order to give full effect to Articles 11, 15, 18, and 20 of this Agreement.

22.9 Right of Delegation. From time-to-time, Franchisor shall have the right to delegate the performance of any portion or all of its obligations and duties hereunder to third parties, whether the same are agents of Franchisor or independent contractors which Franchisor has contracted with to provide such services. Franchisee agrees in advance to any such delegation by Franchisor of any portion or all of its obligations and duties hereunder.

22.10 Computation of Time. Whenever the last day for the exercise of any privilege or discharge of any duty under this Agreement falls upon Saturday, Sunday or any legal holiday under Texas law, the party having that privilege or duty will have until 5:00 p.m. CST time, on the next succeeding regular business day to exercise that privilege or to discharge that duty.

22.11 Currency. Unless otherwise directed by Franchisor in writing, all amounts contemplated by this Agreement will be paid in United States Dollars.

22.12 Authority. If Franchisee is an entity, Franchisee represents and warrants to Franchisor that Franchisee is duly organized or formed and validly existing in good standing under the laws of the state of Franchisee's incorporation or formation, is qualified to do business in all states in which Franchisee is required to qualify and have the authority to execute, deliver and carry out all of the terms of this Agreement. If Franchisee is an entity, each of the direct or indirect owner of Franchisee owning more than ten percent (10.0%) interest in the Franchisee, must execute the Guaranty attached to this Agreement as Exhibit C prior to or upon the date of this Agreement. However, if Franchisor is entering into this Agreement totally or partially based on the financial qualifications, experience, skills or managerial qualifications of any owner who directly or indirectly owns ten percent (10.0%) interest or less in Franchisee, then Franchisor has the right to require that person to sign the Guaranty. In addition, if Franchisor is a partnership, then each person or entity who, at any time, is a general partner must sign the Guaranty, regardless of the percentage ownership interest. Any person or entity that at any time after the date of this Agreement becomes a direct or indirect entity owner owning a ten percent (10.0%) or greater interest of the entity, must execute the Guaranty.

22.13 Multiple Franchisees. If more than one person has executed this Franchise Agreement, each person shall be individually and jointly bound to the terms of this Agreement.

22.14 Counterparts and Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (e.g. "PDF") format shall be effective as delivery of a manually executed counterpart of this Franchise Agreement. The words "execution," "signed," "signature," and words of similar import in the Franchise Agreement shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paper-based recordkeeping

system, as the case may be, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 USC SS 7001 et seq.) or any other similar state or federal laws.

23. ACKNOWLEDGEMENT

BEFORE SIGNING THIS AGREEMENT, FRANCHISEE SHOULD READ IT CAREFULLY WITH THE ASSISTANCE OF LEGAL COUNSEL.

FRANCHISEE ACKNOWLEDGES AND AGREES THAT:

1. NO STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION, EXCEPT AS SET FORTH IN THIS AGREEMENT, IS BINDING ON FRANCHISOR IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT, PROVIDED THAT NOTHING HEREIN IS INTENDED TO DISCLAIM THE REPRESENTATIONS FRANCHISOR MADE IN THE FRANCHISE DISCLOSURE DOCUMENT FURNISHED TO FRANCHISEE; AND

2. FRANCHISEE HAD A COMPLETE COPY OF THIS AGREEMENT, WITH ALL BLANKS FILLED IN, IN ITS POSSESSION FOR A PERIOD OF TIME NOT LESS THAN SEVEN (7) DAYS, DURING WHICH TIME FRANCHISEE HAD THE OPPORTUNITY TO SUBMIT THE SAME FOR PROFESSIONAL REVIEW AND ADVICE OF FRANCHISEE'S CHOOSING PRIOR TO FREELY EXECUTING THIS AGREEMENT. FRANCHISEE ACKNOWLEDGES THAT IT HAS HAD AMPLE TIME AND OPPORTUNITY TO INVESTIGATE FRANCHISOR'S ALTITUDE TRAMPOLINE PARK BUSINESS AND TO CONSULT WITH LEGAL AND FINANCIAL ADVISORS OF ITS CHOICE; AND FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE SYSTEM AND RECOGNIZES THAT THE ALTITUDE TRAMPOLINE PARK BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT, AND ITS SUCCESS, INVOLVES SUBSTANTIAL BUSINESS RISK AND WILL BE LARGELY DEPENDENT UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS PERSON AND ITS ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE ALTITUDE TRAMPOLINE PARK BUSINESS. FRANCHISEE HEREBY ASSUMES THE RESPONSIBILITY FOR ITS SUCCESS OR FAILURE OF THE ALTITUDE TRAMPOLINE PARK BUSINESS VENTURE; AND

3. FRANCHISOR HAS NOT PROVIDED ANY STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION OF ACTUAL, AVERAGE, PROJECTED, FORECASTED OR POTENTIAL PURCHASES, SALE, COST, EARNINGS, INCOME OR PROFITS TO FRANCHISEE OTHER THAN STATED IN THE FRANCHISE DISCLOSURE DOCUMENT; AND

4. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY ASSURANCE, WARRANTY OR GUARANTEE, EXPRESSED OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS, EARNINGS OR SUCCESS OF THE ALTITUDE TRAMPOLINE PARK BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

This entire Agreement, including corrections, changes, and all attachments and addenda, will only be binding upon Franchisor when executed or initialed by Franchisor's authorized representative.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as follows:

FRANCHISEE:

If Individually:

_____
Signature

_____
Printed Name

If as an Entity:

_____
Signature

_____
Title

Dated: _____

ALTITUDE FRANCHISING, LLC

_____
Curt Skallerup
President

Dated: _____

Owners' Acknowledgment

Each following party is mentioned in this Agreement as having certain rights and/or duties as an owner of the Franchisee. Each following party is signing this Acknowledgment, not as a party, but only to the extent necessary to indicate its, his or her acceptance of, and agreement to be bound by, the specific rights and duties of an owner mentioned in this Agreement.

Owner:

_____

By: _____

Name: _____

Its: _____

Owner:

_____

Print name: _____

Owner:

_____

By: _____

Name: _____

Its: _____

Owner:

_____

Print name: _____

EXHIBIT A – TERRITORY AND FEES

TO THE ALTITUDE TRAMPOLINE PARK FRANCHISE AGREEMENT

1. **Designated Territory:**

2. **Approved Location:**

3. **Restricted Area of the Premises:** A radius of _____ miles from the Premises.

4. **Initial Franchise Fee:** $40,000

5. **Royalty Fee:** 7%

6. **Park Opening Date:** _____

EXHIBIT B – EFT AUTHORIZATION

TO THE ALTITUDE TRAMPOLINE PARK FRANCHISE AGREEMENT

EFT AUTHORIZATION AGREEMENT (DIRECT DEBITS)

The undersigned depositor (**"Depositor"**) hereby authorizes ALTITUDE FRANCHISING, LLC (**"Altitude"**) to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below (**"Depository"**) to debit such account pursuant to Altitude's instructions.

Depository: _____ Branch: _____

Address: _____ City, State, Zip Code: _____

_____ _____

Telephone Number: _____

Bank Transit/ABA Number: Account Number:

_____ _____

This authority is to remain in full force and effect until Depository has received joint written notification from Altitude and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity on which to act. If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if (a) within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) forty-five (45) days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

Depositor: Depository:

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

EXHIBIT C – GUARANTY

TO THE ALTITUDE TRAMPOLINE PARK FRANCHISE AGREEMENT

GUARANTY (to be completed only if Franchisee is an entity)

In consideration of, and as a material inducement to, the execution by **ALTITUDE FRANCHISING, LLC ("Franchisor")** of the foregoing Franchise Agreement (the **"Franchise Agreement"**) with _____ (**"Franchisee"**) dated _____, 20___, and other good and valuable consideration the receipt and sufficiency of which are acknowledged, the undersigned and the undersigned's legal representative, if applicable, (the **"Guarantor"** whether one or more) guarantees by this guaranty (this **"Guaranty"**) to Franchisor, the full and timely payment of and performance by Franchisee of every payment, covenant, agreement and undertaking on the part of Franchisee contained and set forth in the Agreement and any other agreements between Franchisee and Franchisor to which Franchisee is a party.

The Guarantor further agrees as follows:

1. The Guarantor, individually, jointly and severally, shall be personally bound by each and every condition and term contained in the Franchise Agreement as though the Guarantor had executed a franchise agreement containing the identical terms and conditions of the Franchise Agreement, including without limitation the provisions of Article 16. This Guaranty shall continue in favor of Franchisor notwithstanding any extension, modification, or alteration of the Franchise Agreement, and notwithstanding any assignment of the Franchise Agreement, with or without the Franchisor's consent. No extension, modification, alteration or assignment of the Franchise Agreement shall in any manner release or discharge the Guarantor, and the Guarantor consents to any such extension, modification, alteration or assignment.

2. This Guaranty will continue unchanged by the occurrence of any insolvency event, with respect to Franchisee or any assignee or successor of Franchisee or by any disaffirmance or abandonment of the Franchise Agreement by a trustee in bankruptcy of Franchisee. Guarantor's obligation to make payment or render performance in accordance with the terms of this Guaranty and any remedy for the enforcement of this Guaranty will not be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

3. Guarantor's liability under this Guaranty is primary and independent of the liability of Franchisee and any other Guarantor. Guarantor waives any right to require Franchisor to proceed against any other person or to proceed against or exhaust any security held by Franchisor at any time or to pursue any right of action accruing to Franchisor under the Franchise Agreement. Franchisor may proceed against each Guarantor and Franchisee, jointly and severally or may, at its option, proceed against each Guarantor without having commenced any action, or having obtained any judgment, against Franchisee or any other Guarantor. Guarantor waives the defense of the statute of limitations in any action under this Guaranty or for the collection of any indebtedness or the performance of any obligation guaranteed pursuant to this Guaranty.

4. Guarantor unconditionally, individually, jointly and severally agrees to pay all attorneys' fees and all costs and other expenses incurred in any collection or attempted collection of this Guaranty or in any negotiations relative to the obligations guaranteed or in enforcing this Guaranty against Franchisee.

5. Guarantor waives notice of any demand by Franchisor, any notice of default in the payment of any amounts contained or reserved in the Franchise Agreement, or any other notice of default under the Franchise Agreement. Guarantor expressly agrees that the validity of this Guaranty and its obligations shall in no way be terminated, affected or impaired by reason of any waiver by Franchisor, or its successors or assigns, or the failure of Franchisor to enforce any of the terms, covenants or conditions of the Franchise Agreement or this Guaranty, or the granting of any indulgence or extension of time to Franchisee, all of which may be given or done without notice to the Guarantor.

6. This Guaranty shall extend, in full force and effect, to any assignee or successor of Franchisor and shall be binding upon the Guarantor and Guarantor's successors and assigns.

7. Until all obligations of Franchisee to Franchisor have been paid or satisfied in full, Guarantor has no remedy or right of subrogation and each Guarantor waives any right to enforce any remedy which Franchisor has or may in the future have against Franchisee and any benefit of, and any right to participate in, and security now or in the future held by Franchisor.

8. All existing and future indebtedness of Franchisee to Guarantor is hereby subordinated to all indebtedness and other obligations guaranteed in this Guaranty and, without the prior written consent of Franchisor, shall not be paid in whole or in part, nor will any Guarantor accept any payment of or on account of any such indebtedness while this Guaranty is in effect.

9. This Guaranty shall be construed in accordance with the laws of the State of Texas, without giving effect to its conflict of laws principles.

If more than one person has executed this Guaranty, the term "the Guarantor," as used in this Guaranty will refer to each person, and the liability of each of the Guarantors under this Guaranty will be joint and several and primary as sureties.

IN WITNESS WHEREOF, the undersigned Guarantor has executed this Guaranty effective as of the date of the Agreement.

_____	_____
Dated: _____	Dated: _____
_____	_____
Spouse (if applicable)	*Spouse (if applicable)*
Dated: _____	Dated: _____

EXHIBIT D – STATE LAW ADDENDUM

TO THE ALTITUDE TRAMPOLINE PARK FRANCHISE AGREEMENT

[If applicable, the state specific addendum to the Agreement is inserted here]

EXHIBIT D – AREA DEVELOPMENT OF AGREEMENT

ALTITUDE FRANCHISING

AREA DEVELOPMENT AGREEMENT

[NAME OF FRANCHISEE]

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ALTITUDE FRANCHISING
AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (this "Agreement") is made and entered into on _____, 20___, by and between ALTITUDE FRANCHISING, LLC ("**Altitude**" or "**Franchisor**"), a Texas limited liability company located at 516 Silicon Drive, Southlake, TX 76092, and _____ ("**Area Developer**"), a _____ [limited liability company/ corporation/partnership] with a principal place of business located at _____.

WHEREAS, Altitude has created a system, under the trade name "Altitude Trampoline Park®" for the purpose of developing, operating and maintaining an indoor trampoline business which (i) provides recreational services in the nature of entertainment centers featuring trampolines and other entertainment services, and (ii) sells products relating to the trade name and marks used by Franchisor relative to the operations of an Altitude Trampoline Park;

WHEREAS, Area Developer acknowledges that the system is a unique system which incorporates, in part, the use of proprietary and confidential information, trademarks, service marks and trade names (the "**Licensed Marks**"), operating and training methods and procedures, equipment standards, concepts and other processes and procedures of value to the creation and operation of an Altitude Trampoline Park (the "**ATP System**") and further acknowledges that Area Developer has independently investigated the business risks involved and such other matters as Area Developer deems important, including current and potential market conditions and competitive factors and risks, has read Altitude's Franchise Disclosure Document ("**FDD**"), and has not relied on any representations not set forth in this Agreement;

WHEREAS, Area Developer is fully aware of the foregoing and desires to enter into this Agreement to obtain rights to develop Altitude Trampoline Parks (as such term is defined in the Franchise Agreement) under the ATP System (each, an "**ATP Business**") in accordance with the attached development schedule;

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, intending to be legally bound, do hereby mutually agree as follows:

1. Grant of Development Rights.

1.1 Development Rights. Altitude grants Area Developer the right and license, subject to the terms and conditions of this Agreement, and Area Developer accepts the obligation, to develop the number of ATP Businesses set forth in **Exhibit A**, each by the deadlines stated in **Exhibit A** (the "**Development Schedule**"). Each ATP Business developed under this Agreement will be established and operated pursuant to a Franchise Agreement (as defined below) entered into between Franchisor and Area Developer or between Franchisor and an Affiliate (as defined below) that satisfies the ownership and control requirements set forth in Section 8.2 below. This personal license granted to Area Developer is limited to the right to operate the ATP Businesses at locations only within the development area set forth in **Exhibit A** ("**Development Area**") and may not be used elsewhere or in any other manner. Area Developer has no right to sublicense any of the rights granted to Area Developer herein. As used in this Agreement, "**Affiliate**" means any person or entity that directly or indirectly controls, or is controlled by, the other, or that are under common control. For purposes of this Agreement, the word "control" or "is controlled by" shall mean (i) the possession of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract, or otherwise, including their respective partners, venturers, members, managers, directors, officers, shareholders, agents, servants and employees, or (ii) the ownership of a greater than five percent (5.0%) interest in the subject entity.

1.2 Permanent Closures and Relocation. If any one of the ATP Businesses permanently closes for any reason after having been opened, and as a result of such closure Area Developer falls below the development quota applicable at the time of closure pursuant to the Development Schedule, Area Developer will have six (6) months from the closing date in which to open a substitute ATP Business within the Development Area in its place. Such substitute ATP Business will not decrease the number of total ATP Businesses to be opened pursuant to this Agreement. If, any of the ATP Businesses established according to this Agreement is relocated (such relocation subject to the terms of the Franchise Agreement the ATP Business operates pursuant to), the relocated ATP Business will not decrease the number of total ATP Businesses to be opened pursuant to this Agreement.

1.3 Independent Investigation. Area Developer represents that Area Developer conducted Area Developer's own independent investigation and analysis of the prospects for the establishment of Altitude Trampoline Parks within the Development Area and approves the Development Schedule as being reasonable and viable, and recognizes that failure to achieve the results described in the Development Schedule will constitute a material breach of this Agreement.

1.4 Restrictions on Altitude in the Development Area. During the Term and provided that Area Developer is in compliance with the Development Schedule, Altitude will not operate, or license or franchise third parties to operate, an ATP Business physically located within the Development Area, provided however, that Altitude and Altitude franchisees may solicit customers within the Development Area for ATP Businesses located elsewhere. Once an ATP Business is established in the Development Area, Area Developer's territorial rights with respect to that ATP Business will be defined only in the applicable Franchise Agreement.

1.5 Reservation of Rights. Altitude reserves all rights not specifically granted to Area Developer in this Agreement. Among other things, this Agreement does not limit Altitude's right or the right of any of its Affiliates to use or license the ATP System or to engage in or license any business activity, including, without limitation, the operation or franchising of trampoline parks under the Licensed Marks at any location outside the Development Area, and/or under any other trade name, trademark or service mark now or hereafter owned by or licensed to Altitude or its Affiliates at any location inside or outside the Development Area, which may include locations close to Area Developer's ATP Businesses, or the sale, distribution or marketing of products identified by the Licensed Marks inside or outside of the Development Area. The reserved rights also include Franchisor's right to acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere or business conducted anywhere, including in the Development Area. These transactions may include arrangements involving competing businesses or outlets and dual branding or brand conversions. Area Developer must participate at Area Developer's expense in any conversion as instructed by Altitude and subject to the terms of any applicable franchise agreement. Area Developer acknowledges that Altitude's rights to use and/or license the ATP System pre-date this Agreement and are not limited or changed by the terms of this Agreement. Area Developer agrees that by acknowledging those rights, the parties do not intend to make Altitude's exercise of such rights subject to rules applicable to contractual performance or the exercise of contractual discretion under this Agreement.

2. Development Area.

2.2 The Development Area for this Agreement is set forth in **Exhibit A** under the heading "Development Area." Political boundaries that are part of the description of the Development Area are fixed as of the date of this Agreement and shall not change for the purpose hereof, notwithstanding a political reorganization or change to such boundaries or regions. All street boundaries shall be deemed to end at the street center line unless otherwise specified.

3. Term.

3.1 Unless sooner terminated in accordance with Article 9, the term of this Agreement will expire on the date of acceptance and execution of a Franchise Agreement for the last of the ATP Businesses to be established pursuant to the Development Schedule, or on the date the last of the ATP Businesses to be established pursuant to the Development Schedule is to open according to the Development Schedule, whichever occurs first (the "**Term**"). There is no renewal right.

4. Initial Services and Ongoing Obligations.

4.1 Area Developer acknowledges and agrees that Altitude's initial service under the Area Development Agreement is solely to identify the Development Area and that Altitude has no ongoing obligations such as training or operational assistance to Area Developer under this Agreement. All ongoing and further obligations to Area Developer in opening Area Developer's locations shall be provided pursuant to the Franchise Agreement between Altitude and Area Developer (or such other Affiliate franchisee as permitted pursuant to Section 1.1).

