FRANCHISE DISCLOSURE DOCUMENT

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
A TENNESSEE CORPORATION

AMAZING ATHLETES

AMAZING WARRIORS

AMAZING TOTS

PLAY LEARN PERFORM©

1227 Lakeview Drive, Suite 2
Franklin, Tennessee 37067
(888) 228-3942

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Amazing Athletes offers franchisees the opportunity to provide developmental sports and physical fitness programs to children under the age of 12 with a primary focus on children aged 2 ½ to 6. The business is operated under the name "Amazing Athletes". By signing a franchise agreement (Franchise Agreement), you will have the right to develop an "Exclusive Territory."

The total investment necessary to begin operation of an Amazing Athletes Franchise Systems, Inc. franchise is from $25,400 to $43,850. This includes between $22,650 and $32,650 that must be paid to the franchisor or affiliate.

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 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 Janee Henderson at 1227 Lakeview Drive, Suite 2, Franklin, Tennessee 37067, (888) 228-3942, or Janee@AmazingAthletes.com.

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

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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 (Exhibit A).

The list of state authorities is listed at Exhibit A.

The issuance date is: March 28, 2017

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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.

Call the state franchise 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 LITIGATION, ARBITRATION, AND MEDIATION ONLY IN A LOCATION THAT IS WITHIN 15 MILES OF OUR THEN-CURRENT HEADQUARTERS (CURRENTLY FRANKLIN, TENNESSEE). OUT-OF-STATE LITIGATION, ARBITRATION, AND MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE, ARBITRATE, AND MEDIATE WITH US IN OUR THEN-CURRENT HEAD QUARTER'S STATE THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT THE LAW OF THE STATE IN WHICH THE FRANCHISOR'S CORPORATE OFFICE IS LOCATED (CURRENTLY TENNESSEE), WILL GOVERN THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use in the future, 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.

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STATE EFFECTIVE DATES

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

This Franchise 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	**Pending**
Florida	**Pending BF49869**
Illinois	**Pending**
Indiana	**Pending**
Maryland	**Pending**
Michigan	**Pending**
Minnesota	**Pending**
New York	**Pending**
Virginia	**Pending**
Washington	**Pending**
Wisconsin	**Pending**

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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:

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

A prohibition of the right of a Franchisee to join an association of Franchisees.

A requirement that a Franchisee assent to a release, assignment, novation, waiver or estoppel that 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.

A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

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 that have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (a) the term of the franchise is less than 5 years, and (b) 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.

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.

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 or litigation, to conduct arbitration or litigation at a location outside this state.

A provision that permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. The 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:

The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

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

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

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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.

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 and has failed to cure the breach in the manner provided in subdivision (C).

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 a provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENFORCEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attention: Franchise Section

P.O. Box 30213
Lansing, MI 48909
(517) 373-7117

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AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
FRANCHISE DISCLOSURE DOCUMENT

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, the use of the word "we," or "us," means the Franchisor, Amazing Athletes Franchise Systems, Inc. "You" means the person or corporation, partnership, or other entity (Legal Entity), including your owners, stockholders, or partners, who are buying the right to operate under the Franchise Agreement.

The Franchisor, Any Parents, and Its Predecessors and Affiliates

We are a Tennessee corporation and do business under the name "Amazing Athletes Franchise Systems, Inc." and "Amazing Athletes". We do not do business under any other name. We maintain our principal office at 1227 Lakeview Drive, Suite 2, Franklin, Tennessee 37067. The telephone number is (888) 228-3942. We were formed on January 17, 2013.

We have one predecessor named Amazing Athletes Franchise Systems, Inc., (a California corporation). Our predecessor's address for the last 10 years was 1624 Maritime Drive, Carlsbad, California 92009. We completed the merger with our predecessor in 2013 and we are the surviving Tennessee corporation. The equity owners of our predecessor are identical to ours and are identified in Item 2. Our predecessor was voluntarily dissolved by our principals (Item 2) in 2014.

We have affiliates.

The first is named Amazing Athletes, Inc., a Tennessee corporation (Tennessee Affiliate) was doing business as "Amazing Athletes Pro Shop". On April 1, 2016, it adopted the new trade name "Play Learn Perform ProShop". It was formed on January 2, 2013. Its address and telephone number are identical to ours. It took over the services offered by our former affiliate Amazing Athletes Sports Store, Inc., which was also voluntarily dissolved by our principals in 2014. Its website is http://www.playlearnperform.com.

Our second affiliate was Total Sports, Inc., a Wyoming corporation (Management Affiliate) which was formed on March 12 2014. On January 25, 2016, it changed its name to Progressive Fitness Group, Inc. Its principal office is located at 1712 Pioneer Ave Ste 115, Cheyenne, Wyoming, 82001. The telephone number for our Management Affiliate is 949-291-4343.

One or more of our affiliates may be referred to as an "Affiliate" or as our "Affiliates". You may be required to do business with one or more of our Affiliates. Except for our AA Affiliate, none of our Affiliates have offered franchises in this or in any other line of business.

Our agent for service of process in your state is disclosed in Exhibit A.

We have no parent.

The Business

We grant you the right to operate an Amazing Athletes franchise business (Business) in an "Exclusive Territory" (Item 12). The Business permits you the opportunity to use proprietary curricula,

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(which consists of weekly lesson plans encompassing developmental sports lessons, age-appropriate physical fitness activities, motor-development fundamentals and basic anatomy and nutrition) to teach children under the age of 12 with a primary focus on preschoolers (ages 2½ to 6 years). The children are called "Students" in this disclosure document. Programs may be offered before, during or after school, during school vacations, the summer, on weekends, summer camps, birthday parties or any other event (Function), and at any location or facility within your Exclusive Territory.

You will be subject to an initial criminal background check before you sign the Franchise Agreement.

This Franchise Disclosure Document (FDD) and the Franchise Agreement describe the terms and conditions for which we currently offer franchises to new franchisees. As the needs of the market change, we will occasionally offer franchises under different terms and conditions.

We do not operate businesses of the type that are being offered here.

The "System" is our proprietary, confidential, and trade secret information. The System includes, but is not limited to: the trademarks, service marks, and logos (Marks); the manner and method of training that we deliver to you; the operations, manuals (Franchisee Manuals), standards and procedures that you will use in the day-to-day operation of the Business; the methods to be used for approaching locations to offer your services; the manner and methods you will use to provide classes for the children; the terms of, and negotiations relating to past or current franchise Agreements; the economic and financial characteristics of the System; and any copyrighted, trade secret or confidential information owned by us, including this FDD, the Franchise Agreement, and the Franchisee Manuals. You must operate in accordance with our System. The right to operate in the locations with whom you create a relationship, the names of all of the children, and the rights to provide services offered by the Franchise Agreement also our sole and exclusive property (Item 14).

Prior Business Experience

Our predecessor started franchising in March of 2008. We have taken over through the merger, all operations of our predecessor. We started franchising on January 17, 2013. Our predecessor and we have never engaged in any line of business other than as the franchisor under the System. Our predecessor and we have never offered franchises in any other line of business.

From August 13, 2003 to November 6, 2006, our AA Affiliate sold 6 franchises around the country and opened 7 company-owned businesses of its own each of which uses a similar system and our Marks. Our AA Affiliate stopped selling franchises on November 6, 2006. Our AA Affiliate sold its only company-owned business in 2014 and transferred the 3 units that operated as franchises to us. Each has an exclusive territory of its own that will not compete in an Exclusive Territory awarded to you. The franchises sold by the Affiliate differ from the one being offered here in that each was given a territory that covered only 15 locations (instead of 60) for which they paid a royalty of 10% (instead of a flat fee). Our AA affiliate was not, and our Tennessee Affiliate and Management Affiliate are not engaged in any other line of business.

In 2008, the Sports Affiliate began selling the "Startup Kit" and related equipment and paperwork to our franchisees. In 2014, our Tennessee Affiliate took over such sales.

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Competition and Laws Affecting the Business

You will be competing with schools, and other individuals and organizations who offer in-school or after-school physical fitness, enrichment programs, childcare services, or other similar services. This will include "mom and pop" establishments, as well as similar franchise systems. Each will be competing with you in the same territories for locations and children.

You must obtain the business licenses that are required by the locale in which you will be operating your Business. You will also be required to conform to any taxation requirements of your locale. Further, some states may require that you have child-care or similar licenses necessary to deliver these services. You must check with the appropriate local or state governmental departments to determine these needs.

ITEM 2

BUSINESS EXPERIENCE

Glen Henderson, Founder, CEO, and President

Mr. Henderson is one of the founders and is our CEO and President; a position he has held since our inception. From August 2003 to 2014, he was the President of our AA Affiliate. From November 2007 to 2014, he was the President of our Sports Affiliate. From 2014 to the present, he holds the position of President of our Tennessee Affiliate and Management Affiliate. Through the AA Affiliate, he has operated 7 company-owned businesses exclusive territories, using a system that is similar to our and which uses our Marks.

Janee Henderson, Founder, and Vice President

Dr. Henderson is one of the founders and is our Vice President; a position she has held since 2012. From August 2003 to 2014, she was the Vice President of our AA Affiliate. From November 2007 to 2014, she was Vice President of our Sports Affiliate. From 2014 to the present, she holds the position of Vice President of our Tennessee Affiliate. She is a California licensed Chiropractor who is now licensed and actively practicing in Tennessee. In addition, Dr. Henderson is a Certified Health Coach.

Kristen Krahl, Director of Operations and Curriculum Development

Mr. Krahl has been our Director of Operations and Curriculum Development since January 1, 2015. Prior to that date and from 2010 to December of 2014 Ms. Krahl was a trainer with us. Ms. Krahl is also a Certified Health Coach.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

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ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Your initial franchise fee (IFF) will be $25,000 for a single Business that covers all currently offered programs. If you are an honorably discharged veteran, we will reduce the IFF to $20,000. If the veteran is a principal in a business-entity franchisee, the reduced IFF will be offered to the entity franchisee. If you are awarded more than 1 franchise opportunity at any one time, you will pay $20,000 for the second opportunity and $15,000 for the 3rd and subsequent units. If you attend a "Discovery Day", and if you then sign a Franchise Agreement within 6 months of the Discovery Day, we will refund $500 of your IFF. A Discovery Day, is a day that you travel to our then-current headquarters (now in Franklin, Tennessee), at which time we talk with you about our franchise opportunity. We offer Discovery Days from time to time, but no more often than once each month.

After a minimum of 14 calendar days have passed from the date you signed the Receipt (found at the last page of this FDD), or after a later date if your state law requires it, you will fill out the application form found Exhibit H to this FDD (Application), you will pay a $1,000 application fee (Application Fee) and you and we will agree upon a training date for you to attend our "Franchisee Training Program" (Item 11). We will not accept payment of the IFF or sign the Franchise Agreement until your first day of the Franchisee Training Program. If you attend this training on the date we both agreed, we will immediately credit the Application Fee against the IFF. If you fail to sign the Franchise Agreement or fail to attend the Franchisee Training Program within 180 days of the training date you approved in your Application, we have the right to terminate our offer to you of a franchise opportunity, and we will keep the Application Fee. Payment of the Application Fee is applicable only to applicants that are new to the system and does not apply to a franchisee that is purchasing additional Franchised Businesses.

You must attend and pass our "Franchisee Training Program" (Item 11). If you attend but fail to complete training to our commercially reasonable satisfaction, we have the right to terminate the Franchise Agreement; except that restrictive and other covenants that must survive termination in order to remain enforceable, shall survive. If we terminate the Franchise Agreement, we will refund 50% of the IFF but will retain the full amount of the Application Fee.

You are also required to purchase from our Tennessee Affiliate an initial supply of uniforms and marketing materials along with the "Startup Kit". The Startup Kit contains all of the sports and fitness equipment (including balls, sticks, bats, goals, cones, and similar equipment) necessary for one coach to teach the Amazing Athletes programs. The cost for all required purchases is approximately, $3,000 to $4,500 depending upon your decision to purchase additional equipment or apparel at the same time.

You may wish to obtain initial training (Item 11) at your location (Remote Training). We may in our sole discretion agree to this. If we agree, then prior to traveling to you, you will pay us a non-refundable fee of $3,000 (Remote Training Fee), that will be used by us to offset our travel, room, and board costs and which will pay us for the time we spend training you. You may be required to travel to

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the nearest franchised location for this training and if you travel, you will also have travel, room, and board costs. (Item 7).

You will also pay us the first 3 months of the technology maintenance fee of $150 (at $50 per month) (Technology Maintenance Fee). This fee is used to maintain your presence on our internet web system and maintain access to the "AA Back Office Platform." The AA Back Office Platform is the password-protected portal on our web site that you will use for such things as event planning, class management, and the creation and delivery of required reports. You will be given the password on or before your first day of training.

We may finance part of the IFF (Item 10). Except as stated here, all fees are uniform, are payable in one lump sum, and are non-refundable.

You pay our Affiliates or us no other fees or payments for services or goods before your Business opens.

ITEM 6

OTHER FEES

TYPE OF FEE (1)	AMOUNT	DUE DATE	REMARKS
Flat Royalty	See Note 2.	Payable by the 2d day of the month that follows the month for which the Royalty was calculated.	Payable to us by personal or bank check. We reserve the right at any time to require you to pay us by Automated Clearing House (ACH) electronic transfer.
Franchisee National Advertising Fee	$150 per month.	Payable with the Flat Royalty.	We may increase the Franchisee National Advertising Fee up to $300 per month upon 60 days notice. Payable to us.
Technology Maintenance Fee	Our then-current fee that now is $50 per month	Payable with Flat Royalty	We will place your information on our web site. This fee also pays for your required use of the AA Back Office Portal. This portal helps you with class management, reporting sheets, and similar services. This fee is payable to us. We have the right to increase this fee by any amount without limitation. We will notify you 60 days before a new fee is to be collected.

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TYPE OF FEE (1)	AMOUNT	DUE DATE	REMARKS
Regional Advertising Cooperative Fee	Currently none. If a Regional Advertising Cooperative is established, you may be required to contribute a specified part of your Franchisee National Advertising Fee to the Cooperative.	Payable by the 10th of the month for the current month.	Payable to Cooperative. We have not determined any formula for calculating the percentage of your Franchisee National Advertising Fee that would be paid to the Cooperative.
Advanced and Additional Assistance or Training;	The then-current fee that is now $500 per day plus travel reimbursement.	14 days before visit.	If you require or request advanced, or extraordinary services. The then-current fee will be described in the Franchisee Manuals. We have the right to increase this fee by any amount without limitation. We will notify you 60 days before a new fee is to be collected. Payable to us.
Transfer Fee	$7,500	At time transfer is to be completed.	Payable to us if you are permitted to transfer your rights to a third party.
Successor Franchise Rights Fee	$7,500	At time of signing.	You may be required to sign a contract with terms that are different from found in your current Franchise Agreement. Payable to us.
Biennial Conference Fee	None now.	Due before conference.	There is none now, but we may in the future charge a fee to attend conference. We have no formula for determining what this fee will be. We may change the fee at any time without limitation. If a fee is charged or changed, we will provide you written notice of the fee before the conference. Payable to us.

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TYPE OF FEE (1)	AMOUNT	DUE DATE	REMARKS
Biennial Conference Travel Expenses	$1,000 to $2,000	As incurred.	Biennial conferences will be mandatory. Expenses will vary based on travel cost and type of accommodations. Payable to vendors.
Mandatory Fee for Not Attending Biennial Conference (Mandatory Non-Attendance Fee)	Then-current fee that now is $1,500 per Exclusive Territory.	Due on the Monday following the last day of the Biennial Conference.	Charged only if you fail to attend biennial conference (Item 11). We have the right to increase this fee by any amount without limitation. We will notify you 60 days before a new fee is to be collected. Payable to us.
Computer System Maintenance and Update	Will vary based upon the changes in the Computer System; hardware to cost about $500 to $1,000. The cost for updating software will vary.	Reasonable time after notification.	The computer software and hardware together are the "Computer System." Hardware update no more often than once every 5 years; software no more often than once every 2 years. (Item 11). Payable to vendors.
Late Fee	$50 late fee per incident for each Franchised Business you own.	Immediately when assessed.	Payable only if you fail to make timely payments.
Default Notice Fee	$50	Immediately when assessed.	Payable to us only if we send you a default notice.
Costs and Attorney's Fees	Will vary.	As incurred.	Payable to supplier.
Indemnification	Will vary.	As incurred.	You have to reimburse us if we are held liable for any claims arising from your business. Payable to us.
Insurance	$750-$1,200 annually.	As incurred.	For general liability, professional liability, and other required insurance. Payable to supplier.
Replacement/Additional Inventory of Marketing	Will vary.	When purchased.	Uniforms will be purchased as needed

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TYPE OF FEE (1)	AMOUNT	DUE DATE	REMARKS
Materials, Uniforms and Equipment			from our Tennessee Affiliate or approved vendors. (3) Sales literature, forms and other paper products with our Marks will be purchased as needed only from Tennessee Affiliate or approved vendor. Replacement equipment will be purchased every 2 years only from our Tennessee Affiliate. (3)
Audit Costs	Will vary depending upon the level of the audit undertaken.	As incurred.	Payable only if we audit your books and find underreporting. Payable to vendor.
New Line of Goods or Services and Technology Update and Fees	Will vary.	As incurred.	See Note 4

1. All fees paid to our Affiliate or us are payable in one lump sum, uniform, fully earned by us, and non-refundable except as stated in Item 5. Any interest charged by us will not exceed that allowed by your state law.