5. Area Development Fee.

5.1 For the rights Altitude grants Area Developer under the terms of this Area Development Agreement, Area Developer agrees to pay Altitude an Area Development Fee of forty thousand dollars ($ 40,000) U.S. Dollars for each ATP Business required to be established pursuant to this Agreement, for a total Area Development Fee of _____($_____) U.S. Dollars. The Area Development Fee is fully earned on receipt and is not refundable for any reason.

6. Execution of Franchise Agreements.

6.1 Area Developer (or such other Affiliate franchisee as permitted pursuant to Section 1.1) must execute a separate Franchise Agreement on Altitude's then-current form of franchise agreement ("**Franchise Agreement**") for each ATP Business to be established by Area Developer in the Development Area, except that Area Developer are not required to pay Altitude any Initial Franchise Fee other than the Area Development Fee payable pursuant to Section 5.1. Further, provided that Area Developer are in good standing at the time each subsequent Franchise Agreement is executed, Altitude will modify each such Franchise Agreement to reflect Area Developer's obligation to pay to Altitude a nonrefundable royalty ("Royalty") per calendar month (the "Accounting Period"). The Royalty will be equal to seven percent (7%) of the Total Gross Revenue, as defined in the Franchise Agreement for the Business. The current form of Franchise Agreement is attached hereto as **Exhibit D**.

7. Area Development Obligations.

7.1 Development Schedule. Recognizing that time is of the essence, Area Developer agrees to develop by the end of each Development Year the number of ATP Businesses set forth in the Development Schedule and to have each ATP Business open by the respective date provided in the Development Schedule. Notwithstanding the foregoing, if Area Developer is unable to develop the number of ATP Businesses required by the end of any Development Year Altitude may, in its sole discretion, grant Area Developer a 90-day extension to complete the development obligation for such Development Year. Any such extension is subject to Area Developer paying Altitude a development extension fee ("**Development Extension Fee**") of $10,000 per ATP Business that Area Developer is required to develop during the Development Year but will not be able to develop. The extension of the development term for any Development Year by payment of a Development Extension Fee does not

affect the Area Development Schedule for any ATP Businesses to be developed in any future Development Year.

7.2 Material Default. Any failure by Area Developer to develop and open the ATP Businesses in the numbers and within the times specified in the Development Schedule will constitute a material default under this Agreement allowing Altitude to terminate or reduce Area Developer's rights under this Agreement under Section 9.3, as determined by Altitude in its sole business judgment.

7.3 Site Approval Process. In order for Area Developer to develop an ATP Business in the Development Area, Area Developer must submit to Altitude for its written approval a site proposal for the proposed site and such other information or materials as Altitude may reasonably require, including, but not limited to, a copy of a letter of intent or other evidence satisfactory to Altitude which confirms Area Developer's favorable prospects for obtaining the site. Altitude will have twenty business (20) days after receipt of the site proposal and all other such information and materials required by it to approve or disapprove in writing the site proposal, which approval shall not be unreasonably withheld. Any disapproval will set forth Altitude's reasons for disapproving a site proposal.

7.4 Franchise Agreement. Provided Area Developer is in full compliance with the terms and conditions contained in this Agreement, and with all of its obligations under each existing Franchise Agreement, franchises will be granted to Area Developer upon Area Developer obtaining its written approval of a site for the proposed ATP Business. The granting of any such franchise is expressly conditioned on Area Developer and Altitude entering into a Franchise Agreement for the approved site.

7.5 No Guarantee of Profitability. Area Developer acknowledges that Altitude's approval of a site proposal submitted by Area Developer does not in any way guarantee that the site will become a profitable ATP Business. Area Developer expressly acknowledges that Altitude's approval of a site proposal submitted by Area Developer will not be deemed to be or construed as a warranty or guarantee, express or implied, as to the potential volume, profits or success of the trampoline park to be located on the site.

8. Ownership; Investors; Personal Guaranty; Responsible Person.

8.1 Owners and Guaranties. **Exhibit B** to this Agreement will at all times set forth all owners and their beneficial ownership interest in Area Developer (each, an "**Owner**") and the Responsible Person (as defined below). Area Developer must notify Altitude within five (5) days following any permitted change in ownership. Area Developer, or if Area Developer is an entity, each direct and indirect owner of Area Developer that has a greater than ten percent (10%) interest in Area Developer, must sign **Exhibit C** to this Agreement (Owners' Personal Guaranty of Franchisee's Obligations). However, if Altitude is entering into this Agreement totally or partially based on the financial qualifications, experience, skills or managerial qualifications of any Owner who directly or indirectly owns less than ten percent (10%) in Area Developer, Altitude has the right to require that person to sign **Exhibit C** to this Agreement. In addition, if Area Developer is a partnership, then each person or entity who, at any time, is a general partner must sign **Exhibit C**, regardless of the percentage ownership interest.

8.2 Investors. Area Developer may have other investors involved in the ownership of any of the individual ATP Businesses to be developed pursuant to this Agreement as long as: (i) Area Developer advises Altitude of those investors as provided in Section 8.1; (ii) such investors satisfy the requirements for new franchisees of ATP Businesses at the time the investor is added, including with respect to ownership of competing businesses; and (iii) Area Developer or, if Area Developer is an entity, the majority owners of Area Developer as of the Effective Date, maintain majority ownership and voting

control throughout the term of the Franchise Agreement, unless expressly agreed otherwise in prior writing by the parties. The requirements for owners set forth in the Franchise Agreement for the ATP Business that the investor is a co-owner of will apply to the investor as to any other franchisee owner, including any provisions regarding guarantees. Area Developer may create a special purpose franchisee entity for one or more ATP Business provided that (i) Area Developer retains majority ownership in and voting control of the franchisee entity, (ii) the Owners of the franchisee entity are approved by Altitude pursuant this Section 8.2, and (iii) the Owners of the franchisee entity owning ten percent (10%) interest or more in such entity each execute the guaranty to the Franchise Agreement.

8.3 Responsible Person. Area Developer must designate one (1) individual, who shall be set forth in **Exhibit B** hereto, who has the authority to, and does in fact, actively direct Area Developer's business affairs related to Area Developer's obligations under this Agreement ("**Responsible Person**"). Area Developer (or Area Developer's Responsible Person) shall exert Area Developer's (or their) best efforts to the development of Area Developer's ATP Businesses; and absent Altitude's prior written approval may not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with the obligations hereunder. Area Developer must notify Altitude of any proposed change of the Responsible Person and receive Altitude's written approval prior to such change. If such change results from the immediate termination (whether voluntary or involuntary) of the Responsible Person, Area Developer must submit a new proposed Responsible Person within fifteen (15) days after such termination. Neither Area Developer nor Area Developer's Owners will, directly or indirectly, take any actions to avoid or restrict the authority requirement for the Responsible Person.

9. Default and Termination.

9.1 Termination With Opportunity to Cure. If: (i) Area Developer fails to comply with the development obligations set forth in the Development Schedule for any location at any time; (ii) Area Developer fails to comply with other terms of this Agreement; or (iii) if Area Developer, or the franchisee under a Franchise Agreement for an ATP Business to be developed pursuant to this Agreement, fails to comply with the terms of the Franchise Agreement for any ATP Business developed pursuant to this Agreement; Altitude will have the right, but not obligation, to terminate this Agreement upon thirty (30) days' notice to Area Developer with the opportunity to cure during that notice period. No right or remedy conferred on Altitude under this Agreement is exclusive of any other right or remedy provided or permitted by law or equity.

9.2 Termination Without Opportunity to Cure. If: (i) Area Developer makes or is deemed to have made a general assignment for the benefit of creditors, or if a petition is filed against Area Developer under the U.S. Bankruptcy Code and not dismissed within sixty (60) days of filing, or if a petition is filed by Area Developer under the U.S. Bankruptcy Code, or if Area Developer is declared or adjudicated bankrupt, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator, or any other officer with similar powers is appointed for Area Developer, or if Area Developer commits any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consent to the institution of such appointment or proceedings, or if Area Developer admits in writing its inability to pay debts generally as they become due; (ii) Area Developer at any time has any of the assets of its business seized or taken in execution or in attachment by one of its creditors, or a writ of execution issues against such assets, or if Area Developer without Altitude's prior written consent gives any security interest in any of such assets or sell any of such assets except in the normal course of business, such that the foregoing materially impairs the operation of the business or any security interest which Altitude may have in respect of this Agreement; (iii) Area Developer willfully or fraudulently misrepresented any fact or condition made in any application or report provided to Altitude or required to be made by this Agreement; or (iv) by Area Developer's actions, or its failure to take an action that it is required to take,

Area Developer adversely affects the goodwill associated with the Licensed Marks or ATP System; Altitude will have the right, but not obligation, to terminate this Agreement effective immediately, without giving Area Developer notice or opportunity to cure the default.

9.3 Alternative Remedies. In lieu of exercising its right to terminate this Agreement, Altitude has the right to modify this Agreement, including by: (a) reducing the size of the Development Area; (b) modifying the Development Schedule in terms of timing and/or number of units to be opened; (c) requiring Area Developer's execution of Altitude's then-current form of general release; and/or (d) requiring Area Developer's execution of Altitude's then- current form of area development agreement, which shall replace this Agreement and which may contain materially different terms and conditions. Exercise of Altitude's rights under this Section does not waive Altitude's right to exercise all other rights, and invoke all other provisions, that are provided in law and/or set out in this Agreement.

9.4 No Default Under Franchise Agreements. No default under this Agreement shall constitute a default under any Franchise Agreement entered into pursuant to this Agreement.

9.5 No Further Development Rights. Upon termination or expiration of this Agreement Area Developer has no right to establish or operate any ATP Business for which a Franchise Agreement has not already been executed at the time of termination or expiration. Franchisor has no obligation to execute any additional Franchise Agreements or approve any sites for ATP Businesses if Area Developer is in default under this Agreement at such time.

10. Future Development.

10.1 Area Developer recognizes and acknowledges that this Agreement requires Area Developer to open ATP Businesses in the future pursuant to the Development Schedule. Area Developer further acknowledges that the estimated expenses and investment requirements set forth in Items 6 and 7 of Altitude's FDD are subject to increase over time, and that future ATP Businesses likely will involve greater initial investment and operating capital requirements than those stated in the FDD provided to Area Developer before the execution of this Agreement. Area Developer must execute all the Franchise Agreements and open all the ATP Businesses by the dates set forth on the Development Schedule, regardless of (i) the requirement of a greater investment, (ii) the financial condition or performance of Area Developer's prior ATP Businesses, or (iii) any other circumstances, financial or otherwise. The foregoing will not be interpreted as imposing any obligation upon Altitude to execute the Franchise Agreements under this Agreement if Area Developer has not complied with each and every condition necessary to develop the ATP Businesses, or if Area Developer does not meet Altitude's then-current requirements for franchisees at the time Area Developer are scheduled to execute a Franchise Agreement.

11. Compliance with Applicable Laws.

11.1 Area Developer must, at Area Developer's expense, comply with all federal, state, city, municipal and local laws, ordinances, rules and regulations in the Development Area pertaining to the operation of Area Developer's ATP Businesses. Area Developer must, at Area Developer's expense, be absolutely and exclusively responsible for determining all licenses and permits required by law for Area Developer's Businesses, for qualifying for and obtaining all such licenses and permits, and maintaining all such licenses and permits in full force and effect.

12. Area Developer's Confidentiality and Non-Competition Obligations.

12.1 Confidential Information. Area Developer acknowledges that certain information relating to the development and operation of the ATP Businesses including, without limitation, the

standards, methods, procedures and specifications of the ATP System, including the contents of the operations manual, is derived from information disclosed to Area Developer by Altitude and that all such information is of a proprietary and confidential nature and our trade secret (**"Confidential Information"**). Area Developer and each of its owners, officers, directors, members, partners, managers, employees and agents, must maintain the absolute confidentiality of all such Confidential Information both during the Term and after the termination or expiration of this Agreement and can use such Confidential Information only to the extent necessary to allow Area Developer to exercise its rights and obligations under this Agreement, and may not disclose any such Confidential Information for any reason whatsoever, except as provided herein. Area Developer may disclose the Confidential Information to its Owners, officers, directors, members, partners, managers, employees and agents only to the extent necessary for Area Developer to exercise its rights and obligations under this Agreement. Area Developer must sign, and shall cause those persons receiving the Confidential Information to sign, a Confidentiality Agreement that Altitude prescribes. Area Developer cannot use any such Confidential Information, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by Altitude during the Term or afterwards. Area Developer will not acquire any interest in the Confidential Information other than the right to use the Confidential Information in connection with the development of the ATP Businesses during the Term, and acknowledges that its use or duplication of the Confidential Information in any other business or capacity will constitute an unfair method of competition with us, our affiliates and Altitude's other area developers and franchises.

12.2 Non-Competition During the Term. During the Term, Area Developer, its owners, officers, directors, and managers shall not, without the prior written consent of Franchisor, either directly or through any form of entity, either individually or jointly or in conjunction with any person, firm, association, syndicate or entity, as principal, agent, shareholder, member, partner or in any manner whatsoever, carry on or be engaged in or be involved with or interested in or advise, lend money to, guarantee the debts or obligations of or permit its name or any part thereof to be used or employed in any business operating as an indoor trampoline park, other than an Altitude Trampoline Park (a **"Competitive Business"**).

12.3 Non-Competition After the Term. On termination or expiration of this Agreement, or the transfer, sale or assignment of this Agreement by Area Developer, neither Area Developer, nor its owners, officers, directors, or managers will have any direct or indirect interest (i.e. through a relative or Affiliate) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent, for two (2) years, in any, then existing, Competitive Business in: (1) the Development Area or any other franchisee's designated territory; (2) within fifty (50) miles of the Development Area or any other franchisee's designated territory; or (3) within fifty (50) miles of any Franchisor or Affiliate-owned Altitude Trampoline Park. Area Developer agrees and acknowledges that the two (2) year period of this restriction shall be tolled during any time period in which Area Developer is in violation of this restriction. Furthermore, Area Developer agrees and acknowledges that any in-term covenant to compete that applies to Area Developer, Area Developer's Affiliates or Area Developer's Owners under any Franchise Agreement with Altitude shall continue to apply and will not be superseded or amended by the termination of this Agreement.

12.4 Exceptions From Non-Competition Provision. The restrictions in Articles 12.2 and 12.3 do not apply to: (a) interests in or operation of an ATP Business under a written Franchise Agreement with Altitude; or (b) the ownership of shares of a class of securities that are listed on a public stock exchange or traded on the over-the-counter market and that represent less than five percent (5%) of that class of securities.

12.5 Injunctive Relief. Area Developer agrees that damages alone cannot adequately compensate Altitude if there is a violation of these noncompetitive covenants and that injunctive relief is

essential for Altitude's protection. Area Developer therefore agrees that in case of any alleged breach or violation of this Article, Altitude may seek injunctive relief without posting any bond or security, in addition to all other remedies that may be available to Altitude at equity or law.

13. No Rights to Development Area Upon Termination. After the termination or expiration of this Agreement for any reason, any and all rights Area Developer had in and to the Development Area shall cease and Altitude will have the absolute and unrestricted right to develop the Development Area or to contract with other franchisees for the future development of the Development Area.

14. Assignment by Altitude. Altitude has the right to sell or assign, in whole or in part, Altitude's interests in this Agreement, and any such sale or assignment shall inure to the benefit of any assignee or other legal successor to Altitude's interest.

15. Assignment by Area Developer.

15.1 Area Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Area Developer, and that Franchisor has granted the rights described in this Agreement in reliance on Area Developer's or Area Developer's owners' business skill, financial capacity, and personal character. Accordingly, Area Developer shall not have the right, to transfer, pledge or otherwise encumber any of its rights hereunder, and, if Area Developer is a business entity, without the prior written consent of Franchisor issue or transfer any voting securities or interest in the Area Developer.

16. Severability.

16.1 Every part of this Agreement is severable and the invalidity or unenforceability of any part of this Agreement shall not affect the validity and enforceability of any other part of this Agreement. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, length of time and/or business scope, but may be made enforceable by reductions of any or all thereof, the same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction where enforcement is sought.

17. Dispute Resolution.

17.1 Waiver of Rights. FRANCHISOR AND AREA DEVELOPER WAIVE AND AGREE NOT TO INCLUDE IN ANY PLEADING OR ARBITRATION DEMAND: CLASS ACTION CLAIMS; DEMAND FOR TRIAL BY JURY; OR, EXCEPT FOR CLAIMS BROUGHT BY ALTITUDE AGAINST AREA DEVELOPER FOR UNAUTHORIZED USE OF THE LICENSED MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, CLAIMS FOR PUNITIVE, MULTIPLE, OR EXEMPLARY DAMAGES. IF ANY PLEADING IS FILED THAT CONTAINS ANY OF THESE CLAIMS OR A JURY DEMAND, OR IF A COURT DETERMINES THAT ALL OR ANY PART OF THE WAIVERS ARE INEFFECTIVE, THEN THE PLEADING SHALL BE DISMISSED WITH PREJUDICE, LEAVING THE PLEADING PARTY TO ITS ARBITRATION REMEDY. NO CLAIM BY EITHER PARTY CAN BE CONSOLIDATED WITH THE CLAIMS OF ANY OTHER PARTY. IF SUCH CLAIMS AND DEMANDS CANNOT BE WAIVED BY LAW, THEN THE PARTIES AGREE THAT ANY RECOVERY WILL NOT EXCEED TWO (2) TIMES ACTUAL DAMAGES.

17.2 Mediation. In the event of any dispute, other than disputes that are the subject of Area Developer's default pursuant to Section 9.2, either party has the option of initiating a mediation proceeding by submitting a written request for mediation to American Arbitration Association ("**AAA**")

according to its procedures, or any other mediation service mutually agreed to by the parties according to the procedures of such other mediation service.

The mediation process shall begin promptly and shall be concluded within ten (10) business days after the day the request for mediation is made, unless the parties mutually otherwise agree. Any and all discussions, negotiations, findings or other statements by the mediator and/or the parties made in connection with the mediation shall be privileged and confidential and shall not be admissible into evidence in any litigation or arbitration.

All mediation proceedings shall take place in the county and state where Altitude has its principal place of business. The expenses of the mediation service shall be borne equally by both parties, and all other expenses relating to such mediation shall be borne by the party incurring them.

The commencement of any dispute resolution procedure shall not act to prevent Altitude from instituting or proceeding with any action which may be the subject of the dispute.