2. For the first 6 months in operation, you will pay the greater of either $40.00 per month per location or the highest tuition paid by one child at each of the locations at which you deliver services during the month. Beginning in the 7th month you will pay the greater of $40.00 per location or the highest tuition paid by one child at each of the locations at which you deliver services during the month except you will never pay less than $500 per month during this period. Beginning in the 13th month, you will pay the greater of $40.00 per location or the highest tuition paid by one child at each of the locations at which you deliver services during the month; except you will never pay less than $600 per month for the duration of your contract.

3. Our Tennessee Affiliate has a private on-line purchasing portal at www.playlearnperform.com. You are required to use this site, which accepts payment only by credit card.

4. We may in the future require all franchisees and you to add new goods or services to those already sold through the Business. If we do this, you may incur additional expenses, costs and fee, some of which may be due to an affiliate, a third party for whom we collect the funds, or us. We have no formula for determining what such costs, fees, or expenses might be so we cannot give you an estimate of such costs. If we introduce new lines of goods and services, we will notify you in writing and give you no less than 60 days to comply with the changes. We each also acknowledge and agree that changes to technology are dynamic and not predictable within the term of the Franchise Agreement. In order to provide for inevitable but unpredictable changes to technological needs and

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opportunities, you agree that we will have the right to establish, in writing, reasonable new standards and fees for the implementation of new technology in the System; and you agree to comply after we give you no less than 60 days prior written notice.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount*	Method of Payment	When Due	To Whom Payment is to be Made
IFF(1)	$19,500 to $25,000	Lump sum	At signing of Franchise Agreement	Us.
Rent and Rental Improvements(2)	-0-			
Training Expenses (3)	$1,000 to $2,500	As incurred	Before training	Airlines, Hotels, Restaurants.
Remote Training Fee(3)	$0 to $3,000	As incurred	Prior to our traveling to your location	Us.
Remote Training Costs(3)	$0 to $1,000	As incurred	As incurred	Hotel, Restaurants
Furniture, fixtures, and equipment, (4)	$-0- to $500	As incurred	Before opening	Vendors.
Startup Kit and Initial Uniforms and Marketing Materials(4)	$3,000 to $4,500	Lump Sum	Before opening	Our Affiliate.
Computer System (5)	$0 to $1,000	As incurred	Before opening	Vendors.
Technology Maintenance Fee (5)	$150	Lump Sum	At signing of Franchise Agreement	Us.
Insurance and Professional Services (6)	$750 to $1,200	As incurred	When incurred	Professionals.
Additional Funds - 3 months (7)	$1,000 to $5,000	As incurred	When incurred	Used for your own personal expenses as needed.
TOTAL (7)	**$25,400 to $43,850**			

***** Except as stated in Item 5, all fees are uniform, are payable in one lump sum, and are non-refundable.

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1. The IFF is for an Exclusive Territory. If you attend a Discovery Day, and if you then sign a Franchise Agreement, we will credit $500 to the IFF. If you are an honorably discharged veteran, we will also credit $5,000 against the IFF. The lower number reflects the Discovery Day $500 credit to an honorably discharged veteran. The Exclusive Territory will be determined by geographic, physical, and other boundaries before the Franchise Agreement is signed.

2. It is anticipated and expected that you will work from your home. We have no criteria for any office space, lease or other real estate.

As it is anticipated and expected that you will be working from your home, no tenant improvement is necessary.

3. You must pay all of your out-of-pocket expenses while attending training at our then-current training office. These numbers are estimates only and will depend on the lodging you choose, the method of getting to the training location, and the food you purchase. If you decide you want to receive Remote Training, and if we agree to give it to you, we will charge the non-refundable Remote Training Fee (Item 5). You may be required to travel to the nearest franchisee for such training. We anticipate and expect such travel to be no more than a few hours driving time to the nearest franchisee, but you will be responsible for your room, board and other travel expenses.

4. This includes a telephone (if you do not have one), a fax machine, a combination printer/copier (if you do not have one), and a table and chair. This amount will change depending on whether you already have these items. We have no specifications for the fax machine, copier, printer, table, or chair.

You will also be required to purchase Initial uniforms and marketing materials along with the Startup Kit from our Tennessee Affiliate and other approved vendors. After the initial purchase, you are required to purchase replacement equipment from our Tennessee Affiliate.

5. You will be required to have certain off-the-shelf computer hardware. You may already have equipment that meets this need. The computer system must have the software listed in Item 11 below. You may already have software that is sufficient.

The Technology Maintenance Fee is currently $50 per month. This figure represents the first 3 months of this fee that we collect before you open.

We may in the future provide you with proprietary software at no cost to you.

6. The amount includes the initial cost for general and professional liability insurance to protect you against claims from Students.

This also includes fees that you may incur from other professionals, such as CPA's or attorneys.

7. The estimate of additional funds is for the first 3 months of capital. The estimate of additional funds does not include an owner's salary or draw. The additional funds required will vary by your management skill, experience and business acumen, your relative effectiveness as a sales person, local economic conditions, the local market for your services, competition, and the sales level in your Exclusive Territory that you reach during this period. You may incur other or higher costs or fees. You may also need capital when running the Business that is in addition to what is estimated here. In

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compiling these estimates, we have relied upon the experience of our principals (Item 2) from operating businesses that are similar to the one being offered to you.

You should carefully review these figures with a business advisor before making any decision.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases and System Changes

You must open and operate your Business in accordance with the System. The specifications necessary to operate under the System includes standards for delivery of the services to the Client, professional standards for operation, criteria for performance, and purchases of required goods and services. These specifications were formulated by us. We may modify any specification as to any goods, service, supplies, fixtures, equipment, inventory, computer hardware, software supplier, or the like, at any time and on a local, regional, or national basis. We may also add and remove vendors at any time.

We may communicate our standards, specifications and purchase requirements directly to suppliers who wish to supply you goods or services. We will communicate our standards and specifications to you during training, before you open, during periodic visits to your Business, and through the Franchisee Manuals, and periodic bulletins. We may issue new standards and specifications through written notices. Once you are notified, you must make the change that is specified. We may also add and remove vendors at any time.

We have the right, in our sole discretion and as we may deem in the best interests of the system or a specific franchisee to vary required purchases, standards or specifications based upon that franchisee's qualifications, special circumstances, the demographics of a particular "Geographic Territory" (Item 12) or development region, business potential, or any other condition which we deem to be of importance to the successful operation of any particular Business. We will not be required to disclose or grant to you a like or similar variance.

Required and Approved Suppliers

You must purchase your initial inventory of marketing materials and uniforms along with the Startup Kit only from our Tennessee Affiliate (Item 7). Our Tennessee Affiliate is the only supplier of the Startup Kit and the initial inventory of marketing materials and uniforms.

You must pay us the Technology Maintenance Fee (Items 6 and 7) and must use the AA Back Office Platform. We are the only supplier of the services including the AA Back Office Platform for which the Technology Maintenance Fee is paid. There may be fees associated with the introduction of new technology (Item 6). If such technology is introduced, our approved vendor, an Affiliate or we may be the only supplier of such services.

You will be required to maintain an ongoing inventory of uniforms, brochures, forms, and other promotional materials that contain our Marks all of which must be purchased from our Tennessee Affiliate. In order to ensure the safety of the Students, you will be required to purchase new sports equipment no less often than every 2 years. If equipment is broken or is reduced to a dangerous condition, you will be required to replace it more often. Our Tennessee Affiliate is the only supplier of such goods.

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If you wish to receive Remote Training, you will pay us the Remote Training Fee. We are the only supplier of this service.

You are required to purchase and maintain a computer system that meets our minimum specifications. You may purchase the computer equipment from any reputable dealer. If you have computer equipment that meets our specifications, you will not be required to purchase additional equipment. You will be required to purchase certain "off-the-shelf" software. This may be purchased from any reputable dealer (Item 11).

We may in the future require all franchisees and you to add new goods or services to those already sold through the Business. If we do this, you may incur additional expenses, costs and fee, some of which may be due to an affiliate, a third party for whom we collect the funds, an approved vendor, or us. If we introduce new lines of goods and services, we will notify you in writing and give you a reasonable time to comply with the changes that will not exceed 60 days.

You may purchase any other equipment or materials from any approved source. The list of approved products and suppliers is published in the Franchisee Manuals.

Our principals own an interest in our Tennessee Affiliate. Except for the goods and services that must be purchased from our Tennessee Affiliate or us (if any), our principals own no interest in any other supplier. Except as stated here, our Tennessee Affiliate and we are not approved suppliers.

Insurance

Prior to opening the Business, you will purchase and maintain in full force and effect the following insurance with the following minimum limits. You can elect to purchase insurance with greater coverage or limits:

a. professional liability insurance having a combined single limit for any claims of $250,000 per occurrence and $250,000 in the aggregate;

b. general liability insurance having a combined single limit for any form of injury and property damage of $1,000,000 per occurrence and 2,000,000 in the aggregate;

c. excess liability umbrella coverage for general and automobile liability coverage in an amount of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate; and,

d. employer's liability and worker's compensation Insurance as required by state law in the state in which the Business is found.

We must be listed as additionally insured in all policies.

Approval of Alternative Suppliers

In some cases, you may wish to purchase a required good or service from a supplier that has not been previously approved by us. There is no charge for this service. We do not maintain written criteria for approving suppliers and thus, these criteria are not available to you or your proposed supplier. To obtain our approval, you must submit such information as we may reasonably require in order to evaluate the prospective supplier. We will evaluate the submitted information and will provide written notice of our decision to you within 15 days. If, however, no written response is received, the

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approval is denied. We may grant or deny approval for any reason or for no reason at all. Other than as stated here, we have no other process for approving suppliers.

Approval of alternative suppliers may be revoked by us if we determine in good faith that the goods or services they are supplying no longer meet the quality standards that are in effect at that time. We will notify you in writing if we revoke the approval of any supplier.

Revenue from Franchisee Purchases

We do not receive revenue or material consideration as a result of required purchases or leases.

Our Tennessee Affiliate received revenue and material considerations as a result of required purchases. In the year ending December 31, 2016 it earned $392,188.06 in gross revenue (which includes reimbursed shipping costs) from the sale of the Startup Kit, uniforms, marketing materials, sales literature and replacement equipment. This represents 100% of the Tennessee Affiliate's total revenue for that period. This figure was derived from the unaudited financial records of the Tennessee Affiliate. We reserve the right in the future to derive revenue for the sale of goods or items.

Our and Tennessee Affiliate does not make payments to us as a result of your purchases from it.

The cost of equipment and supplies purchased through our Tennessee Affiliate will represent approximately 13% to 20% of your total purchases to establish the Business and approximately 8% to 12% of your total purchases during the operation of the business.

We do not now, but may, in the future, receive rebates and material benefits from vendors with whom you are to do business.

Cooperatives

Though there is none at this time, we may in the future develop regional a purchasing cooperative in your area. The purpose of the purchasing cooperative will be to obtain all goods and services at a more competitive price. Upon the creation of the same, you must participate in the program. Any item carried by the cooperative will be of the same quality as then required by us by any other franchisees.

Negotiated Prices

We have negotiated prices with our Tennessee Affiliate for the benefit of the franchisees.

Material Benefits

We do not provide or withhold material benefits to you (including renewal rights or the right to open additional businesses) based on whether you purchase through the sources we designate or approve. However, purchases of unapproved services, the use of unapproved vendors, or supplying to Students unapproved services will be a violation of the Franchise Agreement, and you may be terminated as a result.

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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 franchise disclosure document.

Obligation	Section or Article in Franchise Agreement	Item in Disclosure Document
(a) Site selection and acquisition/lease	2	Items 7 and 11
(b) Pre-opening purchase/leases	2.4	Item 8
(c) Site development and other pre-opening requirements	5	Items 6,7,11
(d) Initial and ongoing training	7	Item 11
(e) Opening	2.1	Item 11
(f) Fees	3	Items 5,6,7
(g) Compliance with standards and policies/operating manual	8	Item 11
(h) Trademarks and proprietary information	6	Items 13 and 14
(i) Restrictions on products/services offered	8.4	Items 11 and 16
(j) Warranty and Customer service requirements	None	
(k) Territorial development and sales quotas	None	Item 12
(l) On-going product/service purchases	8.4	Item 8
(m) Maintenance, appearance, and remodeling requirements	None	Item 11
(n) Insurance	17	Items 7,8
(o) Advertising	3	Items 6,7,11
(p) Indemnification	14	Item 6
(q) Owner's participation/ management/staffing	8.9	Items 11 and 15
(r) Records and reports	8.3	Item 11
(s) Inspections and audits	8	Item 6
(t) Transfer	9	Item 17
(u) Renewal	4	Item 17
(v) Post-termination obligations	11.1	Item 17
(w) Non-competition covenants	15	Item 17
(x) Dispute resolution	16	Item 17

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Obligation	Section or Article in Franchise Agreement	Item in Disclosure Document
(y) Other: One year limitation of action (Note 1); Guarantee of Franchisee Obligations (Note 2); Waiver of right to a jury or exemplary, punitive or consequential damages (Note 3)	16	Item 17

1. The franchisor and the franchise each agree that he, she or it will be limited to bringing any action against the other within one year of the date that the facts which give rise to the claim were discovered or one year from the date that such facts reasonably should have been discovered (Franchise Agreement, Sections 10.6 and 16.8). This waiver may not be enforceable under federal or state law.

2. The principals of any franchisee that purchases the franchise in a business entity name or (or later converts into a business entity) will be required to sign a personal guaranty (Franchise Agreement, Section 18.10). Further, any franchisee (and if applicable, the franchisee's principals and their spouses) that obtains financing from us (Item 10 and Franchise Agreement, Section 3.6) will be required to sign a personal guaranty of that obligation.

3. We both agree to waive the right to a jury trial and to be awarded exemplary, punitive or consequential damages (Item 17; Franchise Agreement, Sections 10.6 and 16. 8). These waivers may not be enforceable under federal or state law.

ITEM 10

FINANCING

SUMMARY OF FINANCING OFFERED

Item Financed	Source of Financing	Down Payment	Amount Financed	Terms (yrs)	Interest Rate	Monthly Payment	Prepay penalty	Security Required	Liability upon default	Loss of legal rights on default
IFF	Us (Note 1)	$12,500 to $24,999	$0.00 to $12,500	1	6% simple interest	Will vary	None	Personal guaranty	Acceleration; collection costs; attorney's fees; termination of Franchise Agreement	Waiver of notice; No jury trial; No punitive, exemplary or similar damages; You must follow restrictive covenants

1. If you meet our credit standards, we will finance up to $12,500 of IFF. You will sign a promissory note ("Note" found at Exhibit 9 of the Franchise Agreement), that will be financed over 12 months with interest at 6% simple interest. The only security required will be a personal guaranty signed by you (and your spouse if applicable) if you are a sole proprietor, or the guaranties of all principals (and their spouses, if applicable) if you are a business entity. The note can be prepaid without penalty. If you fail to pay on time, we can accelerate the amount that is due which means we

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can demand that the remaining balance of all principal and accrued interest be paid at once and we can collect all attorney's fees and costs of collection that we incurred. We can also terminate the Franchise Agreement. Under the Note, you waive the rights to notice. We do not sell the Notes.

We do not guaranty your note, leases or obligations to third parties. We and our Affiliates have no past practice or future intent of selling, assigning or discounting franchisees' financial arrangements to a third party. We do receive consideration in these transactions only in the form of the interest that you will pay over the life of the loan.

ITEM 11

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

Except as stated below, Amazing Athletes Franchise Systems, Inc is not required to provide you with any assistance.

Pre-Opening Assistance

Before you open your business, Amazing Athletes will:

1. Assign to you an Exclusive Territory. (Franchise Agreement, Article 1).

2. Provide you with the training that is described in this Item 11 (Franchise Agreement, Article 7). Initial training sessions are open only to you and 1 other person that you designate.