17.3 Arbitration. Either party, as plaintiff, may choose to submit a dispute, controversy or claim between Area Developer and Altitude, and any of Altitude's or Area Developer's Affiliates, officers, directors, owners, guarantors or employees arising under, out of, in connection with or in relation to this Agreement to arbitration administered by the AAA under its Commercial Arbitration Rules (or by another nationally established arbitration association acceptable to both parties) and under the Federal Rules of Evidence. Notwithstanding the foregoing, Franchisor shall have the option to submit to a court any of the following actions: (i) to collect fees due under this Agreement; (ii) for injunctive relief; (iii) to protect Franchisor's intellectual property, including Licensed Marks and the ATP System; and (iv) to terminate this Agreement for a default. The parties shall jointly select one (1) arbitrator. If the parties cannot select one (1) arbitrator jointly, each party shall select one (1) arbitrator and those arbitrators shall jointly select a third arbitrator, and the arbitration shall be heard by those three (3) arbitrators so selected. The arbitrator(s) shall issue a reasoned award, with findings of fact and conclusions of law. The arbitration award and the decision on any appeal will be conclusive and binding on the parties. Actions to enforce an express obligation to pay money may be brought under the Expedited Procedures of the AAA's Commercial Arbitration Rules. AREA DEVELOPER AND FRANCHISOR HAVE NEGOTIATED REGARDING A FORUM IN WHICH TO RESOLVE ANY DISPUTES THAT MAY ARISE BETWEEN THEM AND HAVE AGREED TO SELECT A FORUM IN ORDER TO PROMOTE STABILITY IN THEIR RELATIONSHIP. THEREFORE, IF A CLAIM IS ASSERTED IN ANY LEGAL PROCEEDING INVOLVING AREA DEVELOPER, ITS OFFICERS DIRECTORS, MANAGERS, MEMBERS, OR PARTNERS AND FRANCHISOR, ITS OFFICERS, DIRECTORS, SHAREHOLDERS, MANAGERS, MEMBERS, EMPLOYEES OR AFFILIATES OF BOTH PARTIES AGREE THAT THE EXCLUSIVE VENUE FOR ARBITRATION PROCEEDINGS OR COURT PROCEEDINGS (WITH RESPECT TO CLAIMS NOT SUBJECT TO ARBITRATION) BETWEEN THEM SHALL TAKE PLACE IN THE COUNTY AND STATE WHERE FRANCHISOR HAS ITS PRINCIPAL PLACE OF BUSINESS AND EACH WAIVE ANY OBJECTION EITHER MAY HAVE TO THE PERSONAL JURISDICTION OF OR VENUE IN SUCH COUNTY AND STATE. FOR CLAIMS EXCLUDED FROM THE ARBITRATION PROVISION, AREA DEVELOPER IRREVOCABLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND WAIVES ANY OBJECTION AREA DEVELOPER MAY HAVE TO EITHER THE JURISDICTION OR VENUE IN SUCH COURT. FRANCHISOR AND AREA DEVELOPER FURTHER WAIVE EACH OF THEIR RIGHTS TO A JURY TRIAL FOR ANY MATTER THAT IS TRIED BEFORE A COURT OF LAW. Arbitration must be commenced within two (2) years after discovery of facts giving rise to the claim.

17.4 Counter Claims. In connection with any arbitration proceeding, each party will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13

of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be barred.

17.5 No Class Actions. Any arbitration must be on an individual basis only as to a single development agreement (and not as or through an association) and the parties and the arbitrator will have no authority or power to proceed with any claim on a class-wide basis or otherwise to join or consolidate any claim with any claim or any other proceeding involving third parties.

17.6 Scope of Arbitration. Disputes concerning the validity or scope of this Section, including whether a dispute is subject to arbitration, are beyond the authority of the arbitrator(s) and shall be determined by a court of competent jurisdiction pursuant to the Federal Arbitration Act, 9 U.S.C. §1 et seq., as amended from time to time. The provisions of this Section shall continue in full force and effect subsequent to any expiration or termination of this Agreement.

17.7 Prevailing Party. If either party institutes a legal proceeding, including court proceedings or arbitration, and prevails entirely or in part in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party, in addition to any judgment, reasonable attorneys' fees and court costs.

17.8 Performance to Continue. Each party must continue to perform its obligations under this Agreement pending final resolution of any dispute pursuant to this Article 17, unless to do so would be impossible or impracticable under the circumstances.

17.9 Business Judgment. The parties hereto recognize, and any mediator, arbitrator or judge is affirmatively advised, that certain provisions of this Agreement describe Altitude's right to take (or refrain from taking) certain actions in the exercise of our business judgment based on our assessment of the overall best interests of the ATP System and/or franchise network. Where such discretion has been exercised, and is supported by our business judgment, neither a mediator nor an arbitrator nor a judge shall substitute his or her judgment for the judgment so exercised by us.

17.10 Governing Law. This Agreement shall be governed, construed and interpreted in accordance with the substantive laws of the State of Texas, without giving effect to its conflicts of law principles and except that the Federal Arbitration Act (9 U.S.C. §§ 1 et. seq.) shall apply to any arbitration pursuant to this Agreement. Notwithstanding the foregoing, if the covenants in Section 12 of this Agreement would not be enforceable under the laws of Texas, and the Development Area is located outside of that state, then such covenants shall be interpreted and construed under the laws of the state in which the Development Area is located, or the majority of the Development Area is located, if located in more than one state. Nothing in this Section 17 is intended by the parties to subject this Agreement to any franchise of similar law, rule or regulation of the State of Texas to which this Agreement would not otherwise be subject. If applicable law provides Area Developer with additional rights as to notices, opportunities to cure or otherwise than as are provided by this Agreement as to termination, renewal, transfers or otherwise, Altitude will comply with the requirements of such laws to the extent they exceed Altitude's obligations under this Agreement.

18. Notices.

18.1 All communications or notices required or permitted to be given or served under this Agreement must be in the English language and in writing and will be deemed to have been duly given or made if (a) delivered in person or by courier (including by Federal Express or other courier), or (b) deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested. All communications and notices will be effective upon delivery in person or by courier

to the address set forth in this Agreement upon being deposited in the United States mail in the manner set forth above. Any party may change his, her or its address by giving notice in writing, stating his, her or its new address, to the other party to this Agreement as provided in the foregoing manner.

19. Force Majeure.

19.1 Neither party hereto shall be liable for any loss or damage or be deemed to be in breach of this Agreement due to any delay in the due performance of the terms hereof (except for the payment of money) by reason of strikes, lockouts and other labor relations, fires, riots, wars, embargoes and civil commotion, or acts of God (each, a "**Force Majeure Event**"). Any such delay shall extend performance only so long as such event is in progress and will extend for a period equal to the time lost any applicable time period, provided that the party affected makes reasonable efforts to correct the reason for such delay and gives the other party prompt notice of any such delay. Notwithstanding the foregoing, if Area Developer is delayed in performing its obligations under the Development Schedule by more than one hundred twenty (120) days due to a Force Majeure Event, then Altitude will have the right to terminate this Agreement.

20. Currency.

20.1 Unless otherwise directed by Franchisor in writing, all amounts contemplated by this Agreement will be paid in United States Dollar.

21. Relationship and Indemnification

21.1 Independent Parties. Area Developer is and will at all times remain an independent contractor, and may not and will not represent itself to be Altitude's agent, joint venturer, partner or employee, or to be related to Altitude other than as its independent developer. Area Developer may not make any representations or take any acts which could establish any apparent relationship of agency, joint venture, partnership or employment with Altitude, and Altitude will not be bound in any manner whatsoever by any agreements, warranties, representations or undertakings made by Area Developer to any other person nor with respect to any other action of Area Developer. Area Developer may not establish any bank account, make any purchase, apply for any loan or credit, or incur or permit any obligation to be incurred in Altitude's name or on Altitude's credit. No acts of assistance given by Altitude to Area Developer shall be construed so as to alter this relationship. Area Developer will be solely responsible for paying all the operating costs of its development business, including all taxes.

21.2 Area Developer's Liability. If two (2) or more individuals execute this Agreement as the Area Developer, the liability of each such individual hereunder shall be joint and several.

21.3 Non-Liability. Altitude will not be obligated or liable for any injury or death of any person or damage to any property caused by Area Developer's action, failure to act, negligence or willful conduct, nor for any other liability Area Developer incurs.

21.4 Area Developer's Indemnity Obligations. Area Developer agrees to indemnify, hold harmless and, upon request, defend Altitude, its affiliates, and their respective members, owners, directors, officers, managers, employees and agents (the "**Indemnified Parties**"), from and against all suits, proceedings, assessments, losses, claims, demands or actions of any nature or kind whatsoever ("**Claims**"), directly or indirectly arising out of, or in any manner whatsoever associated or connected with:

21.4.1 Area Developer's failure to pay when due any levies, taxes or assessments that Area Developer may be required by applicable law to pay;

21.4.2 Area Developer's operation of Area Developer's area development business; or

21.4.3 Area Developer's actions, failure to act, negligence or willful conduct;

and against any and all damages, costs, expenses and fees (including, without limitation, reasonable legal expenses and fees), losses, fines or penalties incurred by or on behalf of any of the Indemnified Parties in the investigation or defense of any and all Claims.

22. Right of Set-off.

22.1 Set-off by Altitude. Notwithstanding any other provision of this Agreement, upon Area Developer's failure to pay Altitude as and when due any sums of money under this Agreement or any other amounts owing to Altitude, Altitude may, at its election, deduct any and all such sums remaining unpaid from any monies or credit held by Altitude for Area Developer's account.

22.2 Not Withhold Payment. Area Developer agrees that Area Developer will not on the grounds of the alleged non-performance by Altitude of any of its obligations under this Agreement or under any other agreement between the parties, withhold payment of any amounts due to Altitude whether on account of equipment or goods purchased by Area Developer or otherwise.

23. Multiple Copies.

23.1 This Agreement may be executed in counterparts, each of which will be deemed an original, and all of which when taken together shall constitute one and the same document. For purposes of this Agreement, a formal written document on paper with wet signatures (pen on paper signatures) and otherwise consistent with the requirements herein, which is transmitted by facsimile, the internet, or the like, as an image or PDF document is valid when signed by pen on paper. The words "execution," "signed," "signature," and words of similar import in this Agreement shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paper-based recordkeeping system, as the case may be, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 USC SS 7001 et seq.) or any other similar state or federal laws.

24. Entire Agreement and Survival.

24.1 This Agreement together with any recitals, exhibits, addenda and appendices hereto constitute the sole agreement between Area Developer and Altitude with respect to the entire subject matter of this Agreement and embodies all prior agreements and negotiations with respect to Area Developer's ATP Businesses authorized hereunder. Altitude expressly disclaims any understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) which are not fully expressed in this Agreement. Nothing in this or any related agreement, however, is intended to disclaim the representations made by Altitude in the FDD was furnished to Area Developer by Altitude.

24.2 Notwithstanding anything contained in this Agreement to the contrary, the provisions of this Agreement that may affect the parties' rights and obligations after the expiration or termination of this Agreement will survive the expiration and termination of this Agreement.

25. Modification.

25.1 No failure, forbearance, neglect or delay of any kind on the part of Franchisor in connection with the enforcement or exercise of any rights under this Agreement shall affect or diminish Franchisor's right to strictly enforce and take full benefit of each provision of this Agreement at any time, whether at law for damages, in equity for injunctive relief or specific performance, or otherwise. No custom, usage or practice with regard to this Agreement by Area Developer or Franchisor's other area developers shall preclude the strict enforcement of this Agreement in accordance with its literal terms. No waiver by Franchisor of performance of any provision of this Agreement shall constitute or be implied as a waiver of Franchisor's right to enforce that provision at any future time. No interpretation, change, modification, amendment, termination or waiver of any provision of this Agreement, and no consent or approval under this Agreement, shall be binding upon Area Developer or Franchisor or effective unless made in a writing setting forth the nature and extent of the interpretation, change, modification, amendment, termination or waiver and that is signed by Area Developer and Franchisor's CEO, President or Vice President, except that a waiver need be signed only by the party waiving its rights.

26. Other Franchisees/Area Developers.

26.1 Area Developer acknowledges that other Altitude franchisees/area developers have or will be granted franchises or are development rights at different times and in different situations, and further acknowledges that the provisions of such agreements may vary substantially from those contained in this Agreement.

27. Binding Effect.

27.1 Except as otherwise provided herein to the contrary, this Agreement shall be binding upon, and shall inure to the benefit of, Area Developer and Altitude, and the parties' respective permitted executors, legal representatives, successors and assigns.

28. No Guarantee of Success.

28.1 **AREA DEVELOPER AND EACH OF THE UNDERSIGNED OWNERS WARRANTS AND REPRESENTS THAT HE/SHE HAS NOT RELIED UPON ANY GUARANTEES CONCERNING REVENUE, PROFIT OR THE SUCCESS OF THE ATP BUSINESSES TO BE DEVELOPED PURSUANT TO THIS AGREEMENT IN SO SIGNING.**

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the Effective Date.

Franchisor: ALTITUDE FRANCHISING FRANCHISE, LLC

By: _____

Name Printed: _____

Title: _____

EFFECTIVE DATE: _____

Area Developer: [AREA DEVELOPER ENTITY]

By: _____

Name Printed: _____

Title: _____

Date: _____

As Individuals: _____

Name Printed: _____

Title: _____

Date: _____

EXHIBIT A
DEVELOPMENT SCHEDULE & DEVELOPMENT AREA

Total number of ATP Businesses to be developed:_____

Development Year (each year ending on /)	Total Number of Open ATP Businesses at End of Development Year	Date of Signing Franchise Agreement	Date of Opening of ATP Business

Development Area:_____
_____
_____
_____

[insert map of Development Area, if available]

If there is a discrepancy between the written description of the Development Area and the map attached to this Exhibit A depicting the Development Area, the written description shall prevail.

EXHIBIT B

OWNERSHIP ADDENDUM

1. **RESPONSIBLE PERSON**. The name and home address of the Responsible Person is as follows:

_____

_____

_____

2. **FORM OF ENTITY OF AREA DEVELOPER.**

(a) **LIMITED LIABILITY COMPANY OR CORPORATION.** Area Developer was organized on _____ under the laws of the State of _____ _____. Its Federal Employer Identification Number is _____. It has not conducted business under any name other than its company or corporate name.

Name of Each Director/Officer/Managing Member	Position(s) Held
_____	_____
_____	_____
_____	_____
_____	_____

(b) PARTNERSHIP. Area Developer is a general or limited partnership formed on _____, under the laws of the State of _____. Its Federal Employer Identification Number is _____. It has not conducted business under any name other than its partnership name.

Name of Each General Partner

_____

_____

_____

3. **OWNERS.**

Area Developer and each of its Owners represents and warrants that the following is a complete and accurate list of all owners of any interest whatsoever in Area Developer, including the full name, and mailing address of each Owner, and fully describes the nature and extent of each Owner's interest in Area Developer. Area Developer and each Owner, as to his ownership interest, represents and warrants that each Owner is the sole and exclusive legal and beneficial owner of his ownership interest in Area Developer, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Agreement.

Owner's Name and Address	Percentage and Nature of Ownership Interest
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

This **Exhibit B** is deemed accepted and made a part of the Area Development Agreement as of the Area Development Agreement's Effective Date

_____ (Name of Limited liability company, corporation or partnership)	ALTITUDE FRANCHISING FRANCHISE, LLC A Texas Limited Liability Company
By: _____	By: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____

Owners:

_____
Signature

_____
(Print Name)

_____
Signature

_____
(Print Name)

EXHIBIT C

OWNERS' PERSONAL GUARANTY OF AREA DEVELOPER'S OBLIGATIONS
(attached)

OWNERS' PERSONAL GUARANTY OF AREA DEVELOPER'S OBLIGATIONS ("Guaranty")

In consideration of, and as an inducement to, the execution of the ALTITUDE FRANCHISING, LLC Area Development Agreement dated as of _____, 20 ___ (the "Agreement") by and between the ALTITUDE FRANCHISING, LLC ("Franchisor"), and _____ ("Area Developer"), each of the undersigned Owners of greater than ten percent (10%) interest in Area Developer hereby personally and unconditionally: (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Area Developer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement (and any amendments) and that each and every representation of Area Developer made in connection with the Agreement (and any amendments) are true, correct and complete in all respects at and as of the time given; and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement (and any amendments), including, without limitation, the confidentiality and non-competition provisions.

Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right he may have to require that an action be brought against Area Developer or any other person as a condition of liability; (e) notice of any amendment to the Agreement; and (f) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that: (i) his direct and immediate liability under this guaranty shall be joint and several; (ii) he shall render any payment or performance required under the Agreement upon demand if Area Developer fails or refuses to do so punctually; (iii) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Area Developer or any other person; and (iv) such liability shall not be diminished, relieved or otherwise effected by any extension of time, credit or other indulgence which the Franchisor may from time to time grant to Area Developer or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable until satisfied in full.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of the Guaranty will inure to the benefit of Altitude's successors and assigns.

This Guaranty shall be governed by the governing law provisions set forth in Article 17 of the Agreement and all disputes related to it shall be resolved in accordance with the dispute resolution provisions set forth in Article 17 of the Agreement.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature, under seal, as of the Effective Date of the Agreement.

PERCENTAGE OF OWNERSHIP INTEREST IN FRANCHISEE	**GUARANTOR (S)**
_____	_____ (Signature)
	_____ (Print Name)
_____	_____ (Signature)
	_____ (Print Name)
_____	_____ (Signature)
	_____ (Print Name)

EXHIBIT D

CURRENT FORM OF FRANCHISE AGREEMENT

EXHIBIT E

STATE AMENDMENTS TO
AREA DEVELOPMENT AGREEMENT

[Use for the following states: Illinois, Maryland, Minnesota, New York, North Dakota, Rhode Island, Virginia and Washington]

[Delete if not applicable]

EXHIBIT E – STATE SPECIFIC ADDENDA

Part I
State Specific Addenda to Franchise Disclosure Document

CALIFORNIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
ALTITUDE FRANCHISING, LLC

NOTE: 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.

As a supplement to the information disclosed in this disclosure document, the following additional paragraphs are added:

1. THE CALIFORNIA 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 TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF CORPORATIONS BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

3. See the cover page of the Disclosure Document for our URL address. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

4. No person identified in **Item 2** of the 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 78a *et seq.*, suspending or expelling such person from membership in such association or exchange.

5. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination transfer, or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

6. The Franchise Agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*).

7. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under California Law.

8. The Franchise Agreement requires arbitration or litigation to occur in Tarrant County, Texas, with the costs being borne by the non-prevailing party in the arbitration or litigation. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281 and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

9. The Franchise Agreement requires application of the laws of the State of Texas. These provisions may not be enforceable under California law.

10. The Franchise Agreement requires the parties to waive any and all rights to a trial by jury in the event of litigation. These provisions may not be enforceable under California law.

11. With respect to franchises governed by California law, we agree to comply with the requirements of Section 31109.1 of the Franchise Investment Law if we waive some fees for some franchisees, as described in **Item 5**.

12. You must sign a general release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

13. The following statements are added to Item 17: The Franchise Agreement may require you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

ILLINOIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
ALTITUDE FRANCHISING, LLC

Illinois law governs the Franchise Agreements(s).

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

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision supporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

MARYLAND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
ALTITUDE FRANCHISING, LLC

Item 5 of the disclosure document is amended as follows: 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 preopening 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.