3. Provide you with a list of any approved suppliers for all equipment, goods, and services. (Franchise Agreement, Section 5.2).

4. Loan you one copy of all of the Manuals that you will need to operate the Business (Franchise Agreement, Section 5.1).

5. Supply reasonable support by telephone, fax, and email. (Franchise Agreement, Section 5.2).

We do not set minimum or maximum prices for any products, goods or services. We offer no advice concerning your hiring of your employees. Your employees are not our employees.

Post-Opening Assistance

During the operation of your Business, Amazing Athletes will:

1. Offer additional conferences, seminars or programs, at a frequency that we shall determine, on various topics relevant to you as the Franchisee. Some of these seminars or programs may be mandatory. Some of these conferences, seminars or programs may be mandatory. There may be a tuition fee for these seminars (Franchise Agreement, Section 5.3).

2. Provide updates to the Franchisee Manuals, the System, the Marks, and in reference to the training provided to you, at a frequency which we shall determine (Franchise Agreement, Section 5.3).

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3. Review all promotional materials and advertising you wish to use. We must approve it in writing no less than 15 calendar days before its insertion into any medium. If you do not receive written notice within 15 calendar days, it is deemed to be disapproved (Franchise Agreement, Section 5.3).

4. Visit your Business, and will use other methods to ensure that you and all other franchisees are delivering quality services and products that conform to the System (Franchise Agreement, Section 5.3).

5. Provide promotional materials and advertising programs from time to time as we deem appropriate (Franchise Agreement, Section 5.3).

Schedule for Opening

Franchisees typically open for business within 45 days after they sign the Franchise Agreement and complete training (Opening Period). You will be required to open for business within 30 days after completing training (Opening Date). We may extend the Opening Date for a reasonable time (not to exceed 20 days) in the event factors beyond your reasonable control prevent you from meeting the deadline, and you request an extension of time from us at least 15 days before the set Opening Date. The factors that affect the Opening Date may include location schedules, weather conditions and shortages or delays in obtaining equipment.

Unless otherwise agreed to in writing by us, you must secure all necessary permits and licenses; purchase or lease and have installed and in operating order all of the equipment required, and obtain and provide evidence of insurance prior to the Opening Date.

Optional Assistance

If requested by you, and if approved by us, we will provide additional training at a location determined by us. You will pay the travel, room, board, and the then-published daily fee for such services (Franchise Agreement, Sections 5.3 and 7.4).

Advertising

Franchisee National Advertising Fee and Regional Advertising

We collect $150 per month for national advertising (Franchisee National Advertising Fee). The Franchisee National Advertising Fee will be due at the same time as your Flat Royalties.

The Franchisee National Advertising Fees will be deposited in an interest bearing checking account, savings account, or any other account of our determination (Franchisee National Advertising Account). Any monies not used in any year will be carried to the next year. The Franchisee National Advertising Account is not a trust, and we assume no fiduciary duty in administering it.

The Franchisee National Advertising Account will be administered by us in our sole discretion and may be used by us for all advertising expenditures (including the creation of various advertising and promotional products for use with printed materials, posters, and the creation of radio on local, regional basis or national basis) reasonably intended to benefit some or all franchisees, and for the payment to us of costs related to administering the Franchisee National Advertising Account such as reasonable salaries, administrative costs, costs allocated to any conferences, travel expenses, and

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overhead. Franchisee National Advertising Fees are used to promote or enhance the services sold by the franchise and to sell additional franchises.

We make no guarantee to you or to any other franchisee that advertising expenditures from the Franchisee National Advertising Account will benefit you or any other franchisee directly or on a pro rata basis. We will assume no other direct or indirect liability or obligation to you with respect to collecting amounts due to the Franchisee National Advertising Account or with respect to maintaining, directing or administering the Franchisee National Advertising Account.

Any company-owned Businesses will participate in any national or regional advertising programs on the same basis as franchisee-owned Businesses.

The advertising will be produced by a local, national or international advertising agency or by us.

Upon your prior written request, we will make available to you, no later than 120 days after the year-end financial statements are available, an annual unaudited financial statement for the Franchisee National Advertising Account. The Franchisee National Advertising Account is unaudited.

Though we have no plans now, we reserve the right to increase the amount of the Franchisee National Advertising Fee to no more than $300. We will give you notice of our intent to do this and 60 days to comply.

We intend for the Franchisee National Advertising Fees to be continual and perpetual, but we have the right to suspend (and subsequently reinstate) or terminate it if necessary. We will not close the Franchisee National Advertising Account however, until all contributions and earnings have been used for the purpose for which they were collected.

We reserve the right, upon 30 days prior written notice to you, to allocate all or a portion of the Franchisee National Advertising Fees to a regional advertising program for the benefit of Franchised Businesses located within a particular region (Regional Advertising Program). We have the right to determine the composition of all geographic territories and market areas included in a particular Regional Advertising Program and to require that you participate if the same is established by us. If a Regional Advertising Program is implemented on behalf of a particular region, we will only use contributions from franchisees within such region for the particular regional advertising program, to the extent reasonably calculable by us. Any company-owned businesses will equally participate. The franchises that were sold by our AA Affiliate, however, will not be required to participate even if they are within a Regional Program area.

We have the right to change, dissolve, or merge any Regional Advertising Program. We will prepare unaudited financial statements and will deliver the same to you no earlier than 90 days of its year-end.

There is no advertising cooperative or advertising council.

For the year ending December 31, 2016 we collected $159,988. and spent $152,287 in national advertising funds, using approximately: 23% on National Conference and accreditation; 29% of promotional products, sponsorship events, and vendor opportunities; 36% on online marketing and print, press and media advertising and design; 3% on administrative costs including taxes and fees; and 8% on advertising for new franchisee recruitment. The balance of $7,701 was carried over into 2017.

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Local Advertising and Web Presence

There is no local advertising requirement.

Unless otherwise approved in writing by us or set forth in the Manual, you will not establish a separate website on the internet.

Computer Requirements

You will be required to purchase the following equipment in order to operate your Business:

a. A notebook or desktop computer (Computer) from any manufacturer with the following configuration:

i. It must operate with a Pentium 4 or greater chipset (or the equivalent from another manufacturer) or the latest version of the Apple chipset;
ii. It must have a minimum 8 gigabytes of hard drive memory;
iii. It must have a minimum of 2 megabytes of RAM memory; and,
iv. It must have the most current version of the Windows or Apple operating system.

b. The Computer must also have the following software (Computer Software):

i. A Microsoft Word and Microsoft Excel compatible program;
ii. The latest version of Internet Explorer or other Internet browser; and
iii. QuickBooks Professional.

The Computer and Computer Software are referred to as the "Computer System".

You may already have a Computer System that is adequate. If not, the Computer System could cost approximately $1,500. (Item 7).

We may in the future offer a proprietary software or web-based programs that may include accounting, word processing and other features. This will be delivered to you at no cost. All programs will be compatible with Windows or Apple operating systems.

You will be required to maintain each component of the Computer System to keep it operational. The cost of, and the frequency of such maintenance cannot be estimated as various factors, such as the age of the entire Computer System and its treatment while in operation cannot be determined.

We may also require you to update the Computer System hardware no more often then once every 5 years. We estimate the cost to be approximately $1,000. The Computer Software update will occur no more often than once every 2 years. The cost of any such update will vary depending upon the age of the software that you originally installed, and the cost charged by the software vendor. We have no formula for determining that cost and cannot therefore estimate it.

c. A plain-paper printer/fax machine (can be a combination unit with printer and scanner); and,

d. High-speed internet access

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We may at any time change the configuration of the hardware or the software and will notify you in writing of the same after which you will have a reasonable amount of time (not to exceed 60 days) within which to make the changes.

We do not now, but we may in the future have independent access to your databases; except we will never disclose any personally identifiable information. If your databases are passcode protected, you will provide the code to us upon request. The information accessed will include scheduling information, attendees, and the identity of venues at which your services are offered. There are no other contractual limitations on our right to access such information.

Franchisee Manual and Table of Contents

We will loan you one copy of the Franchisee Manual though it will always remain our property. It is part of the System and it contains our confidential, proprietary and trade secret information. The Table of Contents of the Franchisee Manual is found in Exhibit C to this Disclosure Document. The Franchisee Manual contains approximately 97 pages.

Location Selection

It is anticipated and expected that you will operate the business out of your home (Franchised Location). We will have no interest in your Franchised Location. We have no criteria or requirements for your Franchised Location, and we provide no other guidance concerning it. We review no leases.

Training

Franchisee Training Program

For the first franchise that you buy, you, or if you are a business entity, your "Principal Operator" must complete our Franchisee Training Program to our satisfaction. Your "Designated Manager" may, but is not required to attend our training. Training for all programs, (the "Tot Curriculum" (for children between the ages of 18 mos. - 2 ½); the "Pre-School Curriculum" (for children between the ages of 2½ to 6); and, the "School-Age Curriculum" (for children between 7 and 12)), consists of approximately 5 days of instruction of which approximately 27 hours are classroom instruction, and 5 hours are on-the-job training. Training may occur at our then-current headquarters or at another facility that we designate. The "Principal Operator" is the person designated by your business entity to operate the business and receive our training. The "Designated Manager" is defined as the person, besides you, who acts as the general manager of the Business has been trained by us, and who delivers our services directly to the Students.

The Franchisee Training Programs are held as needed. The training materials include the Franchisee Manuals and handouts. There is no charge for training materials. There is no tuition.

If you request Remote Training, and if we agree to provide it in our sole discretion, you will pay us the Remote Training Fee that now is $3,000. Remote training consists of same training as presented in the following table.

Training consists of the following:

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TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Kick off/Day 1; Mission Stmt.; Competition; Industry Overview	7 hours	none	Our current Franklin Tennessee headquarters or at another location we designate.
Day 2: Class room training- learn games used in field- how to interact with children	7 hours	none	Our current Franklin Tennessee headquarters or at another location we designate.
Day 3: On-Site training at a facility located near the training venue.	5 hours	2 hours	Our current Franklin Tennessee headquarters or at another location we designate.
Day 4: Training at a facility located near the training venue.	4 hours	3 hours	Our current Franklin Tennessee headquarters or at another location we designate.
Day 5: Training Assessment; Start-Up Checklist; Equipment Order; Final Overview	4 hours	0 hours	Our current Franklin Tennessee headquarters or at another location we designate.

Mr. and Dr. Henderson and Ms. Krahl are the training instructors. The background and experience of the Hendersons and Ms. Krahl is found in Item 2 of this Disclosure Document. The Hendersons have operated a business similar to the one that is being sold here, and will use that experience to train you. Ms. Krahl has coached multiple United States All Star Federation regulated cheer programs from 2006 to 2009. In this capacity she has trained youth aged 3 to 18 in all aspects of cheerleading and gymnastics including physical fitness and motor-development skill building. She also holds a Level 1 CrossFit Trainer Certificate. Ms. Krahl has been helping train our franchisees since 2011 which training covered all of the subjects listed above. From time to time, persons who are active in the operations and administrative side of our business, as well as support staff, may assist in the training.

You must attend training, and you must pay for your own travel, meals, and lodging expenses. You or your Principal Operator must complete the training to our commercially reasonable satisfaction within 30 days of the date you sign the Franchise Agreement. If you fail to complete training, we will terminate the Franchise Agreement; except that the restrictive covenants found in the Franchise Agreement will remain in force and we will refund 50% of the IFF.

You may wish to get on-site training from us. This is optional and is not required for the operation of the business unless you feel it is necessary. We will charge our then-current fee (Item 6), plus all costs for travel, lodging and food. This training can take place at any time.

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If you request additional, extraordinary, or refresher courses or training, we may, at our option, charge our then-current per diem fee plus expenses (Item 6). You will pay your costs for travel, lodging and food.

If you propose to sell or transfer the Business to a third party, part of our approval process will be the requirement that the transferee attend the Franchisee Initial Training and all other training we are then requiring, and that the purchaser or transferee pay for the training at the then-current fees being charged. (Item 6).

Biennial Conference and Training Attendance

We do have a biennial (once every two years) conference that requires attendance by all franchisees. You will be responsible for the payment of all expenses for travel, accommodations, food, and other expenses incurred. Though none is now required, we may in the future require an attendance fee. When it is known, you will be provided with the duration of such a meeting, as well as its location, the identities who those who will present information at the meeting, and the content of any seminars or information that will be delivered at that time.

The biennial conference will be held in a location to be determined by us. Any additional local or regional meetings will last between 1 and 2 days and will be held at a location to be approved by us that will be within easy car or bus commuting distance. Any instructors at such meetings will be either Mr. or Dr. Henderson, or another person not yet identified by us, but whose identity and background will be disclosed to you before the meeting.

If you fail to attend the biennial conference, you will be required to pay the then-current mandatory fee for not attending the biennial conference (Mandatory Non-Attendance Fee) (Item 6). The Mandatory Non-Attendance Fee will be collected at the time that you participate in the mandatory conference call that will be held for all franchisees who fail to attend the biennial conference. Failure to participate in the mandatory conference call and subsequent work may result in the termination of the Franchise Agreement.

In addition to the biennial conference and though we do not now, we have the right, in the future to require you, your principals, and designated employees to attend a local or regional meeting up to 2 times per year. All mandatory meetings will be offered without charge of a tuition or fee; however, you will be responsible for all travel and living expenses that are associated with attendance at the same.

ITEM 12

TERRITORY

You will be assigned an "Exclusive Territory" before you sign the Franchise Agreement. Once assigned, you must operate only within the Exclusive Territory. Your Exclusive Territory is determined from the licensing records of all private pre-schools and day care centers that the municipality, county, or state in which you are located has maintained. We have no control over how these records are compiled and as a result, we cannot guaranty that the municipality, county, or state will have an accurate record of the identity and location of these facilities. This may result in a private pre-school or day care center being mistakenly located in the exclusive territory of another. In such a case, we will use our good faith efforts to replace the misidentified facility with another in your Exclusive Territory. We cannot guaranty however, that this will happen.

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The geographic boundaries of the Exclusive Territory in which you can operate your business will be defined by us by identifying a sufficient number of zip codes or by identifying political boundaries, county lines, natural boundaries such as rivers or mountains, man-made boundaries such as highways or streets, or otherwise as we deem appropriate in order to provide you with an Exclusive Territory that contains at least 60 private pre-schools or Day Care Centers each of which is licensed with a capacity for 40 or more Students. The Exclusive Territory may encompass additional potential locations (including elementary and middle schools, recreation and fitness centers, public pre-schools and the like) and there may otherwise be additional children under the age of 12 who can participate in all offered curricula. We do not however make any guaranty as to the total number of children between the ages of 18 months to 12 years within the Exclusive Territory and each Exclusive Territory may have more or less than another Exclusive Territory. You are not obligated to offer the Tot Program or the School Age Program. You are not required to teach a curriculum at any particular location or exclusively during the school year. The curricula can be offered at any time, at any Function, and in any location within your Exclusive Territory.

We will not permit another franchisee, our Affiliates, its franchisees, or a company-owned Business to operate within your Exclusive Territory.

For your Exclusive Territory, we will determine the identity of a private (as opposed to a publically funded) preschool or day care center by review of state licenses for such facilities. Except as stated below in the reservation of rights, we will not accept or solicit orders to provide services in your Exclusive Territory.

You may advertise and provide your services only within your Exclusive Territory. You are not required to meet certain sales volumes in order to maintain the Exclusive Territory. You maintain rights to your Exclusive Territory even if the number of qualifying schools changes.

If, within 60 days of opening your business you are unable, after using good faith efforts, to sign up any eligible children within your Exclusive Territory, we may, using our Reasonable Business Judgment, change your Exclusive Territory by replacing non-performing zip codes with new zip codes having a similar number of qualifying locations. If we do change your Exclusive Territory, there will be no additional IFF required. Your revised Exclusive Territory will be identified in writing and this will be signed by you and us. The revised Exclusive Territory will not encroach on the exclusive territory of any other franchisee or company-owned Business.

You will register the name and all identifying information of each location within your Exclusive Territory within 30 days of the date that you sign up the location. This will be done with forms that we supply or at our web site. You will also report your efforts to sign up locations. You will also register each Function with us.

It is anticipated and expected that you will always operate out of your home. There is no requirement that your home be within the Exclusive Territory and you can relocate at any time. You must notify us of the address once you have moved.

The location of your business and the fact that there are pre-schools and other locations in your Exclusive Territory does not in any way guaranty your success or profitability.

You must abide by all federal, state, and local government guidelines concerning employee and independent contractor status of any of any employees that you use.

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You do receive rights to acquire additional franchises (Franchise Agreement, Section 2.6). You must:

i. be in "Compliance" with your Franchise Agreement at the time that you seek to purchase an additional site. "Compliance" means that you: (i) are current in all respects in reference to this Franchise Agreement at the time you make application; (ii) have received written notices from the Franchisor of breach of this Agreement (each of which was timely cured) no more than two (2) times during the Initial Term; and no more than one (1) time during any Successor Term; and, (iii) you are not in breach at the time that Successor Franchise Rights are sought;

ii. meet the then-current financial and business requirements that are applied to a new franchisee;

iii. have operated your current Business in such a manner that we, using our Reasonable Business Judgment, deem to be sufficient to warrant granting you an additional location;

iv. have a location that we deem to be appropriate for a new franchised business which does not encroach on an Exclusive Territory; and

v. are granted the right after we use our Reasonable Business Judgment.

If we grant you the right to an additional Business, you will sign the then-current franchise agreement and, if we deem it appropriate, will attend additional training. The new franchise agreement may have terms significantly different from this franchise agreement including a different IFF, royalty structure, advertising fee structure and the like.

Reservation of Rights

Our Tennessee Affiliate and we reserve the right, among others, to:

(i) own, franchise, or operate businesses which are similar to your Business and which use the Marks and the System at any location outside of the Exclusive Territory, regardless of the proximity to your Exclusive Territory;

(ii) use the Marks and the System to sell any products or services (which may be similar to those that you will sell) through any alternate channels of distribution within or outside of the Exclusive Territory. This includes, but is not limited to, retail locations and other channels of distribution, such as television, mail order, catalog sales, wholesale to unrelated retail outlets, or over the Internet. You may use the Internet but only after we have approved your site. You cannot use alternate channels of distribution without our express permission, which may be granted or denied for any reason or for no reason at all;

(iii) use and license others to use, either within the Exclusive Territory or in alternate channels of distribution, other trademarks, trade names, service marks, logos, copyrighted materials, and methods of operation that are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business that offers goods, services, and related products and services which may be similar to, or different from, the business operated by you;

(iv) purchase, or be purchased by or merge or combine with any business, including a business that competes directly with your Business, wherever located;

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(v) acquire and convert to our System any businesses offering services and products similar to those offered by you, 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 Exclusive Territory; and,

(vi) retain all other rights not specifically granted to you.

Though we can use alternative channels of distribution within your Exclusive Territory to make sales of goods, items, and services associated with the System and the Marks, or associated with any other system or trademarks, service marks, trade names, logos, and the like, we have not done so as of the date of this disclosure document. We reserve the right to do so at any time. We do not pay any compensation for soliciting or accepting orders inside your Exclusive Territory that were obtained through alternate channels of distribution.

Our Affiliate franchised units and will continue to operate them. They are subject to different Exclusive Territory rights as are described in this Item 12; except that no such business will compete with you in your Exclusive Territory.

ITEM 13

TRADEMARKS

We have registered our Marks on the Principal Register of the United States Patent and Trademark Office (USPTO) or have a license to use the Marks as follows:

Registration Number	Description of Mark	Principal or Supplemental Register of the USPTO	Registration Date
3,392,378	AMAZING ATHLETES	Principal	March 4, 2008

This Mark was owned by our AA Affiliate and was transferred to us on March 6, 2014. All necessary affidavits have been filed with the USPTO.

Our predecessor registered the following Mark with the USPTO:

Registration Number	Description of Mark	Principal or Supplemental Register of the USPTO	Registration Date
3,879,106		Principal	November 23, 2010

This mark was included as part of the merger and is owned by us. (Item 1). We are in the process having this mark assigned to us with the USPTO.

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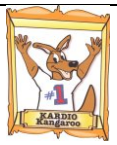
One of our principals, Glen Henderson registered the following Marks:

Registration Number	Description of Mark	Principal or Supplemental Register of the USPTO	Registration Date
4,263,906	AMAZING TOTS	Principal	December 25, 2012
4,285,341	AMAZING WARRIORS	Principal	February 5, 2013
4,323,565	 and word mark "Kardio Kangaroo # 1"	Principal	April 23, 2013

These Marks are licensed to us. The license agreement runs for 50 years and is renewable for one additional 50-year period. We are permitted to sublicense the Marks to you. We are required to maintain the goodwill of the Marks by insuring that your use of each Mark meets commercially reasonable standards. If we lose the right to sublicense the Mark, Mr. Henderson has agreed to license its use directly with our franchisees.

There are presently no effective material determination of the USPTO, any trademark, trial and appeal board, any state trademark administrator, or of any federal or state court any pending interference, opposition, or cancellation proceeding involving any of the Marks.

Except as stated here, there are no currently effective agreements that significantly limit our rights to use or license the use of the Marks listed in this section in any manner material to the franchise. There are no infringing uses or superior previous rights known to us that can materially affect your use of the Mark in this state or in any other state in which your business is to be located.

There is no pending federal or state court litigation regarding our use or ownership rights in any Marks. All required affidavits have been filed.

We have the right to control any administrative proceedings or litigation involving a Mark licensed by us to you. If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Marks, you must promptly notify us. We will take the action we deem necessary to defend you. We must indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims about the Marks. We have no obligation to defend or indemnify you if the claim against you is related to your use of the Marks in violation of the Franchise Agreement.

We have the right to require you to modify or discontinue your use of any of the Marks. If, we exercise this right, we will provide all franchisees with advance notice.

We have secured the following Internet domain names: www.AmazingAthletes.com; and www.AmazingAthletesinc.com. Other domain names may be added at our discretion.

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In the event that the Franchisor, in its sole discretion, shall determine it necessary to modify or discontinue use of any proprietary Marks or to develop additional or substitute marks, you will, within a reasonable time after receipt of written notice of such a modification or discontinuation from us, take such action, at your sole expense, as may be necessary to comply with such modification, discontinuation, addition, or substitution.

If you learn that any third party who you believe is not authorized to use the Marks and is using them, or any variant of them, you must promptly notify us. We will determine whether we wish to take any action against the third party. You will have no right to make any demand or to prosecute any claim against the alleged infringer. We will not pay any franchisee for exercising these rights.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any patents or copyright registrations that are material to the franchise.

Our principal, Glen Henderson has obtained a copyright from the United States Copyright Office (USCO) for the following phrase:

Registration Number	Nature and Description of Copyright	Registration Date
VAu 1-123-920	Text, 2-D artwork: "Play Learn Perform©"	July 23, 2012

The phrase is used in our advertising and is part of the System. The duration of the copyright is for the life of Mr. Henderson plus 70 years. There is no renewal registration required by the USCO. This copyright is licensed to us by Mr. Henderson. The terms of this license are identical to the terms of the license for the Marks.

We also claim common law copyrights and copyright protection in and on all of the components of the System, including, but not limited to, all curricula the Franchisee Manuals and related materials, training modules and techniques, all advertisements in any medium, including the internet, and other promotional and written materials. Along with the Marks, each and every component of the System is our proprietary, trade secret, and confidential information. Any component of the System will be used by you only as described in the Franchise Agreement. We know of no System copyright infringement that could material affect you. There are no agreements that limit your use of the System or any copyrighted materials.

We require that you maintain the confidentiality of each component of the System, our Marks and our copyrighted materials, and that you adopt reasonable procedures to prevent unauthorized disclosure of any such information.

We have the right to control any administrative proceedings or litigation involving our System or the copyrighted materials. If you learn of any claim against you for an alleged infringement, unfair competition, or similar claims about the Marks, you must promptly notify us. We will take the action we deem necessary to defend you. We must indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims. We have no obligation to defend or indemnify you if the claim against you is related to your use in violation of the Franchise Agreement.

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If you learn of, or believe that any other person or entity is using any component of the System, or any of our copyrighted materials without our permission, you must immediately notify us in writing. We will take any action that we deem appropriate.

In the event that the Franchisor, in its sole discretion, shall determine it necessary to modify or discontinue use of any portion of the System or the copyrighted materials, or to develop additional or substitutes for that portion of the system or the copyrighted materials, you will, within a reasonable time after receipt of written notice of such a modification or discontinuation from us, take such action, at your sole expense, as may be necessary to comply with such modification, discontinuation, addition, or substitution.

You may never during the term of the Franchise Agreement, or at any time after the termination or expiration of the Franchise Agreement, reveal any component of the Marks or our System to any person or entity, and you cannot use it for any other business. You may not copy any portion of the System or the Marks unless we specifically authorize it in writing. All persons affiliated with you must sign a Confidentiality and Non-competition Agreement, which is attached to the Franchise Agreement as an exhibit.

In operating your Business, you will create a list of names and other identifying information of children and locations that have participated in your Business. (Student List).

You agree that the Student List was obtained through the use of the System and the Marks. As a result, the Student List is, and will remain the sole and exclusive property of the Franchisor. At the termination of this Franchise Agreement for any reason, said lists shall be the sole and exclusive property of the Franchisor.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your Principal Operator, Designated Manager or you, must complete our training, and must personally participate in the direct operation of your Business. Your manager, if you have one, must abide by all confidentiality requirements of the franchise agreement.

If you purchase the Franchise Agreement through a business entity, or if you convert to a business entity other than a sole proprietorship, each individual who owns an interest in the business entity must sign a personal guaranty assuming and agreeing to abide by all restrictive covenants and discharge all obligations of the franchisee under the Franchise Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell only those products and services approved by us and may not use the Business, Systems, or Marks for any other purposes. You must only operate within the Exclusive Territory. You may offer the curricula at any time and in any location within your Exclusive Territory.

We have the right to add, delete, change, or supplement the types of services that you provide, and there are no limits on our right to do so. There is no limit to our right to do so. If we add, delete,

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change, or supplement the types of services, we will provide you with no less than 60 days notice after which you must comply.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	4	10 years unless terminated sooner.
b. Renewal or extension of the term	4	2 additional consecutive 5 year terms if all obligations for Successor Franchise Rights are met.
c. Requirements for franchisee to renew or extend	4	You must provide notice, you must have no outstanding material defaults or money owed, you must have not had more than 4 default notices, we must not have determined in our Reasonable Business Judgment not to renew, you must sign then current Agreement and pay renewal fee. You may be asked to sign a contract with materially different terms and conditions than your original contract, and the boundaries of the Exclusive Territory may change. The Royalties, advertising fees and other fees may be adjusted to conform with such fees then being charged to new franchisees.
d. Termination by franchisee	None	
e. Termination by franchisor without cause	None	
f. Termination by franchisor with cause	10	We can terminate only if you default. See g and h below.
g. "Cause" defined - curable defaults	10	Failure to pay fees after 5 days notice; 30 days to cure: any defaults under the Franchise Agreement except for those described in (h) below.
h. "Cause" defined - non-curable defaults	10	Non-curable defaults: bankruptcy, abandonment, felonies or offenses involving moral turpitude, civil matters that may affect the good will of the System or Proprietary Information, negative report on credit check, misuse

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PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		of marks, disclosure of Systems, repeated breaches beyond 4 even if cured, unapproved transfers, violation of law, if franchisee is arrested or charged with a crime related to sexual misconduct or child abuse, and failure to cure material misrepresentation.
i. Franchisee's obligations on termination/non-renewal	11	Obligations include, deidentification, payment of amounts due sums, cessation of use of trademarks and proprietary information, and return of all proprietary information (see r. below).
j. Assignment of contract by franchisor	9	No restriction on franchisor's right to assign.
k. "Transfer" by franchisee - defined	9	Sale, assignment, gift, pledge, or mortgage or other disposition of any part of the Franchise Agreement, ownership of the franchisee or the Business.
l. Franchisor approval of transfer by franchisee	9	Transferee has background, financial resources, etc. We have 30 days right of first refusal; transferee pays for training (Item 6).
m. Conditions for franchisor approval of transfer	9	Must be in compliance; must pay fee; must not be in breach; new franchisee qualifies, you must have no outstanding defaults or money owed, you must provide terms to us, new franchise must have signed current Franchise Agreement and have attended training, transfer fee paid, you must have signed release.
n. Franchisor's right of first refusal to acquire franchisee's business	9	30 days on same terms as bona fide offer.
o. Franchisor's option to purchase your business	9	Our option upon termination or expiration of the Franchise Agreement to purchase a part or all of assets for fair market value before you offer to third party.
p. Death or disability of franchisee	9	Franchise must be assigned by estate to approved transferee within 180 days.
q. Non-competition covenants during the term of the franchise	15	No involvement in competing business.
r. Non-competition covenants after the franchise is terminated	15	No competing business for 2 years within your Exclusive

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PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
or expires		Territory or within any other Exclusive Territory.
s. Modification of the agreement	15	No modifications generally but Franchisee Manuals subject to change.
t. Integration/merger clause	18	Only the terms of the Franchise Agreement and its attachments 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	16	Except for certain claims, all disputes will be subject to arbitration (if the mandatory face-to-face meeting and mediation do not resolve issue). Meetings, mediation and arbitration to be conducted within 15 miles of our then-current headquarters.
v. Choice of forum	16	Subject to state law, meeting/mediation/arbitration or State/Federal Courts in the state in which our then-current headquarters that is located now is Franklin, Tennessee.
w. Choice of Law	16	Subject to state law, the state law of our then-current headquarters which now is Tennessee.

ITEM 18

PUBLIC FIGURES

There is no compensation or other benefit given or promised to any public figure arising from either the use of the public figure in the name or symbol of the Franchise, or the endorsement or recommendation of the Franchise by the public figure in advertisements. There are no public figures involved in our management.

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-owed 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.

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The following information represents the "Gross Sales" of 49 owners representing 75 of our 94 franchised units for the time period of January 1st, 2016 to December 31st, 2016. This information includes only units and/or owners that have been operating for at least 1 year. There are 3 units that did not deliver their Gross Sales statements in time for this compilation, of the 12 transfers that occurred in 2016 (Item 20, Table 2) 7 units were transferred in mid-year and were unable to provide an annual Gross Sales statement, and 9 additional units did not report because they were open for less than 1 year. "Gross Sales" is defined as the gross revenue generated by a Business for all of the services it provides. Gross Sales does not account for any deduction of fees and costs paid to us (Items 5, 6, 7 and 8), of wages, fees, taxes, or costs paid to any employee or independent contractor hired by a franchisee, for the payment of taxes, or for any other operating expenses, fees, costs, or deductions that the franchisee may decide to subtract from Gross Sales.

Many of our owners who have been in the system at least 1 year own multiple units, and some of those owners may have opened new units mid-year which are included in this disclosure. For all multi-unit owners, their Gross Sales are divided by the total number of months they are open for business in order to obtain a Monthly Gross Sales per unit amount. This amount is multiplied by 12 to calculate the average Gross Sales by unit.

The average monthly Gross Sales for all reporting ***units*** was $6,237.60. 37 units reported average monthly Gross Sales above this number, and 38 units reported average monthly Gross Sales below the average. The highest grossing unit had average monthly sales of $16,813.56. The lowest grossing unit had average monthly sales of $729.74.

The average monthly Gross Sales for all reporting ***owners*** (some of whom own more than one unit) was $9,891.19. Of the 49 owners (who own the 75 units), 18 owners reported average monthly Gross Sales at or above this average, and 31 owners reported average monthly Gross Sales below the average. The highest grossing owner (who owns 4 units) had combined average monthly sales of $37,488.36 for the 3 units. The lowest grossing ***owner*** (who owns 1 unit) had average monthly sales of $729.74.

For the two tables below, financials were sorted based on average per unit gross monthly sales rather than per owner monthly sales. So the top 25% represents the top 12 owners with the highest per franchise unit average monthly Gross Sales and the bottom 25% represents the bottom 11 owners with the lowest per franchise unit average monthly Gross Sales.

PERFORMANCE OF TOP 25%					
Average Annual Sales by Owner	Average Annual Sales by Unit	Average Monthly Sales by Owner	Average Monthly Sales by Unit	Owners represented in top 25%	Units represented in top 25%
$246,155.76	$136,952.02	$20,512.98	$11,412.67	12	22

Of the top 25%, 6 owners own 1 unit; 3 owners own 2 units, 2 owners own 3 units, 1 owner owns 4 units.

The states in which the top 25% have their locations are as follows: Arizona, California, Georgia, Hawaii, Massachusetts, New Jersey, New York, and Oklahoma.

Of the top 25% 6 owners have been in the system for more than 5 years and 6 have been in the system for less than 5 years.

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PERFORMANCE OF BOTTOM 25%					
Average Annual Sales by Owner	Average Annual Sales by Unit	Average Monthly Sales by Owner	Average Monthly Sales by Unit	Owners represented in bottom 25%	Units represented in bottom 25%
$33,831.11	$24,745.30	$2,853.60	$2,062.11	13	18

Of the bottom 25%, 8 owners own 1 unit and 5 owners own 2 units.