As a supplement to the information disclosed in this disclosure document, the following additional paragraphs are added to **Item 17** of the disclosure document:

1. The Franchise Agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*)

2. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of your franchise.

3. You may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure law.

4. Under the Maryland Franchise Registration and Disclosure Law, the general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

MINNESOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
ALTITUDE FRANCHISING, LLC

As a supplement to the information disclosed in this disclosure document, the following additional paragraphs are added:

1. Any release executed in connection with the Franchise Agreement shall not apply to any claims arising under Minnesota Statutes 1973 Supplement, Sections 80C.01 to 80C.22, providing that a franchisee cannot be required to assent to a release, assignment, or waiver that would relieve any person from liability imposed by such statutes; provided, however that this shall not bar the voluntary settlement of disputes.

2. With respect to the franchises governed by Minnesota law, we will comply with Minnesota Statute Sec. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specific cases, that we give you 90 days prior notice of termination (with 60 days to cure) and 180 days prior notice for non-renewal of the franchise agreement.

3. Minnesota Statute Sec. 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to a jury trial or any procedure, forum, or remedies provided for by the laws of the jurisdiction.

NEW YORK ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
ALTITUDE FRANCHISING, LLC

As a supplement to the information disclosed in this disclosure document, the following additional paragraphs are added:

1. Except as disclosed in **Item 3** of the disclosure document, neither we, our predecessors, affiliates nor any person identified in **Item 2** of this disclosure document:

A. Has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against it or him alleging a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or within the ten (10) year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

C. Is subject to any currently effective injunctive or restrictive order or decree relating to franchises or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, trade practice law, or 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 as a result of a concluded or pending action or proceeding brought by a public agency.

2. Except as disclosed in **Item 4** of the disclosure document, during the fifteen (15) year period immediately preceding the date of this disclosure document, neither we, our predecessors, affiliates or any person identified in **Item 2** of this disclosure document has been adjudged bankrupt or reorganized due to insolvency or been a principal officer of any company or a general partner in any partnership at or within 1 year of the time that such company or partnership was adjudged bankrupt or reorganized due to insolvency or is otherwise subject to any pending bankruptcy or reorganization proceeding.

3. You will not be required to indemnify us for any claims arising out of a breach of the Franchise Agreement by us or other civil wrongs committed by us.

4. We will not make any changes to the Operations Manual which would impose an unreasonable economic burden on you or unreasonably increase your obligations under the Franchise Agreement.

5. We will not assign any of our rights under the Franchise Agreement except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Agreement.

6. Any release executed in connection with the Franchise Agreement is subject to the proviso that 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; it being the intent of this proviso that the nonwaiver provisions of Sections 687.4 and 687.5 of the General Business Law of New York State be satisfied.

7. You may terminate the Franchise Agreement and any ancillary agreements upon any other grounds available by law.

8. The summary in **Item 17**, Choice of Law, is amended to state the following:

Texas law applies unless governed by applicable federal law. The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon Franchisee by the General Business Law of the State of New York.

NORTH DAKOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
ALTITUDE FRANCHISING, LLC

As a supplement to the information disclosed in this disclosure document, the following additional paragraphs are added:

1. Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in North Dakota, except as provided by law.

2. Any release executed in connection with the Franchise Agreement will not apply to any claims that may arise under the North Dakota Franchise Investment Law.

3. Any litigation required by the Franchise Agreement will be conducted in the state where your Park is or will be located.

4. With respect to the franchises governed by North Dakota law, any provisions requiring the franchisee to consent to liquidated damages upon termination shall be void, in keeping with the provisions of the North Dakota Franchise Investment Law.

RHODE ISLAND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
ALTITUDE FRANCHISING, LLC

The following paragraph is added to the end of **Item 17** of the disclosure document:

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."

SOUTH DAKOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT ALTITUDE FRANCHISING, LLC

As a supplement to the information described in this disclosure document, the following additional paragraph is added to **Item 5**:

The South Dakota Department of Labor and Regulations has imposed financial assurances based on our financial condition. For this reason payment of the Initial Franchise Fee will be deferred until we have performed our initial obligations to you and you have commenced operation of your ATP Park.

VIRGINIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
ALTITUDE FRANCHISING, LLC

As a supplement to the information described in this disclosure document, the following additional paragraph is added to **Item 5**:

"The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement."

The following paragraph is added to **Item 17**:

"Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not contain "reasonable cause," as the term may be defined in the Virginia Retail franchising Act or the laws of Virginia, that provision may not be enforceable."

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT ALTITUDE FRANCHISING, LLC

1. In any litigation involving a franchise purchased in Washington, the litigation site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the litigation.

2. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, shall prevail.

3. A release or waiver of rights executed by you shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act may not be enforceable.

4. Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.

5. The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Area Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.

Part II
State Specific Addenda to Franchise Agreement

STATE LAW ADDENDUM TO THE FRANCHISE AGREEMENT

ILLINOIS

This Amendment pertains to franchises sold in the State of Illinois that are subject to the Illinois Franchise Disclosure Act (the "Act") and is for the purpose of complying with Illinois statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

Whenever a conflict exists between the Franchise Agreement and the State of Illinois law, Illinois law will govern this document. The following Illinois laws will supersede the language provided for in the Franchise Agreement and shall apply to the agreement between Franchisor and Franchisee:

(i) The following statement is added to the end of Article 20: The conditions under which Franchisee's license rights can be terminated and Franchisee's rights upon non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

(ii) Article 21, to the extent required under Illinois law, shall be modified as follows: EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 *ET SEQ.*) OR OTHER FEDERAL LAW OR MATTERS ARISING UNDER THE ILLINOIS FRANCHISE DISCLOSURE ACT WHICH SHALL BE GOVERNED BY ILLINOIS LAW, THIS AGREEMENT, THE FRANCHISE AND THE RELATIONSHIP BETWEEN FRANCHISOR AND FRANCHISEE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS, EXCEPT THAT ANY STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS OR (3) BUSINESS OPPORTUNITIES, SHALL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

(iv) The following provision shall be added to Section 21.1 of the Franchise Agreement: This Agreement is subject to Section 41 of the Illinois Franchise Disclosure Act which states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void."

(v) Section 4 of the Illinois Franchise Disclosure Act of 1987 provides as follows: Jurisdiction and Venue Section 4. Any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State. The Illinois Attorney General's Office has taken the position that the foregoing provision applies to the choice of which state's law shall govern this Agreement. Accordingly, the Franchise Agreement is hereby amended by adding the following thereto: "To the extent that Section 21.2 of this Agreement conflicts with or is unenforceable under Section 4 of the Illinois Franchise Disclosure Act of 1987, the provisions of said Section 4 shall apply."

(vi) Section 21.2 of the Franchise Agreement is amended to comply with Section 27 of the Illinois Franchise Disclosure Act of 1987 to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee, or Franchisee's operation of the Franchise brought by Franchisee against Franchisor shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after Franchisee becomes aware of the facts or circumstances indicating Franchisee may have a claim for relief, or 90 days after delivery to Franchisee of a written notice disclosing the violation, or such claim or action will be barred.

(vii) Section 22.1 of the Franchise Agreement is hereby deleted in its entirety, to the extent required under Illinois law.

FRANCHISEE:	**ALTITUDE FRANCHISING, LLC**
_____	_____
Signature	Curt Skallerup President
_____	
Printed Name	Dated: _____

STATE LAW ADDENDUM TO THE FRANCHISE AGREEMENT

MARYLAND

This Addendum pertains to franchises sold or offered for sale within the State of Maryland, operated in this State or to a Maryland resident that are subject to the Maryland Franchise Registration and Disclosure Law (the "Maryland Franchise Law") and is for the purpose of complying with Maryland statutes and regulations. Signing this Addendum where the jurisdictional requirements of the Maryland Franchise Law are not met does not subject the parties to the provisions of the Maryland Franchise Law.

Whenever a conflict exists between the Franchise Agreement and the State of Maryland law, Maryland law will govern this document. The following Maryland laws will supersede the language provided for in the Franchise Agreement and shall apply to the agreement between Franchisor and Franchisee:

(i) No provision of the Franchise Agreement shall act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

(ii) Any claim arising under the Maryland Franchise Registration and Disclosure law may be brought in the State of Maryland, including any arbitration proceeding.

(iii) Section 21.2 of the Franchise Agreement is amended to comply with Maryland Franchise Registration and Disclosure law to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee, or Franchisee's operation of the Franchise brought by Franchisee against Franchisor shall be commenced within 3 years from the date the Franchise is granted.

(iv) Any provision in the Franchise Agreement that requires Franchisee to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law is not intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

(v) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

(vi) Section 6.1 of the Franchise Agreement is amended by adding the following at the end of the Section: "Notwithstanding the foregoing, 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 preopening obligations under the franchise agreement."

FRANCHISEE:

_____
Signature

_____
Printed Name

ALTITUDE FRANCHISING, LLC

_____
Curt Skallerup
President

Dated: _____

STATE LAW ADDENDUM TO THE FRANCHISE AGREEMENT

MINNESOTA

This Amendment pertains to franchises sold in the State of Minnesota that are subject to the Minnesota franchise registration and disclosure law (the "Act") and is for the purpose of complying with Minnesota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

Whenever a conflict exists between the Franchise Agreement and the State of Minnesota law, Minnesota law will govern this document. The following Minnesota laws will supersede the language provided for in the Franchise Agreement and shall apply to the agreement between Franchisor and Franchisee:

(i) Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

(ii) The Franchise Agreement is amended to state that Franchisor will protect Franchisee against claims of infringement or unfair competition regarding Franchisee's use of the Marks when Franchisee's right to use the Marks requires protection.

(iii) The Franchise Agreement is amended to state that Franchisor will comply with Minnesota Statute 80C.14 subdivisions 3, 4, and 5, which require, except in certain specific cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

(iv) Minnesota Rule 2860.4400D prohibits Franchisor from requiring Franchisee to assent to a general release. The Franchise Agreement is modified accordingly, to the extent required by Minnesota law.

FRANCHISEE:	**ALTITUDE FRANCHISING, LLC**
_____	_____
Signature	Curt Skallerup President
_____	
Printed Name	Dated: _____

STATE LAW ADDENDUM TO THE FRANCHISE AGREEMENT

NEW YORK

This Addendum pertains to franchises sold in the State of New York that are subject to the New York franchise registration and disclosure law (New York General Business Law, Art. 33, Sec. 680 et seq., the "Act") and is for the purpose of complying with New York statutes and regulations. Signing this Addendum where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

Whenever a conflict exists between the Franchise Agreement and the State of New York law, New York law will govern this document. The following New York laws will supersede the language provided for in the Franchise Agreement and shall apply to the agreement between Franchisor and Franchisee:

(i) The Franchise Agreement is amended as follows: Franchisor will make no changes to the Operations Manual which would impose an unreasonable economic burden on Franchisee or unreasonably increase Franchisee's obligations.

(ii) The Franchise Agreement is amended as follows: Franchisor will make no assignment except to an assignee who, in Franchisor's good faith judgment, is willing and able to assume Franchisor's obligations under this Agreement.

(iii) The Franchise Agreement is amended to provide that any Franchisee release language shall not apply to any claims arising under the provisions of Article 33 of the General Business Law of the State of New York.

(iv) The Franchise Agreement is amended to provide that Franchisee will not be required to indemnify Franchisor for any claims arising out of a breach of the Agreement by Franchisor or other civil wrongs of Franchisor.

(v) The Franchise Agreement is amended to the extent required under New York law to provide as follows: EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 *ET SEQ.*) OR OTHER FEDERAL LAW OR MATTERS ARISING UNDER ARTICLE 33 OF THE GENERAL BUSINESS LAW OF THE STATE OF NEW YORK WHICH SHALL BE GOVERNED THEREBY, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR WILL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS, EXCEPT THAT ANY STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS, OR (3) BUSINESS OPPORTUNITIES, WILL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

FRANCHISEE:	ALTITUDE FRANCHISING, LLC
_____	_____
Signature	Curt Skallerup President
_____	
Printed Name	Dated: _____

STATE LAW ADDENDUM TO THE FRANCHISE AGREEMENT

SOUTH DAKOTA

This Amendment pertains to franchises sold in the State of South Dakota that are subject to the South Dakota Franchise Investment Act (the "Act") and is for the purpose of complying with South Dakota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

Payment of the Initial Fee and any other fees described in Article 6.1 of the Franchise Agreement shall be deferred until Franchisor has completed all of Franchisor's pre-opening obligations and Franchisee commences business pursuant to the Franchise Agreement.

FRANCHISEE:

_____
Signature

_____
Printed Name

ALTITUDE FRANCHISING, LLC

_____
Curt Skallerup
President

Dated: _____

STATE LAW ADDENDUM TO THE FRANCHISE AGREEMENT

VIRGINIA

This Amendment pertains to franchises sold in the State of Virginia that are subject to the Virginia Retail Franchising Act (the "Act") and is for the purpose of complying with Virginia statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

Whenever a conflict exists between the Franchise Agreement and the State of Virginia law, Virginia law will govern this document. The following Virginia laws will supersede the language provided for in the Franchise Agreement and shall apply to the agreement between Franchisor and Franchisee:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

Payment of the Initial Fee and any other fees described in Article 6.1 of the Franchise Agreement shall be deferred until Franchisor has completed all of Franchisor's pre-opening obligations and Franchisee commences business pursuant to the Franchise Agreement.

FRANCHISEE:

_____
Signature

_____
Printed Name

ALTITUDE FRANCHISING, LLC

_____
Curt Skallerup
President

Dated: _____

STATE LAW ADDENDUM TO THE FRANCHISE AGREEMENT

WASHINGTON

This Amendment pertains to franchises sold in the State of Washington that are subject to the Washington Franchise Investment Protection Act (the "Act") and is for the purpose of complying with Washington statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

Whenever a conflict exists between the Franchise Agreement and the State of Washington law, Washington law will govern this document. The following Washington laws will supersede the language provided for in the Franchise Agreement and shall apply to the agreement between Franchisor and Franchisee:

(i) In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator..

(ii) A release or waiver of rights executed by Franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel.

(iii) Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act, such as a right to a jury trial, may not be enforceable.

(iv) Transfer fees are collectable to the extent that they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer.

(v) Payment of the Initial Fee and any other fees described in Article 6.1 of the Franchise Agreement shall be deferred until Franchisor has completed all of Franchisor's pre-opening obligations and Franchisee commences business pursuant to the Franchise Agreement.

(vi) It shall be an unfair or deceptive act or practice or an unfair method of competition and therefore unlawful and a violation of this chapter for any person to:

(a) Refuse to renew a franchise without fairly compensating Franchisee for the fair market value, at the time of expiration of the franchise, of Franchisee's inventory, supplies, equipment, and furnishings purchased from Franchisor, and good will, exclusive of personalized materials which have no value to Franchisor, and inventory, supplies, equipment and furnishings not reasonably required in the conduct of the franchise business: provided, however, that compensation need not be made to Franchisee for good will if (i) Franchisee has been given one year's notice of nonrenewal and (ii) Franchisor agrees in writing not to enforce any covenant which restrains Franchisee from competing with the Franchisor: provided further, that Franchisor may offset against amounts owed to Franchisee under this subsection any amounts owed by such Franchisee to the Franchisor.

(b) Terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include, without limitation, the failure of Franchisee to comply with lawful material provisions of the franchise or other agreement between Franchisor and Franchisee and to cure such default after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such default, or if such default cannot reasonably be cured within thirty (30) days, the failure of the franchisee to initiate within thirty days substantial and continuing action to cure such default: provided, however, that after three willful and material breaches of the same term of the Franchise Agreement occurring within a twelve-month period, for which the Franchisee has been given notice and an opportunity to cure as provided in this subsection, Franchisor may terminate the agreement upon any subsequent willful and material breach of the same term within the twelve-month period without providing notice or opportunity to cure: provided further, that Franchisor may terminate a franchise without giving prior notice or opportunity to cure a default of Franchisee:

(i) is adjudicated a bankrupt or insolvent;

(ii) makes an assignment for the benefit of creditors or similar disposition of the assets of the franchise business; or

(iii) voluntarily abandons the franchise business; or (iv) is convicted of or pleads guilty or no contest to a charge of violating any law relating to the franchise business.

Upon termination for good cause, Franchisor shall purchase from Franchisee at a fair market value at the time of termination, Franchisee's inventory and supplies, exclusive of (i) personalized materials which have no value to Franchisor; (ii) inventory and supplies not reasonably required in the conduct of the franchise business; and (iii) if the Franchisee is to retain control of the premises of the franchise business, any inventory and supplies not purchased from Franchisor or on its express requirement: provided, however, that Franchisor may offset against amounts owed to Franchisee under this subsection any amounts owed by such Franchisee to Franchisor.

(vii) The state of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement in Franchisee's relationship with Franchisor including the areas of termination and renewal of Franchisee's franchise. There may also be court decisions which may supersede the Franchise Agreement in Franchisee's relationship with Franchisor including the areas of termination and renewal of Franchisee's franchise. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail. A release or waiver of rights executed by Franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable. Transfer fees are collectable to the extent that they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer.

FRANCHISEE:	ALTITUDE FRANCHISING, LLC
_____	_____
Signature	Curt Skallerup President
_____	
Printed Name	Dated: _____

Part III
State Specific Amendment to Area Development Agreement

ILLINOIS AMENDMENT
TO AREA DEVELOPMENT AGREEMENT

This Amendment pertains to franchises sold in the State of Illinois that are subject to the Illinois Franchise Disclosure Act (the "Act") and is for the purpose of complying with Illinois statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Area Development Agreement dated _____, 20____, hereby agree that the Area Development Agreement will be amended as follows:

1. Illinois law shall supersede any provisions of the Area Development Agreement or Texas law which are in conflict with the law.

2. Nothing in Section 17.10 of the Area Development Agreement waives any rights Area Developer may have under Section 41 of the Illinois Franchise Disclosure Act of 1987, which provides:

> "Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

3. In conformance with Section 4 of the Illinois Franchise Disclosure Act of 1987, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois. Consequently, except as applies to arbitration, Section 17.2 of the Area Development Agreement is amended to provide that venue shall be in an appropriate Illinois court of general jurisdiction or United States District Court in Illinois.

4. Your rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

Dated: _____

ALTITUDE FRANCHISING, LLC

Area Developer:

_____

By: _____

Name: _____

Its: _____

By: _____

Name: _____

Its: _____

b

MARYLAND AMENDMENT
TO AREA DEVELOPMENT AGREEMENT

This Amendment pertains to franchises sold in the State of Maryland that are subject to the Maryland Franchise Registration and Disclosure Law (the "Act") and is for the purpose of complying with Maryland statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Area Developer hereby agree that the Area Development Agreement dated _____, 20___, will be amended as follows:

1. The following language is added to the end of Section 5.1 of the Area Development Agreement dealing with the "Area Development Fee":

   "Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by area developer shall be deferred until the first franchise to be developed pursuant to this Agreement opens."