The states in which the bottom 25 have their locations are as follows: California, Idaho, Iowa, Kentucky, Maryland, Michigan, Minnesota, Missouri, North Carolina, and Virginia.

Of the bottom 25%, 5 owners have been in the system for more than 5 years and 8 have been in the system for less than 5 years.

For the three tables below, financials were sorted based on average per unit sales rather than per owner sales. So the top 50% represents the top 24 owners with the highest per franchise unit average monthly Gross Sales; the bottom 50% represents the bottom 25 owners with the lowest per franchise unit average monthly Gross Sales; and the middle 50% represents the middle 24 owners with the middle per franchise unit average Gross Sales.

PERFORMANCE OF TOP 50%					
Average Annual Sales by Owner	Average Annual Sales by Unit	Average Monthly Sales by Owner	Average Monthly Sales by Unit	Owners represented in top 50%	Units represented in top 50%
$177,547.87	$111,532.36	$15,033.77	$9,294.36	24	38

PERFORMANCE OF MIDDLE 50%					
Average Annual Sales by Owner	Average Annual Sales by Unit	Average Monthly Sales by Owner	Average Monthly Sales by Unit	Owners represented in middle 50%	Units represented in middle 50%
$97,850.52	$70,941.53	$8,392.32	$5,911.79	24	35

PERFORMANCE OF BOTTOM 50%					
Average Annual Sales by Owner	Average Annual Sales by Unit	Average Monthly Sales by Owner	Average Monthly Sales by Unit	Owners represented in bottom 50%	Units represented in bottom 50%
$59,237.48	$39,637.33	$4,900.58	$4,954.32	25	37

This is a work-from-home business (Item 11). As a result, many of the fixed expenses that a brick and mortar franchised operation would have (such as rent, utilities, phone systems, and other overhead expenses) are not applicable to our franchisees. You may choose to have an executive or other office, in which case you will have such overhead.

Our franchisees are free to charge any fee to the Students that he or she wishes. We collect a flat Royalty equal to the greater of either 1 child's tuition or $40.00 per location per month. This royalty is not dependent on the Gross Sales generated by a franchised business. After 7 months you will pay the greater of either your monthly flat royalty or the minimum monthly royalty of at least $500 per month. After 13 months you will pay the greater of either your monthly flat royalty or the minimum monthly royalty of at least $600 per month. Other fees we charge are found at Item 5, 6, 7, and 8.

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We have no reliable information on any actual or average expenses, costs, fees, taxes, overhead, or other amounts that a franchisee may deduct from the Gross Sales and we do not give any information concerning what a franchisee may net or "take home" from the operations of a franchise business.

BASIS OF COMPILATION

All the figures reported above have been compiled from the annual profit & loss statements of the reporting owners. We have not conducted an independent audit of the financial statements delivered by our franchisees, though we have no information or other reason to believe that the figures are unreliable. No independent auditor or certified public accountant has audited these figures or expressed an opinion concerning their content or form. As this is a non brick-and-mortar business, there are no specific geographic criteria that distinguish one franchised unit from another. Our franchisees have not disclosed the level of competition that any franchised unit may be experiencing. We supply all of our franchisees with the services outlined in Item 11 regardless of the length of time that they have been opened.

As a new franchisee, your financial results will likely differ from the results described above and those differences may be material and to your detriment. You must carry out your own independent investigation of the costs and expenses likely to be incurred in the operation of your Business.

The actual Gross Sales figures appearing above statement are not to be construed as the net sales or "profit" that you might experience even if you have a similar Gross Sales volume. Deduction of expenses incurred in the delivery of your services, the variables of each franchisee's location and marketing efforts, and the economic discretion exercised by the individual franchisee makes the determination of any profit level for any franchisee impossible to ascertain.

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

The above figures must not be considered and we do not represent these figures as being the actual or potential Gross Sales, income, gross or net profits that will be realized by you or any other franchisee. We do not represent that any franchisee can expect to attain these Gross Sales. Your results may differ from the results shown, possibly significantly and adversely.

Written substantiation for the financial performance representation will be made available to a prospective franchisee upon reasonable request.

Other than the preceding financial performance representations, Amazing Athletes Franchise Systems, Inc 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 from us, however, we may provide you with the actual records of that outlet. If you received any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Janee Henderson at 1227 Lakeview Drive, Suite 2, Franklin, Tennessee 37067, (888) 228-3942, Janee@AmazingAthletes.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

If multiple events occurred that affected an outlet, the tables below show the event that occurred last.

Table No. 1
Systemwide Outlet Summary
for the years 2014 through 2016

Column 1 **Outlet Type**	**Column 2** **Year**	**Column 3** **Outlets at the Start of the Year**	**Column 4** **Outlets at the end of the Year**	**Column 5** **Net Changes**
Franchisee Owned				
	2014	72	80	+8
	2015	80	88	+8
	2016	88	94	+6_
Company Owned				
	2014	0	0	0
	2015	0	0	0
	2016	0	0	0
Total Outlets				
	2014	72	80	+8
	2015	80	88	+8
	2016	88	94	+6

Table No. 2

Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)
for the years 2014 through 2016

Column 1 State	Column 2 Year	Column 3 Number of Transfers
California		
	2014	1
	2015	0
	2016	0
Georgia	2014	0
	2015	1
	2016	0
Maryland	2014	0
	2015	0
	2016	1
Minnesota	2014	0
	2015	0
	2016	4
New Jersey	2014	0
	2015	1

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Column 1 State	Column 2 Year	Column 3 Number of Transfers
	2016	0
North Carolina	2014	1
	2015	0
	2016	0
Oklahoma	2014	0
	2015	0
	2016	2
South Carolina	2014	1
	2015	0
	2016	0
Tennessee	2014	0
	2015	0
	2016	1
Texas		
	2014	3
	2015	1
	2016	3
Virginia	2014	0
	2015	0
	2016	1
Washington	2014	0
	2015	1
	2016	0
Total		
	2014	6
	2015	4
	2016	12

Table No. 3
Status of Franchised Outlets
for the years 2014 through 2016

Column 1 State	**Column 2 Year**	**Column 3 Franchises at the Start of the Year**	**Column 4 Franchises Opened**	**Column 5 Terminations**	**Column 6 Non-renewals**	**Column 7 Reacquired by Franchisor**	**Column 8 Ceased Operation - other reasons**	**Column 9 End of the Year**
AZ	**2014**	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
CA								
	2014	18	2	0	0	0	0	20
	2015	20	2	0	0	0	0	22
	2016	22	2	0	0	0	0	24
CO								
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
CT								

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Column 1 State	Column 2 Year	Column 3 Franchises at the Start of the Year	Column 4 Franchises Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operation - other reasons	Column 9 End of the Year
	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	1	0	0	0	0
FL								
	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
GA								
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	1	0	0	0	0	3
HI								
	2014	1	1	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
IA								
	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	1	0	0	0	0	1
ID								
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
IL								
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
KY								
	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	__	0	0	0	0	1_
MA								
	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
MI								
	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
MD								
	2014	2	0	0	0	0	0	2
	2015	2	1	0	0	0	0	3
	2016	3	__	0	0	0	0	3
MN								
	2014	5	0	0	0	0	0	5
	2015	5	2	0	0	0	0	7
	2016	7	__	0	0	0	0	7
MO								
	2014	1	0	0	0	0	0	1

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Column 1 State	Column 2 Year	Column 3 Franchises at the Start of the Year	Column 4 Franchises Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operation - other reasons	Column 9 End of the Year
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
NE								
	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	1	0	0	0	0	1
NC								
	2014	2	1	1	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	1	0	0	0	0	3
NJ								
	2014	12	0	0	0	0	0	12
	2015	12	0	0	0	1*	0	11
	2016	11	1	0	0	3**	0	9
NY								
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
OH								
	2014	1	0	0	0	0	0	1
	2015	1	0	1	0	0	0	0
	2016	0	0	0	0	0	0	0
OK								
	2014	2	1	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
PA								
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	1*	0	0
	2016	0	1	0	0	0	0	1
SC								
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	1	0	0	0	0	2
TN								
	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
TX								
	2014	7	0	0	0	0	0	7
	2015	7	0	1	0	0	0	6
	2016	6	3	0	0	0	0	9
VA								
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	1	0	0	0	0	3
WA								
	2014	2	1	0	0	0	0	3
	2015	3	1	0	0	0	0	4

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Column 1 State	Column 2 Year	Column 3 Franchises at the Start of the Year	Column 4 Franchises Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operation - other reasons	Column 9 End of the Year
	2016	4	0	1	0	0	0	3
WI								
	2014	0	2	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Totals								
	2014	**72**	**9**	**1**	**0**	**0**	**0**	**80**
	2015	**80**	**12**	**2**	**0**	**2***	**0**	**88**
	2016	**88**	**11**	**2**	**0**	**3****	**0**	**94**

***** These units were purchased by the Franchisor, but were closed before the end of 2015.
** These units were purchased by the Franchisor, but were closed before the end of 2016.

Table No. 4
Status of Company/Affiliate-Owned Outlets For the Years 2014 through 2016

Column 1 State	Column 2 Year	Column 3 Outlets as the start of the year	Column 4 Outlets Opened	Column 5 Outlets reacquired from franchisee	Column 6 Outlets closed	Column 7 Outlets sold to franchisees	Column 9 Outlets at the End of the Year
None	**2014**	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Totals	**2014**	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0

Table No. 5

Projected Openings
As Of December 31, 2016

Column 1 State	Column 2 Franchise Agreements Signed but not Opened	Column 3 Projected new Franchise Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Current Fiscal Year
South Carolina	0	1	0
North Carolina	0	1	0
Washington	0	1	0
TOTALS	**0**	**3**	**0**

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Exhibit D lists the names of all franchisees and the addresses and telephone numbers of their outlets as of the Effective Date of this disclosure document.

Exhibit E lists the name, city, and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this Franchise Disclosure Document.

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

In some instances, current or former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that all such franchisees will not be able to communicate with you.

Exhibit F lists, to the extent known, the names, addresses, telephone numbers, e-mail address and web address of each trademark-specific franchisee organization associated with the franchise system being offered that we have created, sponsored, or endorsed. Exhibit F also lists the independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit I are our audited financial statements for the periods ending December 31, 2014, December 31, 2015, and December 31, 2016.

ITEM 22

CONTRACTS

Attached to this Disclosure Document are the following franchise-related contracts:

Exhibit B Franchisee Agreement and all Exhibits to Franchise Agreement as follows:

Exhibit 1	Initial Franchisee Fee and Statement of Ownership
Exhibit 2	Exclusive Territory
Exhibit 3	Release for Criminal and Credit Check
Exhibit 4	General Release
Exhibit 5	Collateral Assignment of Contact and Electronic Information
Exhibit 6	Confidentiality Agreement
Exhibit 7	State Addenda
Exhibit 8	Guaranty
Exhibit 9	Promissory Note
Exhibit 10	Statement of Understanding
Exhibit 11	Closing Acknowledgement

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ITEM 23

RECEIPT

The Receipt is found at the end of this booklet as Exhibit J.

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EXHIBIT A
STATE AGENCIES

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Names and Addresses of State Regulatory Authorities and Registered Agents in States

The following is a list of state administrators responsible for registration of these states. We may register in one or more of these states.

California
Department of Business Oversight
One Sansome Street, Ste. 600
San Francisco, CA 94104

Commissioner of the Department of Business Oversight
320 W. 4th Street, Suite 700
Los Angeles, California 90013

Commissioner of the Department of Business Oversight
1515 K. Street, Suite 200
Sacramento, California 95814
(866) 275-2677 Toll Free

Connecticut
Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103
(860) 240-8299

Florida
Division of Consumer Services
Attn: Business Opportunities
2005 Apalachee Parkway
Tallahassee, Florida 32399-6500

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

Illinois
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

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

Kentucky
Office of the Attorney General
Consumer Protection Division

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Attn: Business Opportunity
1024 Capital Center Drive
Frankfort, Kentucky 40601-8204

Maine
Department of Professional and Financial Regulations
Bureau of Banking
Securities Division
121 Statehouse Station
Augusta, Maine 04333

Maryland
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan
Department of the Attorney General
Consumer Protection Division, Franchise Unit
525 Ottawa Street
G. Mennen Williams Building, 6th Floor
Lansing, Michigan 48909

Minnesota
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101

Nebraska
Nebraska Department of Banking and Finance
Commerce Court
1230 O Street, Suite 400
Lincoln, Nebraska 68509

New York
Bureau of Investor Protection and Securities
New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

North Carolina
Secretary of State
Securities Division
Old Revenue Complex
2 South Salisbury Street
Raleigh, North Carolina 27601

North Dakota
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor
Department 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

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Rhode Island
Department of Business Regulation
John O. Pastore Complex
1511 Pontiac Avenue
Bldg. 69, First Floor
Cranston, RI 02920

South Carolina
Office of the Secretary of State
1205 Pendleton Street
Edgar Brown Building, Suite 525
Columbia, South Carolina 29201

South Dakota
Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501

Texas
Office of the Secretary of State
Statutory Document Section
1019 Brazos Street
Austin, Texas 78701

Utah
Utah Department of Commerce
Division of Consumer Protection
160 East Three Hundred South
P.O. Box 146704
Salt Lake City, Utah 84114-6704

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219

Washington
Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, Washington 98501

Wisconsin
Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703

LIST OF STATE AGENTS FOR SERVICE OF PROCESS

The following state agencies are designated as our agent for service of process in accordance with the applicable state laws. We may register in one or more of these states.

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California
Commissioner of the Department of Business Oversight
One Sansome Street, Ste. 600
San Francisco, California 94104

Commissioner of the Department of Business Oversight
320 W. 4th Street, Suite 700
Los Angeles, California 90013

Commissioner of the Department of Business Oversight
1515 K St., Suite 200
Sacramento, California 95814
(866) 275-2677

Connecticut
Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103
860-240-8299

Hawaii
Commissioner of Securities
Department of Commerce and Consumer Affairs Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

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

Maryland
Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan
Michigan Department of Commerce
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

Minnesota
Minnesota Commissioner of Commerce

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Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101

New York
Secretary of the State of New York
99 Washington Avenue
Albany, NY 12231

North Dakota
North Dakota Securities Department
State Capitol – 5th Floor
600 East Boulevard
Bismarck, North Dakota 58505-0510

Rhode Island
Department of Business Regulation
John O. Pastore Complex
1511 Pontiac Avenue
Bldg. 69, First Floor
Cranston, RI 02920

South Dakota
Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501

Virginia
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

Washington
Director, Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, Washington 98501

Wisconsin
Commissioner of Securities
345 West Washington Street, 4th Floor
Madison, Wisconsin 53703

Service of Process in Tennessee
Glen Henderson President
Amazing Athletes Franchise Systems, LLC
1227 Lakeview Drive, Suite 2,
Franklin, Tennessee 37067

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EXHIBIT B
FRANCHISE AGREEMENT

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AMAZING ATHLETES FRANCHISE SYSTEMS, INC.

FRANCHISE AGREEMENT

AMAZING ATHLETES

AMAZING WARRIORS

AMAZING TOTS

PLAY LEARN PERFORM©

THIS CONTRACT IS SUBJECT TO ARBITRATION

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EXHIBITS

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Exhibit 2	**Exclusive Territory**
Exhibit 3	**Release for Criminal and Credit Check**
Exhibit 4	**General Release**
Exhibit 5	**Collateral Assignment of Contact and Electronic Information**
Exhibit 6	**Confidentiality Agreement**
Exhibit 7	**State Addenda**
Exhibit 8	**Guaranty**
Exhibit 9	**Promissory Note**
Exhibit 10	**Statement of Understanding**
Exhibit 11	**Closing Acknowledgement**

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AMAZING ATHLETES FRANCHISE SYSTEMS, INC
FRANCHISE AGREEMENT

This Franchise Agreement ("Franchise Agreement" or "Agreement") is entered into and made effective as of the _____ day of _____, 20__, by and between Amazing Athletes Franchise Systems, Inc, a Tennessee corporation having a principal place of business at 1227 Lakeview Drive, Suite 2, Franklin, Tennessee 37067, (hereinafter referred to at times as "we," "us," "our," or "Franchisor"), and _____ and _____ having a principal place of residence located at _____ (hereinafter referred to as "you," "yourself," "your," "Franchisee," or words of a similar nature).

RECITALS

WHEREAS, we have developed a unique system for establishing, operating, and marketing a franchised business (Business) that offers children between the ages of 18 months to 12 years the opportunity to participate in fun and healthful developmental sports and physical fitness programs.

WHEREAS, we permit you to operate under our service marks, trademarks, trade names, and logos (jointly the "Marks") and permit you to operate your Business using our "System".