2. The following language is added to the end of Section 17.2 of the Area Development Agreement dealing with "Venue":

   "You may bring a lawsuit in Maryland for claims arising out of the Maryland Franchise Registration and Disclosure Law."

3. The following language is added to the end of Section 17.2 of the Area Development Agreement dealing with "Limitations Periods":

   "All claims arising under the Maryland Franchise Registration and Disclosure Law shall be commenced within three (3) years after the grant of the franchise."

4. Section 24.1 dealing with "Entire Agreement", of the Area Development Agreement IS amended to state:

   "Representations requiring prospective franchisees to assent to a release, estoppel or waiver of 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."

IN WITNESS WHEREOF, Franchisor and Area Developer have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:	Area Developer:
ALTITUDE FRANCHISING, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

MINNESOTA AMENDMENT
TO AREA DEVELOPMENT AGREEMENT

This Amendment pertains to franchises sold in the State of Minnesota that are subject to the Minnesota Franchise Act (Minn. Stat. Sec. 80C.1 et seq., the "Act") and is for the purpose of complying with Minnesota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20___, hereby agree that the Area Development Agreement will be amended as follows:

1. MINN. STAT. SECTION 80C.21 and MINNESOTA RULES 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in MINN. STAT. CHAPTER 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with MINN. STAT. SECTION 80C.14 SUBD. 3-5, which require (except in certain specified cases)

   (i) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and

   (ii) that consent to the transfer of the franchise will not be unreasonably withheld.

3. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to MINN. STAT. SECTION 80C.12 SUBD. 1(G). The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

4. MINNESOTA RULES 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See MINNESOTA RULES 2860.4400(J) also, a court will determine if a bond is required.

6. The Limitations of Claims section must comply with MINN. STAT. SECTION 80C.17 SUBD. 5.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Area Development Agreement as of the day and year set forth above.

Franchisor:	Area Developer:
ALTITUDE FRANCHISING, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

NEW YORK AMENDMENT
TO AREA DEVELOPMENT AGREEMENT

This Amendment pertains to franchises sold in the State of New York that are subject to the New York Franchise Act (New York State General Business Law, Article 33, Sec. 680 et seq., the "Act") and is for the purpose of complying with New York statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Area Development Agreement dated _____, 20____, hereby agree that the Area Development Agreement will be amended as follows:

1. Franchisor and Area Developer are parties to that certain Area Development Agreement that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because: (a) you are a resident of the State of New York and your Franchise will operate in New York; and/or (b) the offer or sale of the area development rights occurred in New York.

2. The following is added as a new Section 11.1 of the Area Development Agreement:

> "You may terminate this Agreement upon any grounds available at law."

3. The following is added to Section 17.10 of the Area Development 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 and the regulations issued thereunder."

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

Franchisor:	Area Developer:
ALTITUDE FRANCHISING, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

NORTH DAKOTA AMENDMENT
TO AREA DEVELOPMENT AGREEMENT

This Amendment pertains to franchises sold in the State of North Dakota that are subject to the North Dakota Franchise Investment Law (the "Act") and is for the purpose of complying with North Dakota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Area Development Agreement dated _____, 20___ ("Agreement"), hereby agree that the Agreement will be amended as follows:

1. Section 11.6 of the Area Development Agreement is amended as follows:

> "Remedies Upon Termination. If the Agreement is terminated, and in addition to Area Developer's obligations as otherwise provided herein, Altitude will retain the full amount of any fees heretofore paid to Altitude and Area Developer will continue to remain liable to Altitude for any and all damages which Altitude has sustained or may sustain by reason of such default or defaults and the breach of the Agreement on Area Developer's part for the unexpired Term of the Agreement."

2. Except as applies to arbitration, Section 17.2 of the Agreement is amended to provide that venue shall be in an appropriate North Dakota court of general jurisdiction or United States District Court in North Dakota.

3. To the extent Sections 12.1 and 12.2 of the Agreement are contrary to Section 9-08-06, N.D.C.C. such restrictive covenants will be subject to that statute.

4. The jury waiver and waiver of exemplary and punitive damages in Section 17.2 of the Agreement are deleted.

5. The statute of limitations set forth in Section 17.2 of the Agreement is deleted and the statute of limitations under North Dakota law applies instead.

6. The laws of the State of North Dakota supersede any provisions of the Agreement, the other agreements or Texas law if such provisions are in conflict with North Dakota law.

Franchisor:	Area Developer:
ALTITUDE FRANCHISING, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

RHODE ISLAND AMENDMENT
TO AREA DEVELOPMENT AGREEMENT

This Amendment pertains to franchises sold in the State of Rhode Island that are subject to the Rhode Island Franchise Investment Act (the "Act") and is for the purpose of complying with Rhode Island statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Area Development Agreement dated _____, 20____ hereby agree that the Area Development Agreement will be amended as follows:

1. Section 19-28.1-14 of the Rhode Island Franchise Investment Act, as amended by the laws of 1991, 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."

Dated: _____, _____.

Franchisor:	Area Developer:
ALTITUDE FRANCHISING, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

SOUTH DAKOTA AMENDMENT TO AREA DEVELOPMENT AGREEMENT

This Amendment pertains to franchises sold in the State of South Dakota that are subject to the South Dakota Franchise Investment Act (the "Act") and is for the purpose of complying with South Dakota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Area Development Agreement dated _____, 20____ hereby agree that the Area Development Agreement will be amended as follows:

1. Payment of the Area Development Fee and any other fees described in Article 5.1 of the Area Development Agreement shall be deferred until Franchisor has completed all of Franchisor's pre-opening obligations to Area Developer under the first Franchise Agreement entered into pursuant to this Agreement.

Dated: _____, _____.

Franchisor:	Area Developer:
ALTITUDE FRANCHISING, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

VIRGINIA AMENDMENT
TO AREA DEVELOPMENT AGREEMENT

This Amendment pertains to franchises sold in the State of Virginia that are subject to the Virginia Retail Franchising Act (the "Act") and is for the purpose of complying with Virginia statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Area Development Agreement dated _____, 20____ hereby agree that the Area Development Agreement will be amended as follows:

2. Sections 9.1 and 9.2of the Area Development Agreement are amended by adding the following language:

   "§13.1-564 of the Virginia Retail Franchising Act provides that it is unlawful for a franchisor to cancel a franchise without reasonable cause."

3. Payment of the Area Development Fee and any other fees described in Article 5.1 of the Area Development Agreement shall be deferred until Franchisor has completed all of Franchisor's pre-opening obligations to Area Developer under the Franchise Agreement that such portion of the Area Development Fee relates to and Franchisee commences business pursuant to such Franchise Agreement.

Dated: _____, _____.

Franchisor:	Area Developer:
ALTITUDE FRANCHISING, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

WASHINGTON AMENDMENT
TO AREA DEVELOPMENT AGREEMENT

This Amendment pertains to franchises sold in the State of Washington that are subject to the Washington Franchise Investment Protection Act (the "Act") and is for the purpose of complying with Washington statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Area Development Agreement dated _____, 20____ hereby agree that the Area Development Agreement will be amended as follows:

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Area Development Agreement in Area Developer's relationship with Franchisor including the areas of termination and renewal of Area Developer's franchise. There may also be court decisions which may supersede the Area Development Agreement in Area Developer's relationship with Franchisor including the areas of termination and renewal of Area Developer's license.

2. In the event of a conflict of law, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

3. A release or waiver of rights executed by an Area Developer shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

4. Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

5. Payment of the Area Development Fee and any other fees described in Article 5.1 of the Area Development Agreement shall be deferred until Franchisor has completed all of Franchisor's pre-opening obligations to Area Developer under the Franchise Agreement that such portion of the Area Development Fee relates to and Franchisee commences business pursuant to such Franchise Agreement.

6. The undersigned hereby acknowledges receipt of this amendment.

Dated: _____, _____.

Franchisor: Area Developer:

ALTITUDE FRANCHISING, LLC _____

By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

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EXHIBIT G – MANAGEMENT AGREEMENT

L&A ALTITUDE MANAGEMENT, LLC
MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT ("Agreement") is entered into by and between _____ _____ ("Owner"), an _____ limited liability company with an address of _____ _____, and **L&A ALTITUDE MANAGEMENT, LLC** ("Manager"), a Texas limited liability company with an address at 516 Silicon Drive, Southlake, TX 76092 (collectively the "Parties" and individually "Party"). The Effective Date of this Agreement shall be _____ _____, 20__ ("Effective Date").

RECITALS

WHEREAS, Owner desires to engage Manager to manage and operate the Altitude Trampoline Park located at _____ (the "Park");

WHEREAS, Manager desires to accept such engagement upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Owner and Manager agree as follows:

DEFINITION OF TERMS

The following terms, when used in the Agreement, shall have the meanings indicated:

"Accounting Period" shall mean a calendar month.

"Accounting Period Statement" shall have the meaning ascribed to it in Article IV.

"Affiliate" shall mean, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the possession, directly or indirectly, of the power: (i) to vote more than fifty percent (50%) of the voting stock of such Person; or (ii) to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting stock, by contract or otherwise.

"Altitude Trampoline Park Standards" shall mean any one or more (as the context requires) of the following three (3) categories of standards, and the policies and procedures related thereto: (i) operational standards (for example, guest services, cleanliness, staffing, security, marketing); (ii) physical standards (for example, quality of the Park's Site, improvements thereon, equipment and supplies; and (iii) technology standards (for example, those relating to software, hardware, telecommunications, high speed internet access, systems security and information technology); each of such standards shall be the standard which is generally prevailing or in the process of being implemented at other Altitude Trampoline Parks which shall be communicated by Manager to Owner and which Owner shall observe by attending an Altitude Trampoline Park with Manager prior to the engagement.

"Altitude Trampoline Park Trademark" shall mean (i) the name and mark "Altitude Trampoline Park"; (ii) the "Spike" logo; and (iii) any word, name, device, symbol, logo, slogan, design, brand, service mark, Trade Name, other distinctive feature or any combination of the foregoing, whether registered or

unregistered, and whether or not such term contains the "Altitude" mark, that is used in connection with the Park.

"Annual Operating Statement(s)" shall have the meaning ascribed to it in Article IV.

"Annual Profit Transactions Report" shall have the meaning ascribed to it in Article IV.

"Audit" shall have the meaning ascribed to it in Article IV.

"Base Management Fee" shall mean an amount payable to Manager as a Deduction from Gross Revenues equal to **$**_____ for each Fiscal Year.

"Deductions" shall mean the following expenses incurred by Manager in operating the Park:

(i) the cost of sales, including, without limitation, compensation, benefits and related administration costs, payroll taxes, ERISA-related liabilities, and other costs related to employees of Manager, who are working for the benefit of the Park, including the Manager's General Manager; provided that the foregoing costs shall not include the salary and other employee costs of Manager's corporate executive staff who are located at Manager's corporate headquarters;

(ii) administrative and operating expenses; utilities and real estate taxes, if applicable; technology expenses; and routine repairs, maintenance and minor alterations;

(iii) the cost of Inventories and supplies used or consumed in the operation of the Park;

(iv) all costs and fees of independent professionals (for example, legal and accounting) or other third Parties who are retained by Manager or Owner to perform services required or permitted hereunder;

(v) all costs and fees of technical consultants, professionals and operational experts who are retained or employed by Manager or Owner for specialized services; provided, however, that Manager shall obtain Owner's prior written approval before incurring such expenditure;

(vi) the Base Management Fee paid to or retained by Manager;

(vii) insurance costs and expenses directly related to the Park's operations and not matters relating to Manager's services, unless approved in writing by Owner;

(viii) taxes, if any, payable by or assessed against Manager related to this Agreement or to Manager's operation of the Park (exclusive of Manager's income taxes or franchise taxes);

(ix) the Park's costs and expenses incurred in connection with sales, advertising, promotion and marketing programs developed for the Park, including promotions and giveaways;

(x) all costs and expenses of compliance by Manager with applicable laws pertaining to the operation of the Park;

(xi) the Park's pro rata share of costs and expenses incurred in connection with providing services to multiple Parks and/or other facilities in substitution for or in association with services that are or would have been performed or procured by individual Parks, which may be more effectively performed on a shared or group basis, if applicable; and

(xii) such other costs and expenses incurred by Manager as are specifically provided for elsewhere in this Agreement or are otherwise reasonably necessary for the proper and efficient operation of the Park.

The term "Deductions" shall not include: (a) debt service payments owed by Owner; or (b) depreciation on the Park or any of its contents. All of the foregoing items listed in this paragraph shall be paid from the Park's operating account, unless provided for otherwise herein.

"Default" shall have the meaning ascribed to it in Article IX.

"Employment Laws" shall mean any federal, state or local law (including the common law), statute, ordinance, rule, regulation, order or directive with respect to employment, conditions of employment, benefits, compensation, or termination of employment that currently exists or may exist at any time during the Term, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Workers Adjustment and Retraining Act, the Occupational Safety and Health Act, the Immigration Reform and Control Act of 1986 and the Americans With Disabilities Act of 1990.

"Event of Default" shall have the meaning ascribed to it in Article IX.

"FF&E" shall mean furniture, furnishings, fixtures, signage and equipment, including front desk and computer equipment.

"Fiscal Year" shall mean Manager's Fiscal Year which, as of the Effective date, ends at midnight on the Friday closest to December 31 in each calendar year; the new Fiscal Year begins on the Saturday immediately following said Friday. Any partial Fiscal Year between the Effective date and the commencement of the first full Fiscal Year shall constitute a separate Fiscal Year. A partial Fiscal Year between the end of the last full Fiscal Year and the Termination of this Agreement shall also constitute a separate Fiscal Year. If Manager's Fiscal Year is changed in the future, appropriate adjustment to this Agreement's reporting and accounting procedures shall be made; provided, however, that no such change or adjustment shall alter the Term or in any way reduce the distributions of Operating Profit or other payments due hereunder.

"Franchise Agreement" shall mean the franchise agreement which was entered into between Owner and Altitude Franchising, LLC ("Franchisor"), as may be amended from time to time by Owner and Franchisor.

"Gross Revenues" shall mean all revenues and receipts of every kind derived from operating the Park, including, but not limited to: Park entry fees, income from concessions (including, but not limited to food and beverage sales, vending machines, retail sales of merchandise, if any, from business interruption or other loss of income insurance (provided that for purposes of calculating Gross Revenues, such proceeds shall be grossed up, as necessary, to the extent such proceeds were calculated to account solely for management fees and/or Owner distributions); provided, however, that Gross Revenues shall not include the following: federal, state or municipal excise, sales or use taxes or any other taxes collected directly from guests or included as part of the sales price of any goods or services; proceeds from the sale of FF&E; interest received or accrued with respect to the funds in the operating account, if any; any refunds, rebates, discounts and credits of a similar nature, given, paid or returned in the course of obtaining Gross Revenues or components thereof; insurance proceeds (other than proceeds from business interruption or other loss of income insurance), or any proceeds from any Sale of the Park or from the refinancing of any debt encumbering the Park.

"Intellectual Property" shall mean: (i) all Software, including the data and information processed or stored thereby; (ii) all manuals, brochures, directives, policies, programs and other information used in the operation of the Park or any other Altitude Trampoline Park; (iii) customer information; (iv) all Altitude Trampoline Park Trademarks; and (v) all Altitude Trampoline Park trade secrets, confidential information and all other information, materials, and copyrightable or patentable subject matter developed, acquired, licensed or used by the Park in the operation of the Park or in any other Altitude Trampoline Park, including, without limitation, materials relating to sales and marketing programs, revenue and inventory management programs, processes or systems, brand and pricing strategies, business and technology plans, and research and development reports. The foregoing shall apply regardless of the form or medium involved (e.g., paper, electronic, tape, tangible or intangible).

"Inventories" shall mean food, beverage, merchandise for sale and other expensed supplies and similar items.

"Lease Agreement" shall mean that certain lease which was entered into between the Site's Landlord and Owner.

"Manager" shall have the meaning ascribed to it in the Preamble hereto or shall mean any successor or permitted assign, as applicable.

"Operating Accounts" shall have the meaning ascribed to it in Article IV.

"Operating Loss" shall mean a negative Operating Profit.

"Operating Profit" shall mean, with respect to any given period of time, the excess of Gross Revenues over Deductions (each calculated in accordance with this Agreement and generally accepted accounting principles).

"Owner" shall have the meaning ascribed to it in the Preamble or shall mean any successor or permitted assign, as applicable.

"Park" shall mean the Site together with the Park improvements and all other improvements constructed or to be constructed on the Site.

"Person" means an individual (and the heirs, executors, administrators, or other legal representatives of an individual), a partnership, a corporation, limited liability company, a government or any department or agency thereof, a trustee, a trust and any unincorporated organization.

"Prime Rate" shall mean the "prime rate" of interest announced from time to time in the "Money Rates" section of the Wall Street Journal.

"Site" shall mean the Park and the property subject to the Owner's lease agreement, including parking facilities.

"Software" shall mean all computer software and accompanying documentation (including all future upgrades, enhancements, additions, substitutions and modifications thereof), other than computer software which is generally commercially available, which are used by Manager in connection with operating or otherwise providing services to the Park.

"Term" shall have the meaning ascribed to it in Article II.

"Termination" shall mean the expiration or sooner cessation of this Agreement.

ARTICLE I
MANAGEMENT OF THE PARK

1.1 Appointment. Owner hereby appoints and employs Manager to supervise, direct and control the management and operation of the Park and Manager accepts the appointment and agrees to manage and operate the Park, all in accordance with the terms of this Agreement and the Operations Manual which has been provided by Franchisor to Owner and as may be modified from time to time.

Franchisor has agreed to provide Manager with a copy of the Operations Manual and has agreed to promptly inform Manager of any updates which are made thereto.

1.2 Delegation of Authority. With respect to the services to be provided by Manager, and unless provided for otherwise herein, the operation of the Park shall be supervised and controlled by Manager. Manager shall be responsible for the proper and efficient operation of the Park with the goal of achieving year-to-year profitability. In fulfilling its obligations under this Agreement, Manager shall act as a reasonable and prudent operator of the Park and shall operate and maintain the Park in accordance with Altitude Trampoline Park Standards.

1.3 Management Responsibilities. Manager shall perform the services identified on attached Exhibit A which may be reasonably modified from time-to-time by Owner. Manager shall also be responsible for sourcing, hiring, and training the Park's General Manager and ensuring that the General Manager performs the duties set forth in Exhibit B. The Parties acknowledge and agree that the General Manager shall act at the direction of the Manager.

1.4 Licenses and Permits. Owner agrees that, upon request by Manager, Owner will sign, without charge, applications for licenses necessary for the operation of the Park.

1.5 Employees. Except as the Parties otherwise agree, all personnel employed at the Park shall, at all times from and after the Effective Date, be the employees of Owner. Except for the General Manager, Manager shall have the discretion to hire, promote, transfer, compensate, supervise, terminate, direct and train all employees at the Park, and, generally, establish and maintain all policies relating to employment. With respect to the General Manager, Owner shall have the power to dismiss the Park's General Manager after prior notice and discussion with Manager.