WHEREAS, you desire to enter into an agreement with us so as to be able to obtain the rights to open and operate a Business using the Marks and the System developed by us; and

WHEREAS, you declare that you have fully investigated and familiarized yourself with the essential aspects and purposes of this opportunity and have been advised by counsel, or have had the reasonable opportunity to be advised by counsel chosen by you, of the terms and conditions of this Franchise Agreement, and you agree that your consistent and uniform operation of the Business using the System are essential.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, terms, and conditions herein contained and the acts to be performed by the respective parties hereto, the Parties agree as follows:

COVENANTS

ARTICLE 1

DEFINITIONS, GRANT OF FRANCHISE LICENSE, LICENSE, REASONABLE BUSINESS JUDGMENT,
AND RESERVATION OF RIGHTS

1.1 Definitions

Unless otherwise defined in the body of this Franchise Agreement, the following capitalized terms shall have the meaning set forth here:

"AA Back Office Platform" is the password-protected portal on our web site that you will use for such things as event planning, class management, and the creation and delivery of required reports. You will be given a password on or before your first day of training.

"ACH" or "Automated Clearing House" refers to the process used for electronic bank-to-bank transfers of fees due to us.

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"Additional Training Fee" means the fee that we are then charging for the delivery to you of training requested by you but which is otherwise not required by us.

"Affiliates" our Affiliates are Amazing Athletes, Inc. (Tennessee Affiliate); and Progressive Fitness Group, Inc. (Management Affiliate) Together, the Tennessee Affiliate and Management Affiliate may be referred to as an "Affiliate" or as the "Affiliates". You may be required to work with, or purchase goods and services from one of our Affiliates.

"Application Fee" means the fee you pay us at the time you sign an application.

"Biennial Conference Fee" means our then-current fee for attending the biennial conference. We are not now charging this fee.

"Change of Control" in reference to a Transfer under Article 9 means that: (i) the natural person franchisee takes on a partner regardless of whether such partner is in control or not; (ii) a natural person franchisee converts to a business-entity franchisee and then delivers more than 49% of the equity interest of such business entity to another Person; (iii) a business-entity franchisee takes on any number equity partners and delivers more than 49% of the equity interest to such Persons; or, (iv) the franchisee (whether a natural person or business entity) in any manner delivers control of the day-to-day operations of the Franchised Business to a Person who has not first been approved by us. All Designated Managers must first be approved by us.

"Claims" shall have the meaning given to that term in Article 14.

"Competitive Business" is any business that offers physical training and sports skills to schoolchildren of the same age as those being offered our training at the time of the alleged competition.

"Computer System" means the computer hardware and software that we require you to have in order to operate, all which is more fully set forth in the Franchisee Manuals or in handouts that we provide.

"Compliance" means that you: (i) are current in all respects in reference to this Franchise Agreement; (ii) have received written notices from the Franchisor of breach of this Agreement (each of which was timely cured) no more than four (4) times during the Initial Term; and no more than 1 time during any Successor Franchise Term; and, (iii) you are not in breach at the time that Successor Franchise Rights are sought.

"Curricula" means two or more of the Tots, Pre-School, or School-Age curricula that we offer.

"Default Notice Fee" means the then-current fee that we charge if we are required to send you a notice of default.

"Designated Manager" means the person besides your Principal Operator and you that has received our training and is authorized by you to operate the Business from day to day. The Designated Manager need not be an owner of any interest in the Business.

"Discovery Day" is the day that you travel to our then-current headquarters (now in Franklin, Tennessee), at which time we talk with you about our franchise opportunity. We offer Discovery Days from time to time, but no more often than once each month.

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"Due Date" shall be the date on which all Flat Royalties and other fees are due to us pursuant to Article 3.

"Effective Date" shall be the date that this Franchise Agreement is fully executed by us. There is no agreement and this is not a contract between us until that date.

"Event of Default" shall be any default of any provision of Sections 10.1 through 10.3 of Article 10.

"Exclusive Territory" means the area in which you may offer your services. The geographic boundaries of the Exclusive Territory will be defined by us by identifying a sufficient number of zip codes or by identifying political boundaries, county lines, natural boundaries such as rivers or mountains, man-made boundaries such as highways or streets, or otherwise as we deem appropriate in order to provide you with an Exclusive Territory that contains at least 60 private pre-schools or Day Care Centers (or any combination of the two) each of which is licensed with a capacity for 40 or more Students. Your Exclusive Territory is determined from the records of all private pre-schools and day care centers that the municipality, county, or state in which you are located has maintained. We have no control over how these records are compiled and as a result, we cannot guaranty that the municipality, county, or state will have an accurate record of the identity and location of these facilities. This may result in a private pre-school or day care center being mistakenly located in the exclusive territory of another. In such a case, we will use our good faith efforts to replace the misidentified facility with another in your Exclusive Territory. We cannot guaranty however, that this will happen. The Exclusive Territory may encompass additional potential locations (including elementary and middle schools, recreation and fitness centers, public pre-schools and the like) and there may otherwise be additional children under the age of 12 who can participate in all offered curricula. We do not however make any guaranty as to the total number of children between the ages of 18 months to 12 years within the Exclusive Territory and each Exclusive Territory may have more or less than another Exclusive Territory. The Exclusive Territory is described in Exhibit 2.

"Fair Market Value" means the value that a reasonable person who is under no duress or obligation would pay for the furniture, fixture, equipment, or item that is being sold by a seller who is under no duress or obligation. If Franchisor and Franchisee do not agree to the Fair Market Value, it will be established by an independent appraisal. The appraisal shall be done at our expense by an appraiser selected by us but who is independent and disinterested in the outcome of any such valuation. No goodwill shall be considered associated with the valuation of any item being so valued.

"Flat Royalty" or "Royalty" will have the meaning given to it in Article 3.

"Force Majeure" means that except for monetary obligations hereunder which are due regardless of the existence of an event of Force Majeure, or as otherwise specifically provided in this Franchise Agreement, if either Franchisor or Franchisee shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other causes beyond the reasonable control of the Party required to perform such work or act under the terms of this Agreement not the fault of such party, then performance of such act shall be excused for the period of the delay, but in no event to exceed 45 days from the stated time periods in this Agreement.

"Franchise Disclosure Document" or "FDD" means the disclosure document that was delivered to you at least 14 calendar days before you signed this Franchise Agreement or paid any money to the Franchisor.

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"Franchised Location" means the physical location of the Franchised Business, the address of which is identified in Exhibit 2.

"Franchisee Local Advertising Fee" will have the meaning given to it in Article 3.

"Franchisee Manual" or "Manual" means the operations manuals (that may be more than one manual, booklet, or handout), that are delivered to you before you open for business, that may be amended from time to time, and which Franchisee Manuals disclose the operating methods used in the Business.

"Franchisee National Advertising Account" is the account into which all Franchisee National Advertising Fees are deposited as more fully set forth in Article 3.

"Franchisee National Advertising Fee" has the meaning given to it in Article 3

"Franchisee Parties" means your Principal Operator, any Designated Manager, you, any officers, directors, Managers, Members, the holder of any equitable interest in a business entity, your family members that actively participate in the Business, all others who may take an active role in the operation of the Business as well as any agents, servants, employees and all others in active concert or participation with you in operation of the Business.

"Franchisee Training Program" means the training we provide to you under Article 7.

"Franchisor" means the person or entity identified herein as the Franchisor and shall also include Franchisor's predecessors, the Affiliate (as applicable), any parent and their respective shareholders, directors, officers, managers, members, employees, and agents, and all successors, and assignees of the persons or entities so named in this section and Franchisor's officers, directors, shareholders, members, managers, equity holders, employees, agents, successors, assigns or all others whose conduct is charged to Franchisor.

"Function" means that the Curricula may be offered before, during or after school, during school vacations, the summer, on weekends, summer camps, birthday parties or any other event.

"Grand Opening" means the celebration opening of the business **and "Grand Opening Cost"** shall be the amount that you spend on your grand opening.

"Indemnified Parties" has the meaning given to it in Article 14.

"Initial Franchise Fee" and "IFF" means the fee that you pay us for the award to you of the rights granted to you under this Agreement, as more fully described in Article 3.

"Initial Term" has the meaning given to it in Article 4.

"Interim Period" has the meaning given to it in Article 4.

"Involuntary Transfer" means the transfer or assignment of: any interest in this Franchise Agreement; any of your interest in the Business; a substantial portion of the assets of the Business; any interest in the business entity that is the Franchisee (except as permitted by this Franchise Agreement) or the transfer or assignment of any other asset or interest as a result of: any insolvency or bankruptcy proceeding; the foreclosure of any manner of lien or encumbrance; the taking as a result of a divorce or

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separation, or in the case of a business entity any action by the equity owners or creditors the result of which is the loss of any interest described herein; or through any other means or method over which the Franchisee has no control, or against which Franchisee cannot substitute a bond or other monetary instrument so as to avoid such Involuntary Transfer.

"Late Fee" means our then-current late fee for failure to timely make payments hereunder. Our current fee now is $50 per incident plus 1.5% per month for any payment not made timely.

"Mandatory Non-Attendance Fee" is the fee that we are then charging if you fail to attend the biennial conference as more fully described in Article 7.

"Marks" means all trademarks, trade names, logos, service marks, and similar commercial symbols that we require you to use in identifying your Business, and as more fully stated in Article 6.

"Note" or "Promissory Note" means the promissory note found at Exhibit 9 that you will sign if we offer you financing (Article 3).

"Opening Date" means the date that you open for business.

"Opening Period" means the period of time from the date you sign this Franchise Agreement to the date by which you must be open for business as more fully defined in Article 2 below.

"Party" or the "Parties" means the Franchisor, the Franchisee and any Franchisee Party.

"Permanent Disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevents the Principal Operator or you from supervising the management and operation of the Franchised Business for a period of 120 days from the onset of such disability, impairment or condition.

"Person" means a natural person or a business entity.

"Pre-School Curriculum means the curriculum that is being used to teach children between the ages of 2.5 and 6 years. The content of the Pre-School Curriculum will change from time to time and you will be required to teach the most current Pre-School Curriculum.

"Principal Operator" means the person authorized by the business-entity Franchisee to receive our training, to operate the Business, and to act as the contact between us. The Principal Operator must own no less than twenty five percent (25%) of the equity in the franchisee business entity.

"Proposed Transferee" means the person or entity to whom Franchisee wishes to Transfer an interest as more fully described in Article 9.

"**Proprietary Information"** has the meaning given to it in Article 6.

"**Quality Control Methods"** has the meaning given to it in Article 8.

"Reasonable Business Judgment" Use of our Reasonable Business Judgment will mean that our determination on a given matter will prevail even in cases where other alternatives are also reasonable so long as we are intending to benefit, or are acting in a way that could reasonably benefit any component of the System or the Marks, any one or more of the franchisees, or any other aspect of the franchise system. Such decisions may include, but will not be limited to, decisions that may: enhance or protect the Marks

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and the System; increase Student satisfaction; increase the use of the services all franchisees offer; and matters that correspond with franchisee satisfaction. Franchisor will not be required to consider any Franchisee's particular economic or other circumstances when exercising our Reasonable Business Judgment. Reasonable Business Judgment decisions will not affect all franchisees equally, and some may be benefited while others are not. If applicable law implies a covenant of good faith and fair dealing in this Franchise Agreement, you and we agree that such covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Franchise Agreement.

"Regional Advertising Program" shall have the meaning set forth in Article 3.

"Remote Training" means the training that we will offer you at your location if you first ask for such training and if we agree, in our sole discretion to agree to provide it.

"Remote Training Fee" means our then-current fee you will pay for Remote Training.

"School-Age Curriculum" means the curriculum that is being used to teach children between the ages of 7 and 12 years. The content of the School-Age Curriculum will change from time to time and you will be required to teach the most current School-Age Curriculum.

Startup Kit" means the necessary equipment that one coach will need to teach our Curricula. This is delivered to you before you open.

"Successor Franchise Fee" is $7,500.

"Successor Franchise Rights" shall have the meaning given to it in Article 4.

"Successor Franchise Term" shall have the meaning given to it in Article 4.

"Student" means all children (and each child's family) that use your services. The "Student List" shall refer to the contact information of each Student.

"System" means without limitation: the manner and method of training that we deliver to you; the operations, standards, and procedures that you will use in the day-to-day operation of the Business; advertising programs; the economic and financial characteristics of the Business; any copyrighted, trade secret or confidential information owned by us; the Proprietary Information; the trademarks, service marks, and logos ("Marks" as they may be owned by us, or that may be sublicensed by us); and all other copyrighted, trade secret or confidential information owned by us. You must operate in accordance with our System. This definition may be supplemented by other language of this Franchise Agreement and by us from time to time.

"Technology Maintenance Fee" means our then-current fee you will pay us to maintain your presence on our internet web system. Payment is due with Royalties.

"Tots Curriculum" means the curriculum that is being used to teach children between the ages of 18 months and 2.5 years of age. The content of the Tots Curriculum will change from time to time and you will be required to teach the most current Tots Curriculum.

"Training" has the meaning given to it in Article 7.

"Transfer" has the meaning given to it in Article 9.

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"**Transfer Fee"** is $7,500.

1.2 Grant of Franchise

a. The Franchisor grants to the Franchisee, and the Franchisee accepts from the Franchisor, the non-exclusive right to use the System in connection with the establishment and operation of one (1) Business at the location described herein. The Franchisee agrees to use the Marks and the System as they may be changed, improved, and further developed by the Franchisor from time to time, only in accordance with the terms and conditions of this Agreement. You, each of your Principal Operators and each owner of any equitable interest in the business-entity franchisee represent, warrant and agree that Exhibit 1 is current, complete and accurate. You agree that an updated Exhibit 1 will be furnished within 30 days of any change, so that Exhibit 1 (as revised and signed by you) is at all times current, complete and accurate. Each Person who is or becomes a Principal Operator and each natural Person that joins the business-entity Franchisee as an equity owner must sign a guaranty in the then-current form that is now found at Exhibit 8.

b. **As part of the grant of this Franchise Agreement, you agree that before you sign, you will be subject to an initial credit and criminal background check.** You further agree that we have the right to recheck your credit and criminal background at any time during the Term (or any Successor Franchise term) of this Agreement. You agree to, and will sign the release that attached as Exhibit 3.

1.3 Scope of Franchise Operations

The Franchisee shall comply at all times with the Franchisee's obligations hereunder and shall continuously use his best efforts to promote and operate the Business. The Franchisee shall utilize the Marks, System, and Manuals to operate all aspects of the Business franchised hereunder in accordance with the methods and systems developed and prescribed from time to time by the Franchisor. The Business shall offer all products and services that the Franchisor shall designate and shall be restricted from offering or selling any products and services not previously approved by the Franchisor in writing.

1.4. Reasonable Business Judgment

We will use our Reasonable Business Judgment in the exercise of our rights, obligations, and discretion, except where otherwise indicated. As part of its Reasonable Business Judgment, and in order to respond timely to market conditions and the needs and wishes of Students to the Businesses, we reserve the right, in our sole and exclusive determination, to vary any standard of the System, the Marks, or the Franchisee Manuals.

1.5 Reservation of Rights

Our Affiliates and we reserve the right, among others, to:

a. own, franchise, or operate businesses which are similar to your Business and which use the Marks and the System at any location outside of the Exclusive Territory, regardless of the proximity to your Exclusive Territory;

b. use the Marks and the System to sell any products or services (which may be similar to those that you will sell) through any alternate channels of distribution within or outside of the Exclusive Territory. This includes, but is not limited to, retail locations and other channels of distribution, such as television, mail order, catalog sales, wholesale to unrelated retail outlets, or over the internet. You may

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use the internet but only after we have approved your site. You cannot use alternate channels of distribution without our express permission, which may be granted or denied for any reason or for no reason at all;

c. use and license others to use, either within the Exclusive Territory or in alternate channels of distribution, other trademarks, trade names, service marks, logos, copyrighted materials, and methods of operation that are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business that offers goods, services, and related products and services which may be similar to, or different from, the business operated by you;

d. purchase, or be purchased by or merge or combine with any business, including a business that competes directly with your Business, wherever located;

e. to acquire and convert to our System any businesses offering services and products similar to those offered by you, 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 Exclusive Territory; and,

f. retain all other rights not specifically granted to you.

g. Though we can use alternative channels of distribution within your Exclusive Territory to make sales of goods, items, and services associated with the System and the Marks, or associated with any other system or trademarks, service marks, trade names, logos, and the like, we have not done so as of the date of this disclosure document. We reserve the right to do so at any time.