1.6 General Manager. Owner hereby approves _____ to act as the General Manager of the Park as of the Effective Date. The General Manager's initial annual salary shall be $50,000.00 and shall be subject to adjustment from time-to-time as suggested by Manager and approved by Owner.

1.7 Owner's Right to Inspect. Owner and its agents shall have access to the Park at any and all times for whatever purpose it desires.

1.8 Meetings. Meetings shall be held at such time as either Owner or Manager requests at such reasonable times and location, including telephonic or electronic meetings.

1.9 Altitude Trampoline Park Standards and Criteria for Approvals. Owner and Manager agree that it is their mutual intent for the Park to be operated in compliance with Altitude Trampoline Park Standards. Owner and Manager agree that, subject to the terms and conditions of this Agreement, Manager shall have discretion in operating the Park in such manner so as to ensure that the Park will comply with Altitude Trampoline Park Standards, and that, in exercising their respective rights of approval herein, they will do so consistent with the requirements of Altitude Trampoline Park Standards.

1.10 Limitations on Manager's Authority. Manager shall not, without Owner's prior approval: enter into, renew or extend any equipment lease, other lease, license, concession or service contract at the Park if (i) the total term or renewal term of such lease, license, concession or service contract will exceed six (6) months; (ii) the annual payment or fee required to be paid by the lessee, Manager or third Party under such service contract or concession agreement will exceed Five Thousand Dollars ($5,000).

1.11 No Representation, Warranty or Guaranty. Manager neither represents, warrants nor guaranties that it will be able to operate the Park in a manner which will achieve profitability or any performance expectation. Owner hereby acknowledges the same and agrees that a lack of profitability shall not be actionable.

ARTICLE II
TERM

2.1 Term. The "Term" of this Agreement shall begin on the Effective Date and shall be renewed automatically for subsequent twelve (12) month periods without further action by the Parties, unless the engagement is terminated for any of the following reasons:

(a) immediately by mutual agreement of the Parties;

(b) on the sixtieth (60th) day (or sooner if Owner directs otherwise after receiving such notice) after Manager provides written notice of its voluntary termination to Owner if such termination is not for "Good Reason," or immediately on written notice of its termination if such termination is for Good Reason. For purposes of this Agreement, "Good Reason" shall mean any failure by the Owner to comply with the terms of this Agreement other than isolated, insubstantial and inadvertent failure, which has not occurred in bad faith and which is remedied by the Owner promptly after receiving notice of such failure from Manager;

(c) at such time as the Owner provides its written notice of termination to Manager, whether for Just Cause, as defined below, or without Just Cause, which shall mean at such time as Owner provides written notice to Manager. Although Owner shall have no obligation to renew this Agreement, Owner must provide written notice to Manager to terminate the engagement.

For purposes of this Agreement, "Just Cause" shall mean: (i) Manager performing duties in a grossly negligent manner; (ii) Manager engaging in willful misconduct in the management of the Park; (iii) Manager materially violating the Owner's policies, procedures, rules or regulations after three (3) written warnings have been given to Manager by Owner; (iv) Manager taking Park property (other than is needed in the performance of its duties) without authorization; (v) the event where written notice is given by Owner to Manager which provides evidence that the Manager has falsified records, performed acts of dishonesty, fraud or willful misrepresentation; (vi) the indictment of any owner or executive of the Manager for a felony, or any other act causing material harm to the standing or reputation of the Manager, Owner or the Park; (vii) intentionally causing the Owner to violate a local, state or federal law in any material respect; (viii) any failure by the Manager to comply with the terms of this Agreement other than isolated, insubstantial and inadvertent failure, which has not occurred in bad faith and which is remedied by the Manager promptly after receiving notice of such failure from Owner; (ix) the Manager's willful material misrepresentation to any member of the Owner, or Manager's failure to disclose to the Owner, information material to the Owner and the operation of the Park; or (x) the habitual use by any owner or executive of the Manager or the General Manager of illegal drugs, or the use of legal drugs or alcohol in any manner which adversely affects the Manager's ability to perform its duties hereunder; or

(d) at such time as the Franchise Agreement is terminated or transferred, unless the Parties agree, otherwise in writing, to abide by the terms of this Agreement during any "wind-down" period.

2.2 Payment on Termination. If the engagement is terminated:

(a) as a result of Manager's voluntary termination (other than for Good Reason), Manager shall receive its pro rata share of its Base Management Fee through the date of termination. If

Owner chooses to release Manager prior to such sixty (60) day period, Owner shall still pay Manager through such sixty (60) day period;

(b) by Manager for Good Reason, Manager shall receive its Base Management Fee through the remainder of the Term, excluding any renewal;

(c) by the Owner for Just Cause, Manager shall receive its pro rata share of its Base Management Fee through the date of termination; or

(d) by the Owner without Just Cause, Manager shall receive its Base Management Fee through the remainder of the Term, excluding any renewal.

Notwithstanding the foregoing payment arrangements, each Party shall be entitled to pursue the remedies for an Event of Default as provided for in Article IX.

ARTICLE III
COMPENSATION OF MANAGER

3.1 Management Fees. Manager shall be paid the Base Management Fee which shall be retained by Manager from Gross Revenues.

3.2 Distribution of Operating Profit. With respect to each Fiscal Year during the Term, distributions of Operating Profit shall be made on an interim basis in accordance with the terms of Article IV below.

ARTICLE IV
ACCOUNTING AND REPORTING MATTERS

4.1 Accounting and Interim Distributions. Within thirty (30) days after the close of each Accounting Period, Manager shall deliver an interim accounting (the "Accounting Period Statement") to Owner showing Gross Revenues, Deductions and Operating Profit for the preceding Accounting Period. At the time that Manager delivers each Accounting Period Statement, Manager shall transfer to Owner any interim amounts due Owner and shall retain the pro rata portion ($1/12^{th}$) of the Base Management Fee due to Manager.

(a) Calculations and payments of the Base Management Fee shall be accounted for within the Fiscal Year only.

(b) Within seventy-five (75) days after the close of each Fiscal Year, Manager shall furnish Owner a statement (the "Annual Operating Statement") in reasonable detail summarizing the Park's operations for such Fiscal Year and a certificate executed by Manager's President certifying that such Annual Operating Statement is true and correct.

(c) To the extent that Manager projects an Operating Loss for any Accounting Period, additional funds in the amount of any such Operating Loss shall be provided by Owner within thirty (30) days after Manager has delivered written notice thereof to Owner. If Owner does not fund such Operating Loss within the thirty (30) day period, Manager shall have the right (without affecting Manager's other remedies under this Agreement) to withdraw an amount to cover such Operating Loss from distributions of funds otherwise due to Owner.

4.2 Books and Records; Annual Operating Statement.

(a) Books of control and account pertaining to the operations of the Park shall be kept on the accrual basis and in material respects in accordance with generally accepted accounting principles applied on a consistent basis. Owner shall have one hundred eighty (180) days after delivery of the Annual Operating Statement to examine or review (at Owner's sole expense, and not as a Deduction) such Annual Operating Statement. If Owner does not request an audit of the Books and Records within such one hundred eighty (180) day period, such Annual Operating Statement shall be deemed to have been accepted by Owner as true and correct, and Owner shall have no further right to question its accuracy except in the event of fraud by Manager. Owner may, during such one hundred eighty (180) day period, but not thereafter (except in the event of fraud by Manager), request an independent audit of the Books and Records ("Audit") which shall be arranged for by Owner and commenced and completed no later than one (1) calendar year after the date of delivery of such Annual Operating Statement. No extension of such one (1) calendar-year period shall be permitted without the approval of Manager, except in the event of fraud by Manager. Owner shall pay all costs and expenses of the Audit at its sole expense (and not as a Deduction); provided, however, that if such audit establishes that Manager has underpaid Owner for the applicable Fiscal Year by one percent (1%) or more, the reasonable costs and expenses of the Audit shall be paid solely by Manager. If any such audit discloses an underpayment of any amounts due to Owner pursuant to the provisions hereof, Manager shall promptly pay Owner such amounts found to be due. If any audit discloses that Manager has not received any amounts due to Manager pursuant to the provisions hereof, Owner shall promptly pay Manager such amounts found to be due. Manager shall reasonably cooperate with Owner and its representatives in connection with any Audit. Any dispute concerning the correctness of an Audit shall be settled by Arbitration in accordance with the terms of Section 10.5. All information regarding the operation of the Park which is obtained by Owner through an Audit shall be considered confidential information.

(b) Owner shall have access, at all times, to the Park's financial software program so as to track the Park's financial activities in "real time."

(c) Manager shall cooperate reasonably with Owner (including providing reasonable information, if applicable) in order to assist Owner to understand the reports, statements and other information that Manager submits to Owner pursuant to the provisions hereof; provided, however, that the foregoing provisions of this Section 4.2 shall not be construed to provide Owner with any audit or similar rights with respect to such reports, statements and information that are not otherwise expressly described in this Agreement.

4.3 Park Accounts and Expenditures.

(a) All funds derived from operation of the Park shall be deposited in the Owner's "Operating Account(s)." Prior to the execution of this Agreement, or shortly thereafter, Owner shall establish one or more Operating Accounts in Owner's name at a bank or banks of Owner's choosing. Owner shall direct the bank or banks to accept deposits submitted by Manager. Owner shall provide the applicable information to Manager to enable Manager to make such deposits during the term of this Agreement. Unless the Parties agree otherwise, Manager shall have no right of withdrawal from the account(s). Notwithstanding the foregoing, Owner agrees to provide a credit card, subject to such limits and restrictions as Owner determines, to be used by the General Manager. It is anticipated and expected that some expenditures will be required to be made without the benefit of extended credit. The bank accounts into which such funds are deposited are referred to herein as "Operating Accounts."

(b) Expenditures and withdrawals from the Operating Account shall be made only by representatives of Owner whose signatures have been authorized and approved by Owner. Reasonable petty cash funds shall be maintained at the Park.

(c) All payments made by the General Manager shall be made from the Operating Accounts or petty cash funds. Manager shall not be required to make any advance or payment with respect to the Park except out of such funds, and Manager shall not be obligated to incur any liability or obligation with respect to the Park. In any event, if any such liability or obligation is incurred by Manager with respect to the Park, subject to Owner's prior approval, Manager shall have the option to deduct such amounts from Owner's share of Operating Profit if Owner has not fully reimbursed Manager for said amounts within ten (10) days after Owner's receipt of notice from Manager that said amounts are due.

(d) Authorized debts and liabilities incurred by Manager as a result of its operation and management of the Park pursuant to the terms hereof, whether asserted before or after Termination, will be paid by Owner to the extent funds are not available for that purpose from Gross Revenues. The provisions of this Section 4.3 (d) shall survive termination of this Agreement.

4.4 Operating Budget. Beginning ninety (90) days prior to the first day of each Fiscal Year, Manager shall work cooperatively with Owner to provide Owner with all available Park operation information reasonably requested by Owner for the current Fiscal Year and next Fiscal Year. No later than thirty (30) days prior to the beginning of each Fiscal Year, Manager shall provide to Owner a preliminary budget showing the estimated Gross Revenues, Deductions, and Operating Profit for the forthcoming Fiscal Year, in comparison to the forecasted Gross Revenues, Deductions, and Operating Profit for the current Fiscal Year. Such comparison will include the estimated percentage changes in such items for the forthcoming Fiscal Year compared to the current Fiscal Year. Manager shall meet with Owner and both Parties shall discuss the Operating Budget and any adjustments to be made.

(a) Manager shall diligently operate the Park in accordance with the Operating Budget. It is understood, however, that the Operating Budget is an estimate only and that unforeseen circumstances such as the costs of labor, material, services and supplies, casualty, operation of law or economic and market conditions, may make adherence to the Operating Budget impracticable, and Manager shall be entitled to depart therefrom due to causes of the foregoing nature. Manager shall notify Owner on a monthly basis of any substantial departures from the Operating Budget. In the event that the foregoing circumstances (i) would require a change in any major Deduction category (e.g., a major line item such as "General and Administrative") that would vary by more than ten percent (10%) from the amount for such Deduction set forth in the Operating Budget; or (ii) would require a change in the total annual amount of Deductions that, in the aggregate, would vary by more than five percent (5%) from the total annual amount of Deductions set forth in the Operating Budget, Manager shall so notify Owner and shall provide Owner with the reasons for such change; provided further that, unless required due to (i) an emergency or extraordinary event affecting the Park, its guests, its invitees or its employees, where it would be unreasonable for Manager to delay taking immediate action, or (ii) any other cause beyond Manager's control (including, without limitation, a change that is caused or necessitated by increases in Gross Revenues), such change in the total amount of Deductions shall be subject to Owner's approval.

(b) At the time that Manager submits the preliminary Operating Budget to Owner, Manager shall also submit to Owner, for Owner's review and comment, Manager's marketing plan for the forthcoming Fiscal Year. Manager shall discuss with Owner, and shall in good faith consider, Owner's comments and suggestions concerning the marketing plan.

4.5 Working Capital. On execution of this Agreement, the Parties shall identify the initial amount of working capital which is needed to begin the operations of the Park and Owner shall deposit

such amount in the Operating Account(s). Thereafter, Owner shall during the Term and from time to time, promptly, but no later than thirty (30) days after written request is made by Manager (or ten (10) days if the request is due to an emergency), advance any additional funds necessary to maintain working capital at levels determined by Manager to be reasonably necessary to satisfy the needs of the Park.

ARTICLE V
EMPLOYEES

At the Effective Date of this Agreement, Owner and Manager shall agree to the Manager's staffing needs for the Park and the employee benefits, if any, which will be offered to the Park employees. Thereafter, Manager shall obtain Owner's prior written consent before increasing or decreasing the number of Manager's staff or making any modifications to employee benefits.

ARTICLE VI
REPAIRS, MAINTENANCE AND REPLACEMENTS

6.1 Repairs and Maintenance Costs Which Are Expensed. Manager shall maintain the Park in good repair and condition, and shall make or cause to be made such routine maintenance, repairs and minor alterations as it determines are necessary for such purposes. The phrase "routine maintenance, repairs, and minor alterations" as used in this Section 6.1 shall include only those which are normally expensed under generally accepted accounting principles. The cost of such maintenance, repairs and alterations shall be paid from Gross Revenues and shall be treated as a Deduction.

6.2 Replacements, Renewals and Additions. Manager shall keep Owner apprised of any replacement, renewal and addition needs ("Capital Cost Items"). Owner shall fund those expenditures independently of the Gross Revenues, unless directed otherwise, in writing, by Owner to Manager. In either event, the Capital Cost Items shall not constitute a Deduction against Gross Revenues.

ARTICLE VII
INSURANCE

Commencing with the Effective date and thereafter during the Term, Manager shall procure and maintain the following Insurance:

(a) Commercial general liability insurance against claims for bodily injury, death or property damage occurring on, in or in conjunction with the operations of the Park, and automobile liability insurance on vehicles operated in conjunction with the Park, with a combined single limit for each occurrence of not less than Three Million Dollars ($3,000,000).

(b) Workers' compensation coverage, as may be required under applicable laws covering all of Manager's employees at the Park, and employer's liability insurance of not less than One Million Dollars ($1,000,000) per accident.

(c) Employment practices liability insurance covering all of Manager's employees at the Park, to the extent available at commercially reasonable rates and terms, in an amount not less than One Million Dollars ($1,000,000).

(d) Such other insurance in amounts as Owner, in its reasonable judgment, deems advisable for protection against claims, liabilities and losses arising out of or connected with the operation of the Park.

(e) All insurance shall be carried in the name of Manager. The insurance required under Section (a) of this Article VII shall include Owner, as additional insured.

(f) Manager, upon request, shall deliver to Owner certificates of insurance evidencing the insurance coverages required under this Article and any renewals thereof. All such certificates of insurance shall, to the extent obtainable, state that the insurance shall not be canceled or materially reduced without at least thirty (30) days' prior written notice to the certificate holder.

(g) All insurance premiums shall be treated as Deductions. Any losses and associated costs and expenses that are uninsured shall be treated as a cost of insurance and shall also be treated as Deductions.

(h) Owner shall obtain its own liability insurance, in accordance with the terms of the Franchise Agreement, including such additional insurance as Owner may desire to purchase. Owner's premium payments shall be deemed Deductions.

ARTICLE VIII
PROPERTY CASUALTY AND REPAIR

In the event that the Park is damaged by fire or other casualty, Owner, in conjunction with the Park's landlord, shall handle all insurance claims and make the necessary arrangements to repair the damaged portion of the Park.

ARTICLE IX
DEFAULTS AND REMEDIES

9.1 Events of Default. Each of the following shall constitute a "Default" under this Agreement:

(a) The filing of a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy law by either Party, or the admission by either Party that it is unable to pay its debts as they become due. Upon the occurrence of any Default by either Party (referred to as the "defaulting Party") as described under this Section 9.1 (a), said Default shall be deemed an "Event of Default" under this Agreement. The Parties expressly agree that such Event of Default would have a material adverse effect on the non-defaulting Party and shall constitute termination for Just Cause or Good Reason, as applicable.

(b) The consent to an involuntary petition in bankruptcy or the failure to vacate, within ninety (90) days from the date of entry thereof, any order approving an involuntary petition by either Party. Upon the occurrence of any Default by either Party as described under this Section 9.1 (b), said Default shall be deemed an "Event of Default" under this Agreement. The Parties expressly agree that such Event of Default would have a material adverse effect on the non-defaulting Party and shall constitute termination for Just Cause or Good Reason, as applicable.

(c) The entering of an order, judgment or decree by any court of competent jurisdiction, on the application of a creditor, adjudicating either Party as bankrupt or insolvent or approving a petition seeking reorganization or appointing a receiver, trustee, or liquidator of all or a substantial part of such Party's assets, and such order, judgment or decree's continuing unstayed and in effect for an aggregate of sixty (60) days (whether or not consecutive). Upon the occurrence of any Default by either Party as described under this Section 9.1 (c), said Default shall be deemed an "Event of

Default" under this Agreement. The Parties expressly agree that such Event of Default would have a material adverse effect on the non-defaulting Party and shall constitute termination for Just Cause or Good Reason, as applicable.

(d) The failure of either Party to make any payment required to be made in accordance with the terms of this Agreement, as of the due date as specified in this Agreement. Upon the occurrence of any Default by either Party as described under this Section 9.1 (d), said Default shall be deemed an "Event of Default" under this Agreement if the defaulting Party fails to cure such Default within ten (10) days after receipt of written notice from the non-defaulting Party demanding such cure.

(e) The failure of either Party to perform, keep or fulfill any of the other covenants, undertakings, obligations or conditions set forth in this Agreement, and the continuance of such default for a period of thirty (30) days after the defaulting Party's receipt of written notice from the non-defaulting Party of said failure. Upon the occurrence of any Default by either Party as described under this Section 9.1 (e), said Default shall be deemed an "Event of Default" under this Agreement if the defaulting Party fails to cure the Default within thirty (30) days after receipt of written notice from the non-defaulting Party demanding such cure, or, if the Default is such that it cannot reasonably be cured within said thirty (30) day period of time, if the defaulting Party fails to commence the cure of such Default within said thirty (30) day period of time or thereafter fails to diligently pursue such efforts to completion.

9.2 Remedies. Upon the occurrence of an Event of Default, the non-defaulting Party shall have the right to pursue any and all proceedings permitted by law or equity with respect to such Event of Default, including, without limitation actions for injunction, specific performance and/or damages.

ARTICLE X
MISCELLANEOUS

10.1 Actions to be Taken Upon Termination. Upon, or after Termination, as the case may be, the following shall be applicable:

(a) Owner shall have the sole authority of expenditure and withdrawal of the Park's Operating Account(s).

(b) Manager shall make available to Owner such Books and Records (including those from prior years, subject to Manager's reasonable records retention policies) as will be needed by Owner to prepare the accounting statements for the Park for the year in which the Termination occurs and for any subsequent year.

(c) Manager shall (to the extent permitted by law) assign to Owner or to the new manager all operating licenses and permits for the Park which have been issued in Manager's name; if any.

(d) Manager shall peacefully vacate and surrender the Park to Owner.

10.2 Confidentiality. Owner and Manager agree that the terms of this Agreement are strictly confidential and will use their reasonable efforts to ensure that such matters and information are not disclosed to any outside person or entities without the prior consent of the other Party, except as required by law. Manager acknowledges that competitive information regarding customers, marketing, operating or other strategies (including information related to other Parks) is confidential and proprietary to Owner and shall not be disclosed by Manager.

10.3 Trademarks and Intellectual Property.

(a) During the Term, the Park shall be known as "Altitude Trampoline Park."

(b) Manager acknowledges that Owner has the authority to utilize the Altitude Trampoline Park Trademark and Proprietary Information pursuant to the terms of the Franchise Agreement. Manager has reviewed the Franchise Agreement and agrees to abide by all of its terms. Nothing in this Agreement shall be construed to grant Manager any right of ownership in or right to use the Altitude Trampoline Park Trademark and Proprietary Information other than in the capacity as Manager of the Park.

(c) All right, title and interest to Intellectual Property shall at all times be governed by the terms of the Franchise Agreement, and all benefits obtained directly or indirectly from the use, sale or commercial exploitation of Intellectual Property shall belong to Owner and its affiliates, as allowed by the Franchise Agreement. Manager shall not have any rights to any Intellectual Property, shall treat as confidential any Intellectual Property in its possession, and shall not disclose to any third Party any Intellectual Property or use any Intellectual Property for any purpose whatsoever, other than pursuant to its duties and responsibilities. Upon Termination, any Intellectual Property in Manager's possession shall be immediately delivered to Owner.

(d) Owner shall be entitled, in case of any breach by Manager of any of the covenants of this Section 10.3, to injunctive relief and to any other right or remedy available at law or in equity.

(e) The provisions of this Section 10.3 shall survive Termination.

10.4 Consents and Cooperation. Wherever in this Agreement the consent or approval of Owner or Manager is required, such consent or approval shall not be unreasonably withheld, delayed or conditioned, shall be in writing and shall be executed by a duly authorized officer or agent of the Party granting such consent or approval. If either Owner or Manager fails to respond within thirty (30) days to a request by the other Party for a consent or approval, such consent or approval shall be deemed to have been given (except as otherwise expressly provided in this Agreement). Additionally, Owner agrees to cooperate with Manager by executing such leases, subleases, licenses, concessions, equipment leases, service contracts and other agreements negotiated in good faith by Manager and pertaining to the Park that, in Manager's reasonable judgment, should be made in the name of the Owner. Each Owner shall be bound by the approvals and consents granted by any prior Owner.

10.5 Arbitration. In the event any controversy or dispute arises with respect to this Agreement or any of the terms or conditions thereof, or with respect to any alleged breach thereof, the Parties agree that such controversy or dispute shall be settled by arbitration in Tarrant County, Texas in accordance with the rules then existing of the American Arbitration Association and judgment upon the award rendered may be entered in any court having jurisdiction thereof. The prevailing party to any action undertaken shall be entitled to receive from the defaulting party all arbitration costs and reasonable attorneys' fees.

10.6 Relationship of the Parties. In the performance of this Agreement, Manager shall act solely as an independent contractor. Neither this Agreement nor any agreements, instruments, documents, or transactions contemplated hereby shall in any respect be interpreted, deemed or construed as making Manager a partner, joint venturer with, or agent of, Owner. Owner and Manager agree that neither Party will make any contrary assertion, claim or counterclaim in any action, suit, arbitration or other legal

proceedings involving Owner and Manager.

10.7 Notices. All communications or notices required or permitted to be given or served under this Agreement must be in the English language and in writing and will be deemed to have been duly given or made if (a) delivered in person or by courier (including by Federal Express or other courier), or (b) deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested. All communications and notices will be effective upon delivery in person or by courier to the address set forth in this Agreement upon being deposited in the United States mail in the manner set forth above. Any Party may change its address by giving notice in writing, stating its new address, to the other Party to this Agreement as provided in the foregoing manner.

10.8 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective assigns, legal representatives, executors, heirs and successors. Any attempt by Manager to assign this Agreement or any of his rights hereunder, or to delegate his obligations hereunder will be void. Notwithstanding anything contained in this Agreement to the contrary, Owner may assign this Agreement, or any of its rights hereunder, or delegate any of its obligations hereunder without the consent of Manager or any other person.

10.9 Amendment and Waiver. Except as set forth in this Agreement, no amendment, modification or waiver of any condition, provision or term of this Agreement will be valid or of any effect unless made in a writing specifying with particularity the nature and extent of the amendment, modification or waiver and signed by an authorized Party of the Manager and Owner.

Failure on the part of any Party to complain of any act or failure to act of another Party or to declare another Party in default, irrespective of how long the failure continues, will not constitute a waiver by that Party of his, her or its rights under this Agreement; provided, however, that any breach or default of Owner will be deemed to be waived 90 days after the occurrence of this breach or default unless Manager provides written notice of this breach or default to Owner within this 90-day period. Any waiver by any Party of any default of another parry will not affect or impair any right arising from any other or subsequent default.

10.10 Survival. Notwithstanding anything contained in this Agreement to the contrary, the provisions of this Agreement that may affect the Parties' rights and obligations after the expiration or termination of this Agreement will survive the expiration and termination of this Agreement.

10.11 Severable Provisions; Enforceability. Each and every provision of this Agreement is intended to be independent of and severable from the others. If any provision of this Agreement is declared by a court of competent jurisdiction to be illegal, unenforceable or invalid for any reason whatsoever, that illegality, unenforceability or invalidity will not affect the validity of the remainder of this Agreement or the legality, enforceability or validity of that provision in any other jurisdiction. It is the intention and the agreement of the Parties to this Agreement that the noncompetition and confidential information provisions set forth in this Agreement be enforceable to the maximum extent permitted by law and, to that end, understand and agree that said provisions may be limited or modified by a court of competent jurisdiction to ensure enforceability thereof.

10.12 Terminology. All references in this Agreement to the term "including" means "including, without limitation." All references in this Agreement to the term "entity" include, among other things, a limited liability company. Unless expressly provided to the contrary, any reference in this Agreement to Owner's discretion or judgment means Owner's sole and absolute discretion or judgment, and any determination (such as approval or consent), decision or judgment required or permitted to be taken or given by Owner will be subject to Owner's sole and absolute discretion. All captions, headings or tides in

the paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement or a limitation of the scope of the particular paragraph or section to which they apply. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, will, where appropriate, include all other genders and the singular will include the plural and vice versa.

10.13 Counterparts. This Agreement may be signed in two or more counterparts, each of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties.

10.14 Construction. The Parties acknowledge that each Party was represented (or had the opportunity to be represented) by legal counsel in connection with this Agreement and that each of them and his, her or its counsel have reviewed this Agreement, or have had an opportunity to do so, and that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party will not be employed in the interpretation of this Agreement or any amendments or any exhibits hereto or thereto.

10.15 Additional Actions. Each Party agrees to do all acts and things and to make, sign and deliver such written instruments as may from time to time be reasonably required to carry out the terms and provisions of this Agreement.

10.16 Currency. Unless otherwise directed by Owner in writing, all amounts contemplated by this Agreement will be paid in United States Dollars.

10.17 Authority. Any individual signing below on behalf of a corporation, partnership, limited liability company or other entity personally represents that he has full authority to bind the Party or Parties on whose behalf he is signing.

10.18 Estoppel Certificates. Each Party to this Agreement shall at any time and from time to time, upon not less than thirty (30) days' prior notice from the other Party, execute, acknowledge and deliver to such other Party, or to any third Party specified by such other Party, a statement in writing: (a) certifying that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the same, as modified, is in full force and effect and stating the modifications) and (b) stating whether or not to the best knowledge of the certifying Party (i) there is a continuing Default or Event of Default by the non-certifying Party in the performance or observance of any covenant, agreement or condition contained in this Agreement, or (ii) there shall have occurred any event which, with the giving of notice or passage of time or both, would become a Default or Event of Default, and, if so, specifying each such Default or Event of Default or occurrence of which the certifying Party may have knowledge. Such statement shall be binding upon the certifying Party and may be relied upon by the non-certifying Party and/or such third Party specified by the non-certifying Party as aforesaid. In addition, upon written request after a Termination, each Party agrees to execute and deliver to the non-certifying Party and to any such third Party a statement certifying that this Agreement has been terminated.

10.19 Entire Agreement. This Agreement, including the exhibits hereto, contains the entire understanding and agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between the Parties with respect to that subject matter.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement as follows:

OWNER:	MANAGER:
_____	L&A ALTITUDE MANAGEMENT, LLC
_____	_____
Authorized Representative	Authorized Representative
Dated: _____	Dated: _____

EXHIBIT A – DESCRIPTION OF SERVICES

The primary services are management of Intellectual Property, Brand Building, Marketing Support, Financial analysis, Operation efficiency modeling, Real Estate support services, Full Operating Procedures and Safety Procedures, as well as hands on training resources, and vendor relationship support.

Services

- Comprehensive Business Plan support services
  - Financial Modeling
  - Demographics and Market Analysis with key data metrics
  - HR Set-Up and Partner resources/consulting
    - On-Site Process Management Training, Field Training /re-training/
    - Payroll Partners / Consulting
  - Operating Plan Consulting & Constructing
- Financial Modeling & Support Services
  - Model prep/ analysis/ consulting
  - Accounting/Bookkeeping support services
  - Inventory construction/ analysis/ efficiency and inventory capital management
  - Merchant Services consulting/ analysis
- Insurance Brokerage Consulting
  - Document / Inspection support
  - Claim support consulting
  - Loss Prevention consulting
  - Guest Awareness communication consulting
  - Health & Safety Procedures / Training/ Consulting
  - Media Communication Consulting Services
- Sales & Marketing Support Services
  - Social Media Networking / Consulting & Field Training
  - Signage, Brand Building, & Advertising Consulting & ROI Analysis
  - Media Communication / Print Marketing Consulting/ Apparel / Vendor Consultation
  - Work with Sales & Marketing Director on Creating & Implementing a forward looking marketing plan of at least 90 days, including—plan that outlines the topic & content of social media postings & email campaigns regularly and report results of plan to owners
- Vendor / Partner Management & Support
  - Key Relationship Management
  - Preferred pricing through leverage partners

- IT Consulting
    - POS – Systems process, reporting, and training
    - Security Hardware /Management Fees / Warranty Admin/ Technical Support & Training
    - Web Design / Site Management & Consulting
- Park Maintenance
    - Park to be maintained in good working order, including regular inspection of the equipment and facility and the prompt repair and maintenance of the equipment, trampolines and facility.

***

EXHIBIT H – ACCOUNTING MANAGEMENT SERVICES AGREEMENT

L&A ALTITUDE MANAGEMENT LLC
ACCOUNTING MANAGEMENT SERVICES AGREEMENT

THIS ACCOUNTING MANAGEMENT SERVICES AGREEMENT ("Agreement") is entered into by and between **L&A ALTITUDE MANAGEMENT LLC** ("Consultant"), a Texas limited liability company with offices at 516 Silicon Drive, Southlake, TX 76092, and _____ _____ ("Client"), a _____ with offices at _____ (collectively the "Parties" and individually "Party"). The Effective Date of this Agreement shall be _____ _____ ("Effective Date").

RECITALS

WHEREAS, Client desires to engage Consultant to provide accounting services relative to the operations of the Altitude Trampoline Park located at _____ _____ (the "Park");

WHEREAS, Consultant desires to accept such engagement upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the parties agree as follows:

1. Consultant's Services and Time of Performance. The nature, scope, and level of the specific services to be performed by Consultant, as well as the time when such services shall be provided, are set forth on Exhibit A as attached hereto.

2. Term of Agreement. Consultant shall provide the services set forth herein for a term of one (1) year, commencing on _____ ("Commencement Date") and ending on _____ ("Initial Term") and shall be renewed for consecutive twelve (12) month periods (each 12 month term shall be deemed a "Renewal Term") unless terminated sooner under the terms of Paragraph 10 of this Agreement.

3. Compensation. Client agrees to compensate Consultant for its services according to the fee schedule set forth in Exhibit B. Client also agrees to compensate Consultant for its reasonable out-of-pocket expenses to the extent authorized in Exhibit B. Amendments to the fee schedule set forth in Exhibit B may be made on an annual basis upon written consent of both Parties.

4. Client Information. Client shall supply Consultant with the information and material, sufficiently in advance, so as to enable Consultant to properly perform its services.

5. Client Representative. Client hereby identifies _____ as Client's representative to interact with Consultant ("Client Representative") throughout the term of this Agreement. In the event that Client elects to change the Client Representative, Client shall provide notice to Consultant of the name of Client's new Client Representative. Client agrees that all communication with Consultant relating to the scope of this Agreement shall be made through Client Representative. Consultant agrees that it shall only provide services at the direction of the Client Representative and shall direct all communication relating to the scope of this Agreement to the Client Representative.

6. Contractual Relationship. The Parties agree that based upon Internal Revenue Service guidelines, the working relationship between the Parties is that of a contractor and independent contractor and not employer and employee. Consultant, as an independent contractor, agrees to be solely responsible for complying with all Federal and State income and withholding tax obligations. It is further

agreed that Client shall not be responsible for paying any employment taxes, worker compensation, disability or unemployment insurance premiums or payments.

7. Confidentiality. Consultant, in the course of its duties, may have access to financial, accounting, statistical, and personal data of private individuals and employees of Client. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by Client. Client shall grant such authorization if disclosure is required by law. Upon request, all Client data shall be returned to Client upon the termination of this Agreement. Consultant's covenant under this section shall survive the termination of this Agreement.

8. Affiliated Party and Potential Conflict of Interest. Client hereby represents that it is aware that Consultant is affiliated with J&C IP, Inc., the corporation which is the Licensor under the License Agreement entered into between J&C IP, Inc. and Client.

9. Remote Software. If applicable, Client shall establish the service and incur the cost to provide Consultant with a limited right to remotely login to the application software the Client is using for its bookkeeping needs. Client is responsible for constructing the data communication connection and the costs for transfer of information as well as the compatibility, functioning and maintenance of Client's computers and software. Client must have available up to date antivirus software. Client is responsible for its own use of the software and the contents, including the accuracy and the form of the material created by Client. Consultant shall comply with the instructions given by Client and use the remote login right only for the agreed purpose.

10. Termination. Either Party may terminate this Agreement by providing written notice to the other party at least thirty (30) days prior to the effective termination date. The effective termination date shall be identified in the notice. Consultant shall be paid for its services performed through the effective date of termination.

11. Timely Payment. Consultant has the right to interrupt the services, if (a) the payment to the Consultant is delayed by more than seven (7) days, (b) Client does not provide the necessary information or material in due time or does not otherwise properly contribute to the provision of the services, or (c) Client breaches the contract in some other manner. If Client does not correct the situation within seven (7) days of written notice from Consultant, Consultant has the right to terminate the contract immediately. Notwithstanding the foregoing, Consultant shall be paid for its services through the date of termination.

12. Consultant's Limitation of Liability. Consultant shall not be liable for damages caused by the inadequateness, incorrectness or tardiness of the information provided by Client, or damages attributable to Client. Consultant shall not be liable for indirect damages, like the loss of income or similar damages. Consultant shall be responsible only for direct damage which has been caused through its negligence. L&A Altitude Management will maintain professional liability insurance with coverage in the amount of, at least, $100,000.00 per occurrence and $300,000.00 in the aggregate.

13. Indemnification. (a) Client agrees to indemnify and hold harmless Consultant and its employees, officers, directors and agents, from all direct damages, only, as well as reasonable attorneys' fees and court costs, which Consultant or any of its employees, officers, directors or agents may sustain or incur by reason of or arising out of the breach by Client of any of the terms or provisions of this Agreement, the representations made by Client in this Agreement and/or any acts or inactions of Client, other than those acts or inactions which have been specifically directed by Consultant to Client to be performed by Client.

(b) Subject to the terms and limitations of Section 12 above, Consultant agrees to indemnify and hold harmless Client and its employees, officers, directors and agents, from all direct damages, only, as well as reasonable attorneys' fees and court costs, which Client or any of its employees, officers, directors

or agents may sustain or incur by reason of or arising out of the breach by Consultant of any of the terms or provisions of this Agreement or of the representations made by Consultant in this Agreement and/or the negligent acts of Consultant.

14. Notice. All notices required hereunder shall be in writing and shall be served upon the Party at the addresses provided above (or such other address as may be modified from time-to-time by written notice to the other Party) by certified mail, return receipt requested, personal service or overnight carrier service. Notices served by certified mail or overnight courier shall be deemed given on the date of mailing. Notices served by personal service shall be deemed given on the date of delivery.

15. Injunctive Relief. The parties recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages may be inadequate to fully remedy the injury. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any Party who may be injured (in addition to any other remedies which may be available to that party) shall be entitled to one or more preliminary or permanent orders (i) restraining and enjoining any act which would constitute a breach, or (ii) compelling the performance of any obligation which, if not performed, would constitute a breach.

16. Entire Agreement. All prior and contemporaneous agreements, statements and understandings with respect to the subject matter of this Agreement, if any, among the parties hereto, or their agents, are merged into this Agreement, and this Agreement shall constitute the entire agreement among the parties. The agreement shall supersede any apparent inconsistencies with prior written and executed or oral agreements between the Parties.

17. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Texas, unless required otherwise.

18. Severability. In the event any term of this Agreement shall be held invalid, illegal or unenforceable in whole or in part, neither the validity of the remaining part of such term, nor the validity of any other terms of this Agreement shall in any way be affected thereby.

19. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute a single instrument.