1.6 Other Covenants Relating to the Grant of this License

a. WE BOTH AGREE TO WAIVE THE RIGHT TO A JURY TRIAL AND TO BE AWARDED EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES IN ANY ACTION BROUGHT IN REFERENCE TO THE RELATIONSHIP BETWEEN YOU AND US.

b. WE BOTH AGREE THAT EACH OF US IS LIMITED TO BRINGING ANY LEGAL CLAIM AGAINST THE OTHER WITHIN ONE YEAR OF THE DATE THAT THE FACTS WHICH GIVE RISE TO THE CLAIM WERE DISCOVERED OR ONE YEAR FROM THE DATE THAT SUCH FACTS REASONABLY SHOULD HAVE BEEN DISCOVERED.

c. THIS FRANCHISE AGREEMENT DESCRIBES THE TERMS AND CONDITIONS ON WHICH WE CURRENTLY OFFER FRANCHISES TO NEW FRANCHISEES. WE MAY OFFER FRANCHISES UNDER DIFFERENT TERMS AND CONDITIONS IN ORDER TO ENHANCE, BUILD, AND PRESERVE THE SYSTEM.

d. 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:

i. Franchisee acknowledges that he has received and has read this Franchise Agreement and all Exhibits attached hereto. Specifically, the Franchisee has been advised by us to seek out and use professional counsel of Franchisee's choosing in order to interpret any terms, covenants, or conditions of this Franchise Agreement and advise on the relationship overall. It is the Franchisee's sole and exclusive obligation to obtain such counsel, and Franchisor will not provide any legal, financial, or other counsel in reference to this Franchise Agreement.

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ii. Franchisee has adequate funding to purchase and operate the Business and, as a result, is financially capable of undertaking the risks involved in the opening and operation of any business. Franchisee knows of no circumstances that would lead to litigation against him in the future.

iii. 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.

iv. Franchisee is not a party to any litigation or legal proceedings other than those that have been disclosed to Franchisor by Franchisee in writing.

v. Franchisee and its owners agree to comply with and to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws as defined below. As a result, the Franchisee and its owners certify, represent, and warrant that: (A) none of their property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its owners are not otherwise in violation of any of the Anti-Terrorism Laws; (B) none of them is listed in the Annex to Executive Order 13224 (which can be accessed at http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html); (C) it will refrain from hiring (or, if already employed, retain the employment of) any individual who is listed in the Annex; (D) it has no knowledge or information that, if generally known, would result in Franchisee, its owners, their employees, or anyone associated with Franchisee to be listed in the Annex to Executive Order 13224; (E) it 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 subparagraph; and (F) any misrepresentation under this subparagraph or any violation of the Anti-Terrorism Laws by Franchisee, its owners, agents, and employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered with Franchisor or any of Franchisor's affiliates (if any). For purposes of this Franchise Agreement, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations, and other regulations found at 31 CFR 515, 595, 597, and any laws which now pertain or which may in the future pertain to the matters of this Section.

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ARTICLE II

OPENING PERIOD, EXCLUSIVE TERRITORY, EQUIPMENT, AND ADDITIONAL RIGHTS

2.1 Opening Period and Opening Date

Franchisees typically open for business within 45 days after they sign the Franchise Agreement (Opening Period). You will be required to attend training (Article 7) within 30 days after signing this Franchise Agreement, and will be required to open for business within 15 days from the date that you complete training (Opening Date). We may extend the Opening Period for a reasonable time (not to exceed 20 days) in the event factors beyond your reasonable control prevent you from meeting the deadline, and you request an extension of time from us at least 15 days before the set Opening Date. The factors that affect the Opening Date may include school schedules, weather conditions, shortages, and delays in obtaining equipment.

2.2 Exclusive Territory

a. You will be assigned an Exclusive Territory. Once assigned, you must operate only within the Exclusive Territory. If you are permitted to purchase more than one franchise at the same time, you will be assigned an Exclusive Territory for each. You will be assigned your Exclusive Territory before you sign the Franchise Agreement.

b. You are not obligated to offer the Tot Program or the School Age Program. You are not required to teach a curriculum at any particular location or exclusively during the school year. The curricula can be offered at any time, at any Function, and in any location within your Exclusive Territory.

c. The Curricula may be offered before, during or after school, during school vacations, the summer, on weekends, summer camps, birthday parties or any other event, and at any location within your Exclusive Territory.

d. Subject to our reservation of rights, we will not permit another franchisee, an Affiliate, its franchisees, or a company-owned Business to operate within your Exclusive Territory.

e. You may advertise and provide your services only within your Exclusive Territory.

f. If, within 60 days of opening your business you are unable, after using good faith efforts, to sign up any eligible children within your Exclusive Territory, we may, using our Reasonable Business Judgment change your Exclusive Territory by replacing non-performing zip codes with new zip codes having a similar number of qualifying locations. If we do change your Exclusive Territory, there will be no additional IFF required. Your revised Exclusive Territory will be identified in writing and this will be signed by you and us. The revised Exclusive Territory will not encroach on the exclusive territory of any other franchisee or company-owned Business.

THE LOCATION OF YOUR BUSINESS AND THE FACT THAT THERE ARE SCHOOLS IN YOUR EXCLUSIVE TERRITORIES DO NOT IN ANY WAY GUARANTY YOUR SUCCESS OR PROFITABILITY.

g. You must abide by all federal, state, and local government guidelines concerning employee and independent contractor status of any of any employees that you use.

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h. You will register the name and all identifying information of each location within your Exclusive Territory within 30 days of the date that you sign up the location. This will be done with forms that we supply or at our web site. You will also report your efforts to sign up locations and when signed up, you will report that to us.

2.3 Relocation

You may relocate your Business at any time but your exclusive territory will remain the same. You must immediately provide us the address of the new Business Location once you have identified it.

2.4. Lease Approval

We do not review or approve any lease.

2.5 Equipment and AA Back Office Platform

a. You will purchase or otherwise obtain for use in the Business all equipment that complies with our standards and specifications.

b. You will ensure that the Franchised Location is wired for internet access via a high-speed connection with a configuration acceptable to the Franchisor.

c. You will be required to purchase the following goods and equipment in order to operate your Business:

i. the Startup Kit that must be purchased only from our Tennessee Affiliate;

ii. your ongoing inventory of sales literature, including brochures and other promotional materials that contain our Marks that must be purchased from our Tennessee Affiliate. Additional and replacement uniforms can be purchased from our Tennessee Affiliate or another approved vendor;

iii. the purchase of new equipment no less often than every 2 years in order to ensure the safety of the Students. This may be purchased from our Tennessee Affiliate or other approved suppliers. The cost of this will vary depending upon the inventory you have and any additions or deletions you make to the inventory mix;

iv. the Computer System more fully described in the Franchisee Manual. We may in the future offer a proprietary software or web-based programs that may include accounting, word processing and other features. This will be delivered to you at no cost;

v. a plain-paper printer/fax machine (can be a combination unit with printer and scanner); and,

vi. high-speed internet access.

d. You will be required to maintain all components of the Computer System in order to keep them operational.

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e. We may also require you to update the Computer System hardware no more often then once every 5 years, and we may require you to update the Computer Software no more often than once every 2 years.

f. You must use our AA Back Office Platform for all of the services that it offers. You will pay for this through your Technology Maintenance Fee.

g. We do not now, but we may in the future have independent access to your databases; except we will never disclose any personally identifiable information. If your databases are passcode protected, you will provide the code to us upon request. The information accessed will include scheduling information, attendees, and the identity venues at which your services are offered. There are no other contractual limitations on our right to access such information.

2.6 Purchase of Additional Rights During the Term

a. If you meet the below preconditions, you may, during the Initial Term or any Successor Franchise Term, you may be permitted to purchase additional franchise rights. In order to qualify for this right, you must:

i. be in Compliance with your Franchise Agreement at the time that you seek to purchase an additional site;

ii. meet the then-current financial and business requirements that are applied to a new franchisee;

iii. have operated your current Business in such a manner that we, using our Reasonable Business Judgment, deem to be sufficient to warrant granting you an additional location;

iv. have a location that we deem to be appropriate for a new Franchised Business which does not encroach on an Exclusive Territory; and

vi. be granted the right after we use our Reasonable Business Judgment.

b. If we grant you the right to an additional Business, you will sign the then-current franchise agreement and, if we deem it appropriate, will attend additional training. **The new franchise agreement may have terms significantly different from this franchise agreement including a different IFF, royalty structure, advertising fee structure and the like.**

ARTICLE III

FEES, ADVERTISING, and REPORTING

3.1 Initial Franchise Fee

a. The initial franchise fee (IFF) is more fully set forth in Exhibit 1. If Franchisee is: an honorably discharged veteran or if the veteran is a principal in the business entity franchisee; or, if you purchase more than one Franchised Business simultaneously, the IFF will be reduced, and the reduced IFF will be stated in Exhibit 1. If you attended a Discovery Day and then sign this Franchise Agreement, within 6 months of the date of your Discovery Day, your IFF will be reduced by $500. Your Application Fee will have been credited against your IFF.

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b. Subject only to the rights to a refund as described below, the IFF is uniform, fully earned by us, payable in one lump sum, and is non-refundable.

c. Franchisee must attend and pass the Franchisee Training Program to our commercially reasonable satisfaction, we have the right to terminate this Franchise Agreement (except that restrictive and other covenants that must survive termination in order to remain enforceable, shall survive) and will refund to you 50% of the IFF, but will retain any Application Fee paid by you.

d. The Franchisee acknowledges that the IFF represents payment for the training and the initial grant of the rights to use the Marks and Systems, and that the Franchisor has earned the initial franchise fee upon receipt thereof.

e. We may offer financing under certain circumstances (Section 3.7 below). Except for such financing, the IFF is payable in one lump sum.

3.2 Technology Maintenance Fee

a. Prior to opening, you will pay us the first 3 months of the Technology Maintenance Fee. We will begin collection this fee starting with your 4th month of operation. This fee is due with the Flat Royalty. We may increase this fee at any time without limitation after first giving you no less than 60 days written notice.

b. We each also acknowledge and agree that changes to technology are dynamic and not predictable within the term of the Franchise Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we will have the right to establish, in writing, reasonable new standards and fees for the implementation of new technology in the System; and you agree to comply after we give you no less than 60 days prior written notice.

3.3 Flat Royalty

a. On a monthly basis and for the first 6 months in operation, you will pay the greater of $40.00 or the highest tuition paid by one child at each of the locations at which you deliver services during the month. Beginning in the 7th month you will pay $40.00 or the highest tuition paid by one child at each of the locations at which you deliver services during the month except you will never pay less than $500 per month during this period. Beginning in the 13th month and for each month thereafter, you will pay $40.00 or the highest tuition paid by one child at each of the locations at which you deliver services during the month; except you will never pay less than $600 per month. Each such payment is the payment of the "Flat Royalty".

b. If the date that you are required to start making Flat Royalty payments is a day other than the first day of a month, then the Flat Royalty due for that month will be prorated based upon the number of days in that month. You will then begin calculating Royalties on the first day of the next month and on the first day of each month thereafter. The Flat Royalty is due for each location in which you teach during any month.

3.4 Startup Kit and Initial Inventory of Uniforms and Marketing Materials

a. You will be required to purchase from our Tennessee Affiliate, the Startup Kit and your initial inventory of uniforms and marketing materials.

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b. You are required to renew the equipment every two (2) years by purchasing replacement equipment from our Tennessee Affiliate. The fee for this will be set forth in the Franchisee Manuals.

c. You are required to purchase your uniforms and marketing materials from our approved vendor, our Tennessee Affiliate, or us.

3.5 Advertising and Advertising Fees

a. **Local Advertising and Web Presence:**

i. There is no local advertising requirement.

ii. Unless otherwise approved in writing by us or set forth in the Manual, you will not establish a separate website on the internet.

b. **Franchisee National Advertising Fee and Regional Advertising**

i. We collect $150 per month for national advertising (Franchisee National Advertising Fee). The Franchisee National Advertising Fee will be due at the same time as your Flat Royalties.

ii. The Franchisee National Advertising Fees will be deposited in an interest bearing checking account, savings account, or any other account of our determination (Franchisee National Advertising Account). Any monies not used in any year will be carried to the next year. The Franchisee National Advertising Account is not a trust, and we assume no fiduciary duty in administering it.

iii. The Franchisee National Advertising Account will be administered by us in our sole discretion and may be used by us for all advertising expenditures (including the creation of various advertising and promotional products for use with printed materials, posters, and the creation of radio on local, regional basis or national basis) reasonably intended to benefit some or all franchisees, and for the payment to us of costs related to administering the Franchisee National Advertising Account such as reasonable salaries, administrative costs, costs allocated to any conferences, travel expenses, and overhead. Franchisee National Advertising Fees are used to promote the services sold by the franchise and to sell additional franchises.

iv. We make no guarantee to you or to any other franchisee that advertising expenditures from the Franchisee National Advertising Account will benefit you or any other franchisee directly or on a pro rata basis. We will assume no other direct or indirect liability or obligation to you with respect to collecting amounts due to the Franchisee National Advertising Account or with respect to maintaining, directing or administering the Franchisee National Advertising Account.

v. Any company-owned Businesses will participate in any national or regional advertising programs on the same basis as franchisee-owned Businesses.

vi. Upon your prior written request, we will make available to you, no later than 120 days after the year-end financial statements are available, an annual unaudited financial statement of the Franchisee National Advertising Account.

vii. Though we have no plans now, we reserve the right to increase the amount of the Franchisee National Advertising Fee to no more than $300. We will give you notice of our intent to do this and 60 days to comply.

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viii. We intend for the Franchisee National Advertising Fees to be continual and perpetual, but we have the right to suspend (and subsequently reinstate) or terminate it if necessary. We will not close the Franchisee National Advertising Account however, until all contributions and earnings have been used for the purpose for which they were collected.

ix. We reserve the right, upon 30 days prior written notice to you, to allocate all or a portion of the Franchisee National Advertising Fees to a regional advertising program for the benefit of Franchised Businesses located within a particular region (Regional Advertising Program). We have the right to determine the composition of all geographic territories and market areas included in a particular Regional Advertising Program and to require that you participate if the same is established by us. If a Regional Advertising Program is implemented on behalf of a particular region, we will only use contributions from franchisees within such region for the particular regional advertising program, to the extent reasonably calculable by us. Any company-owned businesses will equally participate. The franchises that were sold by our prior affiliate, however, will not be required to participate even if they are within a Regional Program area.

x. We have the right to change, dissolve, or merge any Regional Advertising Program. We will prepare unaudited financial statements and will deliver the same to you no earlier than 90 days of its year-end.

xi. There is no advertising cooperative or advertising council.

3.6 Other Fees and New Lines

a. You will pay the Additional Training Fee and for any additional training as more fully described in Article 7.

b. You will be charged the Successor Franchise Fee (Article 4) and the Transfer Fee (Article 9).

c. We may charge our then-current fee for approving a new vendor.

d. We may charge the Biennial Conference Mandatory Fee.

e. We may charge you our then-current Late Fee for failing to pay timely, any fee that is due to us.

f. Other fees that you must pay are identified elsewhere in this Franchise Agreement.

g. We may from time and in our sole discretion assess other fees or costs incurred in the operation of the Business.

h. We may in the future require all franchisees and you to add new goods or services to those already sold through the Business. If we do this, you may incur additional expenses, costs and fee, some of which may be due to an affiliate, a third party for whom we collect the funds, or us. If we introduce new lines of goods and services, we will notify you in writing and give you a reasonable time to comply with the changes.

3.7 Financing

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a. If you meet our credit standards, we will finance up to $12,500 of IFF. You will sign the Note found at Exhibit 9. The only security required will be a personal guaranty signed by you (and your spouse if applicable) if you are a sole proprietor, or the guaranties of all principals (and their spouses, if applicable) if you are a business entity.

b. If you fail to timely pay the Note, we can accelerate the amount that is due which means we can demand that the remaining balance of all principal and accrued interest be paid at once and we can collect all attorney's fees and costs of collection that we incurred. We also have the right to terminate this Franchise Agreement.