20. Gender and Number. All pronouns used in this Agreement shall be deemed to include masculine, feminine and neuter and the plural shall be deemed to include the singular and the plural whenever necessary or appropriate to effect the intent of this Agreement.

21. Headings. The Article and Paragraph headings are inserted for convenience only and shall not constitute a part hereof.

22. Cumulative Rights. The rights and remedies provided in this Agreement are cumulative and the use of any right or remedy does not limit a Party's right to use any or all other remedies. All rights and remedies in this Agreement are in addition to any other legal rights the Parties may have.

23. Binding Terms. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto and their successors.

24. Arbitration. In the event any controversy or dispute arises with respect to this Agreement or any of the terms or conditions thereof, or with respect to any alleged breach thereof, the Parties agree that such controversy or dispute shall be settled by arbitration in Tarrant County, Texas in accordance with the rules then existing of the American Arbitration Association and judgment upon the award rendered may be entered in any court having jurisdiction thereof. The prevailing party to any action

undertaken shall be entitled to receive from the defaulting party(ies) all arbitration costs and reasonable attorneys' fees.

IN WITNESS WHEREOF, the Parties have executed this Agreement as follows:

CONSULTANT:

L&A ALTITUDE MANAGEMENT LLC

_____
Authorized Representative

Dated: _____

CLIENT:

_____

_____
Authorized Representative

Dated: _____

EXHIBIT A – DESCRIPTION OF SERVICES AND TIME OF PERFORMANCE

Description of Services	Time of Performance
• Review and complete analysis of general ledger for accuracy of assigned entries for each location.	Weekly
• Process Payroll, complete ledger entries, record cafeteria plan/benefits entries, compare and communicate actual vs forecasted payroll expenses	_____
• Manage the activities of Accounts Payable, ensuring the accurate and timely processing of accounts payable, employee expense reports and cash control	Weekly
• Manage missing invoices and create solutions to ensure receipt of future billings.	Weekly
• Perform accounts payable reconciliations to ensure accuracy and resolve outstanding items.	Monthly
• Communicate with internal and external contacts and vendors regarding outstanding accounts payables issues	As required
• Keep Approved Vendor List up to date with Yearly CPI Information	_____
• Prepare Cash/Credit Reconciliations on a weekly basis to ensure proper batch credit and cash deposits from bank reconcile to POS software-communicate variances as needed	Weekly
• Weekly cost/revenue discussions with Client Representative	Weekly
• Review Forecast & Capacity Model on a weekly basis. Discuss variances from Forecast	Weekly
• Month-end close entries for all projects, including but not limited to fixed assets, prepaid accounts, accruals, cost reclassifications, etc.	Monthly
• Prepare month-end bank and balance sheet reconciliations for all accounts.	Monthly
• Prepare month end performance close: A call with Client Representative to go through the P&L and compare against Last Period— Identify top revenue drivers and where we need to work/ Identify cost variances/carrying costs and open discussion on costs we should be preparing for	Monthly
• Weekly/Bi-weekly/Monthly Owner Distributions	Weekly/Bi-weekly/Monthly
• Tax Strategy- 401k contributions/profit share schedule (In conjunction with CPA)	_____

EXHIBIT B – COMPENSATION AND EXPENSE REIMBURSEMENT

Compensation Terms:

- $35,000.00 annual fee
- Billed @ $2083/month
- Payment due by the 10th day of each month

Authorized Expense Reimbursement:

- As approved by Client prior to expense being incurred

EXHIBIT I – MARKETING SERVICES AGREEMENT

L&A ALTITUDE MANAGEMENT LLC
MARKETING SERVICES AGREEMENT

THIS MARKETING SERVICES AGREEMENT ("Agreement") is entered into by and between **L&A ALTITUDE MANAGEMENT LLC** ("Consultant"), a Texas limited liability company with offices at 516 Silicon Drive, Southlake, TX 76092, and _____ _____ ("Client"), a _____ with offices at _____ (collectively the "Parties" and individually "Party"). The Effective Date of this Agreement shall be _____ _____ ("Effective Date").

RECITALS

WHEREAS, Client desires to engage Consultant to provide marketing services relative to the operations of the Altitude Trampoline Park located at _____ _____ (the "Park");

WHEREAS, Consultant desires to accept such engagement upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the parties agree as follows:

1. Consultant's Services and Time of Performance. The nature, scope, and level of the specific services to be performed by Consultant, as well as the time when such services shall be provided, are set forth on Exhibit A as attached hereto.

2. Term of Agreement. Consultant shall provide the services set forth herein for a term of one (1) year, commencing on _____ ("Commencement Date") and ending on _____ ("Initial Term") and shall be renewed for consecutive twelve (12) month periods (each 12 month term shall be deemed a "Renewal Term") unless terminated sooner under the terms of Paragraph 10 of this Agreement.

3. Compensation. Client agrees to compensate Consultant for its services according to the fee schedule set forth in Exhibit B. Client also agrees to compensate Consultant for its reasonable out-of-pocket expenses to the extent authorized in Exhibit B. Amendments to the fee schedule set forth in Exhibit B may be made on an annual basis upon written consent of both Parties.

4. Compliance. Consultant acknowledges that Client and Altitude Franchising, LLC have entered into an Altitude Trampoline Park Franchise Agreement which governs, in part, Client's use of the ATP Marks (as defined in the Franchise Agreement) and Client's marketing of its business. Consultant agrees to abide by terms of the Franchise Agreement in providing its services to Client.

5. Affiliated Party and Potential Conflict of Interest. Client hereby represents that it is aware that Consultant is affiliated with _Altitude Franchising, LLC.

6. Client Information. Client shall supply Consultant with the information and material, sufficiently in advance, so as to enable Consultant to properly perform its services.

7. Client Representative. Client hereby identifies _____ as Client's representative to interact with Consultant ("Client Representative") throughout the term of this Agreement. In the event that Client elects to change the Client Representative, Client shall provide notice to Consultant of the name of Client's new Client Representative. Client agrees that all communication with Consultant relating to the scope of this Agreement shall be made through Client Representative.

Consultant agrees that it shall only provide services at the direction of the Client Representative and shall direct all communication relating to the scope of this Agreement to the Client Representative.

8. Contractual Relationship. The Parties agree that based upon Internal Revenue Service guidelines, the working relationship between the Parties is that of a contractor and independent contractor and not employer and employee. Consultant, as an independent contractor, agrees to be solely responsible for complying with all Federal and State income and withholding tax obligations. It is further agreed that Client shall not be responsible for paying any employment taxes, worker compensation, disability or unemployment insurance premiums or payments.

9. Confidentiality. Consultant, in the course of its duties, may have access to financial and statistical data which is unique to the operations of Client's business. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by Client. Client shall grant such authorization if disclosure is required by law. Upon request, all Client data shall be returned to Client upon the termination of this Agreement. Consultant's covenant under this section shall survive the termination of this Agreement.

10. Termination. Either Party may terminate this Agreement by providing written notice to the other party at least thirty (30) days prior to the effective termination date. The effective termination date shall be identified in the notice. Consultant shall be paid for its services performed through the effective date of termination.

11. Timely Payment. Consultant has the right to interrupt the services, if (a) the payment to the Consultant is delayed by more than seven (7) days, (b) Client does not provide the necessary information or material in due time or does not otherwise properly contribute to the provision of the services, or (c) Client breaches the contract in some other manner. If Client does not correct the situation within seven (7) days of written notice from Consultant, Consultant has the right to terminate the contract immediately. Notwithstanding the foregoing, Consultant shall be paid for its services through the date of termination.

12. Consultant's Limitation of Liability. Consultant shall not be liable for damages caused by the inadequateness, incorrectness or tardiness of the information provided by Client, or damages attributable to Client. Consultant shall not be liable for indirect damages, like the loss of income or similar damages. Consultant shall be responsible only for direct damage which has been caused through its negligence. L&A Altitude Management will maintain professional liability insurance with coverage in the amount of, at least, $100,000.00 per occurrence and $300,000.00 in the aggregate.

13. Indemnification.

(a) Client agrees to indemnify and hold harmless Consultant and its employees, officers, directors and agents, from all direct damages, only, as well as reasonable attorneys' fees and court costs, which Consultant or any of its employees, officers, directors or agents may sustain or incur by reason of or arising out of the breach by Client of any of the terms or provisions of this Agreement, the representations made by Client in this Agreement and/or any acts or inactions of Client, other than those acts or inactions which have been specifically directed by Consultant to Client to be performed by Client.

(b) Subject to the terms and limitations of Section 11 above, Consultant agrees to indemnify and hold harmless Client and its employees, officers, directors and agents, from all direct damages, only, as well as reasonable attorneys' fees and court costs, which Client or any of its employees, officers, directors or agents may sustain or incur by reason of or arising out of the breach by Consultant of any of the terms or provisions of this Agreement or of the representations made by Consultant in this Agreement and/or the negligent acts of Consultant.

14. Notice. All notices required hereunder shall be in writing and shall be served upon the Party at the addresses provided above (or such other address as may be modified from time-to-time by written notice to the other Party) by certified mail, return receipt requested, personal service or overnight carrier service. Notices served by certified mail or overnight courier shall be deemed given on the date of mailing. Notices served by personal service shall be deemed given on the date of delivery.

15. Injunctive Relief. The parties recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages may be inadequate to fully remedy the injury. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any Party who may be injured (in addition to any other remedies which may be available to that party) shall be entitled to one or more preliminary or permanent orders (i) restraining and enjoining any act which would constitute a breach, or (ii) compelling the performance of any obligation which, if not performed, would constitute a breach.

16. Entire Agreement. All prior and contemporaneous agreements, statements and understandings with respect to the subject matter of this Agreement, if any, among the parties hereto, or their agents, are merged into this Agreement, and this Agreement shall constitute the entire agreement among the parties. The agreement shall supersede any apparent inconsistencies with prior written and executed or oral agreements between the Parties.

17. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Texas, unless required otherwise.

18. Severability. In the event any term of this Agreement shall be held invalid, illegal or unenforceable in whole or in part, neither the validity of the remaining part of such term, nor the validity of any other terms of this Agreement shall in any way be affected thereby.

19. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute a single instrument.

20. Gender and Number. All pronouns used in this Agreement shall be deemed to include masculine, feminine and neuter and the plural shall be deemed to include the singular and the plural whenever necessary or appropriate to effect the intent of this Agreement.

21. Headings. The Article and Paragraph headings are inserted for convenience only and shall not constitute a part hereof.

22. Cumulative Rights. The rights and remedies provided in this Agreement are cumulative and the use of any right or remedy does not limit a Party's right to use any or all other remedies. All rights and remedies in this Agreement are in addition to any other legal rights the Parties may have.

23. Binding Terms. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto and their successors.

24. Arbitration. In the event any controversy or dispute arises with respect to this Agreement or any of the terms or conditions thereof, or with respect to any alleged breach thereof, the Parties agree that such controversy or dispute shall be settled by arbitration in Tarrant County, Texas in accordance with the rules then existing of the American Arbitration Association and judgment upon the award rendered may be entered in any court having jurisdiction thereof. The prevailing party to any action undertaken shall be entitled to receive from the defaulting party(ies) all arbitration costs and reasonable attorneys' fees.

IN WITNESS WHEREOF, the Parties have executed this Agreement as follows:

CONSULTANT:	CLIENT:
L&A ALTITUDE MANAGEMENT LLC	_____
_____	_____
Authorized Representative	Authorized Representative
Dated: _____	Dated: _____

EXHIBIT A – DESCRIPTION OF SERVICES AND TIME OF PERFORMANCE

Description of Services	**Time of Performance**
•	

EXHIBIT B – COMPENSATION AND EXPENSE REIMBURSEMENT

Compensation Terms:

- $_____ annual fee
- Billed @ $_____/month
- Payment due by the 10th day of each month

Authorized Expense Reimbursement:

- As approved by Client prior to expense being incurred

EXHIBIT J – LIST OF FRANCHISEES

Franchisees Who Were Open as of May 31, 2018

Franchisee	Address	City	State	Telephone Number
Flying Blind, LLC	648 W Van Asche Dr	Fayetteville	AR	(479) 249-9499
Rebel Dawg Ventures, LLC	15707 Chenal Parkway	Little Rock	AR	(501) 353-1281
Family Fun, LLC	318 East Indian School Road	Phoenix	AZ	(602) 522-8000
Grandview Ventures LLC	1928 Hacienda Dr	Vista	CA	(760) 842-5142
Aim High Wilmington LLC	510 Justison Street	Wilmington	DE	(302) 397-8142
Altitude of Davenport, LLC	4800 Elmore Ave	Davenport	IA	(563) 200-1722
Aim High Bloomington LLC	1702 GE Road, Unit 4	Bloomington	IL	(309) 663-1988
Aim High Glen Carbon, LLC	91 Fountain Drive	Glen Carbon	IL	(618) 744-6959
Aim High Skokie	5425 W Touhy Ave	Skokie	IL	(847) 983-8777
Crest Street Enterprises, LLC	75 Stockwell Drive	Avon	MA	(508) 857-1777
Altitude of Marlborough, LLC	180 Boston Post Road West	Marlborough	MA	(774) 843-2930
Delmarva Trampoline Arena, Inc	30174 Foskey Lane	Delmar	MD	(410) 896-2219
ATP Group	3495 Alpine Avenue Northwest	Walker	MI	(616) 419-3146
ALT OF, LLC	24 O'Fallon Square	O'Fallon	MO	(636) 385-7070
3 Management	1030 Henderson Drive Dwight	Jacksonville	NC	(910) 378-8171
Glenn Ogara	150 Bridge Street	Pelham	NH	(603) 751-8900
Aim High Hainesport LLC	5 Mary Way	Hainesport	NJ	(609) 914-4470

Franchisee	Address	City	State	Telephone Number
Altitude NJ LLC	465 Green Street	Woodbridge	NJ	(732) 218-5660
Magnolia Trampolines	110 Market Drive	Elyria	OH	(440) 281-9999
Altitude Mansfield, LLC	2190 West 4th Street	Ontario	OH	(567) 303-8883
LMN Group, LLC	1045 Bustleton Pike	Feasterville	PA	(215) 357-5867
CSTAT-ATP LLC	15349 Summit Park Drive	College Station	TX	(979) 906-0008
Killeen Altitude LLC	901 S. Fort Hood St.	Killeen	TX	(254) 768-0203
Altitude Odessa, LLC	5161 E. 42nd Street	Odessa	TX	(432) 272-6921
Dahmen-Kraner, LLC	4710 Spring Cypress Road	Spring	TX	(832) 698-2374
Altitude Texas City LLC	10000 Emmett F Lowry Expressway	Texas City	TX	(409) 316-9335
A&D Trampolines	6610 64th St NE	Marysville	WA	(360)454-0099
Brandon Gadish	1441 N. Argonne Road	Spokane	WA	(509) 890-1019

EXHIBIT K – LIST OF FRANCHISEES WHO LEFT THE SYSTEM

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

Franchisees who left our system in our last fiscal year or not communicated with us in the last 10 weeks:

ATPE, LLC, Glen Carbon, IL (618-663-3898)

EXHIBIT L – GENERAL RELEASE

RELEASE

THIS RELEASE is given by the undersigned, _____, in favor of Altitude Franchising, LLC, ("ATP"), and its officers, directors, members, owners, affiliates, employees, successors and assigns as of the __ day of _____, 20___ on the following terms and conditions:

1. Consideration. The undersigned and ATP are parties to a certain Franchise Agreement entered into on_____ (the "Agreement"). The undersigned have requested either: (i) that ATP approve the transfer of the ATP Business operated under the Franchise Agreement to _____ _____; or (ii) that ATP renew the Agreement. Under the terms of the Agreement, ATP has no obligation to approve a transfer unless the undersigned provide unconditional assurance that ATP and its officers, directors, members, owners, affiliates employees, successors and assigns have discharged any and all obligations to the undersigned, and that the undersigned has no further claims of any nature against ATP. The undersigned have no claims to assert and are executing and delivering this release without qualification or condition of any nature, with the intention that ATP rely absolutely on this Release in approval of the renewal of the Agreement or the proposed transfer, as the case may be, the benefits of which to the undersigned as good and sufficient consideration are hereby acknowledged.

2. General Release. The undersigned hereby unconditionally release any and all claims, debts, demands, liabilities, or obligations of any and all nature, accrued and unaccrued, known and unknown, whether arising under the Agreement, any other agreement that the undersigned, or any of its or their affiliates have entered into with ATP, any oral agreement, any act or omission, violation of statute or regulation, or other ground or theory of action, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances, against ATP and its officers, directors, members, owners, affiliates, employees, successors and assigns in their corporate or representative capacities and their individual capacities (collectively, "Releasees").

3. Miscellaneous. This Release is the entire agreement of the parties on its subject matter and there are no exceptions to its terms and no other agreements or understandings, oral or written, on its subject matter. This agreement is binding upon the undersigned and their heirs, successors and assigns, and shall inure to the benefit of the Releasees described herein, and the respective heirs, successors, and assigns.

IN WITNESS WHEREOF, the undersigned have set their hands on the date and year first above written.

_____

Franchisee

By: _____

Its: _____

EXHIBIT M – 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 Altitude Franchising, LLC ("Altitude") offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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.

If Altitude does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is Altitude, located at 516 Silicon Drive, Southlake, TX 76092. Its telephone number is 817-741-JUMP (5867).

The franchise seller is □ Curt Skallerup, located at 516 Silicon Drive, Southlake, TX 76092. His telephone number is 817-741-JUMP (5867) □ _____, located at _____. His/her telephone number is _____.

The issuance date is June 30, 2018, as amended September 28, 2018. The state effective dates are on an exhibit following the State Cover Page.

Altitude authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I have received a disclosure document dated June 30, 2018, as amended September 28, 2018 that included the following Exhibits:

A. List of State Agencies and Agents for Service of Process
B. Financial Statement
C. Franchise Agreement
D. Area Development Agreement
E. State-Specific Addenda
F. Operations Manual Table of Contents
G. Management Agreement
H. Accounting Management Services Agreement
I. Marketing Services Agreement
J. List of Franchisees
K. List of Franchisees Who Left the System
L. General Release

Date: _____

_____
Prospective Franchisee Signature
Print Name: _____
Address: _____

_____
Individually and as _____
of _____

EXHIBIT M – 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 Altitude Franchising, LLC ("Altitude") offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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.

If Altitude does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is Altitude, located at 516 Silicon Drive, Southlake, TX 76092. Its telephone number is 817-741-JUMP (5867).

The franchise seller is ☐ Curt Skallerup, located at 516 Silicon Drive, Southlake, TX 76092. His telephone number is 817-741-JUMP (5867) ☐ _____, located at _____. His/her telephone number is _____.

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- **G. Management Agreement**
- **H. Accounting Management Services Agreement**
- **I. Marketing Services Agreement**
- **J. List of Franchisees**
- **K. List of Franchisees Who Left the System**
- **L. General Release**

Date: _____

_____

Prospective Franchisee Signature

Print Name: _____

Address: _____

_____

Individually and as _____

of _____