3.8 Method of Payment and Reports

a. The Flat Royalty, and, if required, advertising fees shall be paid monthly and will be delivered to the Franchisor by such means as Franchisor may determine from time to time (including the delivery of electronic funds through an ACH transaction) on the second day of the month that follows the month for which the Flat Royalties and other fees were calculated (Due Date). All such fees shall be deposited into the Franchisee's operating account no later than 3:00 p.m. Pacific Time on the first (1st) day of the month following the end of the prior accounting period. Franchisor will sweep the operating account on the second day for all such fees.

b. We have the right to change the method of collection of the Flat Royalties and any other fees due under this Agreement at any time after giving you reasonable notice. If we decide to use the ACH method, you will no later than ten (10) days after receiving notice from us execute an authorization agreement for ACH transactions from your account to our account in the form that your bank may require.

c. No later than the first day of the month following the month in which the Flat Royalty is due, you will report to us by electronic means or in written form, as may be reasonably directed by the Franchisor, such information pursuant to standard transmittal procedures established by this Agreement regarding the calculation of the Flat Royalty, and such additional information as may be requested by the Franchisor.

d. You will register the name and all identifying information on each location within your Exclusive Territory within 30 days of the date that open for business. This will be done with forms that we supply or at our web site. You will also report your efforts to sign up each location and when signed up, you will report that to us.

e. You agree to record all sales at the time of the sale in your computer or other sales recording system approved by us. You agree to retain all computer records, charge account records, sales slips, orders, return vouchers, sales tax reports, and all of your other business records and related background material for at least seven (7) years following the end of the year in which the items were or should have been generated.

f. In our discretion, we may require you to, and you shall then provide us with monthly financial statements, including a profit and loss statement, by the tenth (10th) of each month for the previous month. In addition, you will submit to us, within ninety (90) days after the end of each calendar year during the term of the Franchise Agreement, a complete financial statement for the preceding calendar year, including profit and loss statement, balance sheet, and your year-end tax returns, all of which have been prepared, reviewed, and certified by an independent, certified public accountant. The financial statement and accompanying documents do not need to be audited unless requested in writing by Franchisor.

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g. If you fail to timely pay any Flat Royalties or other fees due under this Franchise Agreement, you will owe, in addition to such Flat Royalties and other fees, the Late Fee including all interest. This will be automatically assessed and debited or paid along with the late payment fees due to us.

h. You acknowledge that this Section does not constitute our agreement to accept such payments after the Due Date, or a commitment to extend credit to or otherwise finance the operation of the Business. In no event shall you be required to pay interest at a rate greater than the maximum interest rate permitted by applicable law. The collection of any Late Fee and the acceptance of any late payment will not diminish our right to any other remedies available under this Franchise Agreement.

3.9 Application of Payments

a. Notwithstanding any designation by the Franchisee as to the application of his payment, the Franchisor shall allocate any payments made by the Franchisee first to any late fees and interest owed by you, then to any Flat Royalties or other fees which are past due, and then to the current Flat Royalties and other fees owed. The allocation set forth above shall not serve to postpone any payments that are due on any current or future due date.

b. We will also have the sole discretion to allocate in the same manner as stated above any payments or any credits from third party vendors that are delivered to the Franchisor on the Franchisee's behalf. To the extent necessary to carry out the intent of this Section, the Franchisee hereby appoints the Franchisor as its attorney-in-fact and grants his power of attorney for the sole purpose of allocating any such funds received. This power of attorney shall continue throughout the term of this Agreement, any extension thereof, and, if applicable, after the termination of this Agreement, but in the latter case, only to the extent that the Franchisee still owes money to the Franchisor from his operation of the franchise.

ARTICLE IV

TERM and SUCCESSOR FRANCHISE RIGHTS

4.1 Effective Date and Initial Term

a. This Agreement shall be effective on the Effective Date. There is no agreement and this is not a contract between us until that date.

b. Unless earlier terminated, the Initial Term of this Franchise Agreement shall be for a period of 10 years from the Effective Date. If we are required by law to give you notice before the termination or expiration of this Franchise Agreement, and if we fail to do so, this Franchise Agreement will remain in effect until we have given the required notice.

4.2 Successor Franchise Rights

At the end of the Initial Term, the Franchisee has the option to renew its franchise rights for two additional 5-year terms (each a "Successor Franchise Term") by acquiring Successor Franchise Rights under the following conditions:

a. if we do not exercise our right to refuse to offer Successor Franchise Rights as permitted under 4.3 below;

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b. you are, at the time you apply for Successor Franchise Rights, in Compliance;

c. **you agree to sign the then-current franchise agreement that may contain materially different terms and conditions than your original Franchise Agreement. We will only change the boundaries of your Exclusive Territory by mutual consent. The Flat Royalty, advertising fees, and other fees will be no more than are charged to new franchisees who sign the franchise agreement at that time.** Such agreement must be signed and delivered to us no later than forty-five (45) days before the end of the then-current term. If it is not so delivered, then you will be deemed to have withdrawn your decision to purchase Successor Franchise Rights, and such rights will thereafter no longer be available to you;

d. you sign the most current form of General Release, a copy of which current form is found at Exhibit 4. Notwithstanding the foregoing, to the extent that the law of the state in which the Business is located has determined that the requirement that a franchisee sign a general release be unenforceable, then this requirement shall be deemed to be deleted, and the franchisee shall not be required to sign the same; or if signed, then such general release shall be deemed to not be enforceable. If, however, the law of the state in which the Business is located permits the Franchisee to sign such general release, then the Franchisee shall sign such a release as part of the process described in this Section. Notwithstanding the foregoing, excluded from any release are claims arising from representations in the FDD.

e. you pay the Successor Franchise Fee. The Successor Franchise Fee is deemed to be earned when you pay it and is not refundable under any circumstances;

f. you exercise the option for Successor Franchise Rights by giving written notice of such exercise to us not earlier than one year or later than one hundred eighty (180) days prior to the scheduled expiration of this Franchise Agreement; and

g. the Successor Franchise Rights under the new Franchise Agreement shall begin on the day following the end of the then-current term.

4.3. **Conditions of Refusal**

a. We are not be obligated to offer you Successor Franchise Rights if you:

i. have received a fifth (5th) written notice of breach of any combination of terms, covenants, or conditions of this Agreement during the Initial Term, or 1 written notice of breach during any Successor Franchise Term even though each such breach may have been timely cured;

ii. fail to comply with any of the conditions necessary to obtain Successor Franchise Rights as described in Section 4.2 above;

iii. are in breach of this Franchise Agreement at the time that you attempt to exercise your right to purchase Successor Franchise Rights, even if such breach is not the fifth breach and even if such breach is timely cured; or

iv. we have determined in good faith, and after using our Reasonable Business Judgment, not to grant Successor Franchise Rights.

b. In such event, we shall give notice of expiration at least 60 days prior to the expiration of the term, and such notice shall set forth the reasons for such refusal to offer Successor Franchise Rights.

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4.4 Expiration at the End of a Term and Interim Term

a. Unless it is terminated earlier, or if you fail to elect to purchase Successor Franchise Rights or if Successor Franchise Rights are not granted to you, this Franchise Agreement shall expire at 12:00 midnight Central Time on the last day of the Initial Term or the then-current Successor Term.

b. If at the expiration of this Franchise Agreement you continue to accept the benefits of this Franchise Agreement, then in our sole option, we may treat this Franchise Agreement either as: (a) being expired as of the date of natural expiration of the then-current term, in which case you will be operating the business without the right or permission and in violation of our rights; or (b) 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. During the Interim Period (if allowed) all obligations under this Franchise Agreement will remain in full force and effect as if this Franchise Agreement had not expired, and all obligations and restrictions imposed on you upon expiration of this Franchise Agreement shall be deemed to take effect upon termination of the Interim Period. The rights under this Section do not apply in the event of a termination of the Franchise Agreement earlier than the natural end of then then-current term.

ARTICLE V

FRANCHISEE MANUALS and SERVICES PROVIDED TO YOU BY US

5.1 Franchisee Manuals

a. We will provide you one or more Franchisee Manuals, technical bulletins, or other written materials covering our standards, specifications, and operating and marketing procedures that you are required to utilize in operating the Business. You will comply with the Franchisee Manuals as an essential aspect of your obligations under this Agreement, and your failure to comply substantially with the Franchisee Manuals will be considered by us to be a breach of this Agreement.

b. The Franchisee Manuals will be updated from time to time, and you must comply with any changes in every update within the time provided in such updates.

c. The Franchise Manuals are our sole property, and shall be used by you only during the term of this Franchise Agreement and in strict accordance with the terms and conditions hereof.

d. We may modify any specification as to any goods, service, supplies, or the like, at any time, on a regional or national basis, by amendment to the Franchisee Manuals or by written notice to you. Once you are notified, you must make the change that is specified. All such changes will be effective as stated in such notice.

5.2 Services Provided by Us Prior to Commencement of Operations

Prior to the commencement of business, we will provide the following services:

a. You will be assigned an Exclusive Territory.

b. We will provide you with the training. Initial training sessions are open only to you and one other person that you designate. If an attendee at training is not your Principal Operator or you, that

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person must sign the Confidentiality and Non-competition Agreement that is attached to this Franchise Agreement as Exhibit 6.

c. We will provide you with a list of approved suppliers for all equipment, goods, and services, and a list of approved suppliers.

d. We will loan you one copy of all of the Franchisee Manuals that you will need to operate as a Franchise.

e. We will supply reasonable telephone, fax, and email support.

f. Except as provided above, we are not required to offer you any other services.

g. We may suggest prices for products, goods or services, but you are not required to follow our recommendations.

5.3 Services Offered by Us During the Operation

During the operation of your Business:

a. We will offer additional conferences, seminars or programs, at a frequency that we shall determine, on various topics relevant to you as the Franchisee. Some of these seminars or programs may be mandatory. Some of these conferences, seminars or programs may be mandatory. There may be a tuition fee for these seminars

b. We will provide updates to the Franchisee Manuals, the System, the Marks, and in reference to the training provided to you, at a frequency that we shall determine.

c. We will review all promotional and advertising you wish to use. We must approve it in writing no less than 15 calendar days before its insertion into any medium. If you do not receive written notice within 15 calendar days, it is deemed to be disapproved.

d. If requested by you, and if approved by us, we will provide additional training at a location determined by us. You will pay the travel, room, board, and the then-published daily fee for such services.

e. We will visit your Business, and will use other methods to ensure that you and all other franchisees are delivering quality services and products that conform to the System.

f. We will provide promotional materials and advertising programs from time to time, as we deem appropriate.

g. Except as provided above, we are not required to offer you any other services.

ARTICLE VI

MARKS, COPYRIGHTS, THE SYSTEM, and PROPRIETARY INFORMATION

6.1. Proprietary Information

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a. Franchisee and all Franchisee Parties acknowledge that each will obtain from the Franchisor knowledge of proprietary matters, techniques, and business procedures that are necessary and essential to the operation of the Business, without which information Franchisee could not effectively and efficiently operate. Franchisee and all Franchisee Parties further acknowledge that the methods of operation used in the operation of the Business are unique and novel to the System.

b. As used herein, "Proprietary Information" includes, but is not limited to:

i. persons, corporations or other entities which are, have been or become franchisees of the System and any investors therein;

ii. persons, corporations or other entities which are, have been or become Students of the Business;

iii. the terms of and negotiations relating to past or current franchise agreements with respect to the System;

iv. the operating procedures of, and each component of the System, including without limitation: distinctive management, bookkeeping and accounting systems and procedures; Student training; advertising; promotional and marketing methods; and the like;

v. the economic and financial characteristics of the System and Franchisees, including without limitation: pricing policies and schedules, profitability, earnings and losses, and capital and debt structures; and,

vi. the services and products offered to Students of the Business;

vii. the Student Lists;

viii. any common law or statutory copyrighted materials and the protection afforded thereby; and,

ix. the Franchisee Manuals.

c. In consideration of the time and effort that we have put into the System and its goodwill, and for other good and valuable consideration, you agree that we retain ownership and control of your Student List. You may use the Student List only in conjunction with the operation of the Franchised Business. Upon expiration of this Franchise Agreement or earlier termination for any reason, the Student List will be retained by Franchisor.

d. During the term of this Agreement and following the expiration or termination of this Agreement, Franchisee agrees not to divulge, directly or indirectly, any Proprietary Information (including the content of the Student Lists) to any person or entity, without the prior written consent of Franchisor which consent will be granted or denied for any reason or for no reason at all. Nothing contained herein shall be construed to require Franchisor to divulge any portion of the Proprietary Information.

e. You may disclose Proprietary Information only to such of its employees, agents and representatives as must have access to it in order to operate the Business. Franchisee shall obtain from each such employee, representative or agent, an agreement that such person shall not during the course of his employment, representation, or agency with Franchisee, or at any time thereafter, use, divulge,

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disclose or communicate, any of the Proprietary Information, directly or indirectly, in any form or manner, to any person or business entity.

f. You acknowledge that any failure to comply with the requirements of this Article will cause Franchisor irreparable injury, and Franchisor shall be entitled to obtain specific performance of, or an injunction against any violation of, such requirements. Franchisee waives any requirements for the posting of any bond(s) relating thereto to the fullest extent permitted by law.

g. You have the right to use the Proprietary Information only in the Exclusive Territory, and only for so long as you shall fully perform and comply with all of the conditions, terms and covenants of this Agreement, and our policies and procedures that we prescribe from time to time.

h. You acknowledge that we have the sole right to license and control your use of every component of the Proprietary Information. You also acknowledge that you have not acquired any right, title, or interest in or to any component of the Proprietary Information and will not in the future acquire any such interest. You are granted the limited, non-exclusive license to use the same in the operation of Business as disclosed in this Franchise Agreement.

i. You will not copy any component of the Proprietary Information unless we specifically authorize it in writing, which authorization may be granted or denied for any reason or for no reason at all.

j. Your Principal Operator, any Designated Manager, your Franchisee Parties and you will never during the term of this Franchise Agreement, or at any time after the termination or expiration of this Franchise Agreement, reveal to any component of the Proprietary Information to any person or entity and will not use it for any other business.

k. We reserve the right to require each of the Franchisee Parties to sign a non-disclosure and non-competition agreement.

6.2. Marks and Copyrights

a. The following Marks are registered with the United States Patent and Trademark Office (USPTO):

Registration Number	**Description of Mark**	**Principal or Supplemental Register of the USPTO**	**Registration date**
3,392,378	AMAZING ATHLETES	Principal	March 4, 2008

b. This Mark is owned by us.

c. Our predecessor registered the following Mark with the USPTO that was assigned to us:

Registration Number	**Description of Mark**	**Principal or Supplemental Register of the USPTO**	**Registration date**

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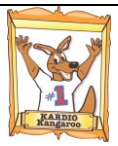
3,879,106		Principal	November 23, 2010

d. One of our principals, Glen Henderson registered the following Marks:

Registration Number	Description of Mark	Principal or Supplemental Register of the USPTO	Registration Date
4,263,906	AMAZING TOTS	Principal	December 25, 2012
4,285,341	AMAZING WARRIORS	Principal	February 5, 2013
4,323,565	 and word mark "Kardio Kangaroo # 1"	Principal	April 23, 2013

e. Our principal, Glen Henderson has obtained a copyright from the United States Copyright Office (USCO) for the following phrase:

Registration Number	Nature and Description of Copyright	Registration Date
VAu 1-123-920	Text, 2-D artwork: "Play Learn Perform©"	July 23, 2012

f. The above Marks and this copyright are licensed to us. The license agreement runs for 50 years and is renewable for one additional 50-year period. We are permitted to sublicense the Marks and the copyright to you. We are required to maintain the goodwill of each Mark and the copyright by insuring that your use of the Marks and copyright meets commercially reasonable standards. If we lose the right to sublicense a Mark or the copyright, Mr. Henderson has agreed to license its use directly with our franchisees.

g. You have the right to use the Marks only in the Exclusive Territory and only for so long as you shall fully perform and comply with all of the conditions, terms, and covenants of this Franchise Agreement and our policies and procedures that we prescribe from time to time.

h. Except as permitted in the Franchisee Manuals, you shall not use any of the Marks as part of an electronic mail address or on any sites on the internet and the Franchisee shall not use or register any of the Marks as part of a domain name on the internet.

i. Any use of a Mark in advertising must be with our prior written approval as set forth in this Franchise Agreement and in the Franchisee Manuals.

j. Your Franchisee Parties and you will not: (i) directly or indirectly contest nor aid in contesting the validity of the ownership of the Marks; (ii) in any manner interfere with or attempt to prohibit our use of the Marks, any component of the System or derivatives thereof, or any of the

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Proprietary Information or any other name that is or becomes a part of our System; or, (c) at any time interfere with the use of the Marks by our other franchisees or licensees.

k. Your Franchisee Parties and you further agree to execute any and all additional documents and assurances reasonably requested by us in connection with our ownership and use of the Marks and agree to fully cooperate with us or any of our other franchisees or licensees in securing all necessary and required consents of any federal or state agency or legal authority.

l. If you purchased this franchise through a business entity, or if you convert to a business entity other than a sole proprietorship, each individual who owns any equity interest in the business entity may be required to sign the Guaranty found at Exhibit 8. The Guaranty requires each guarantor to assume all of the obligations of the Franchisee and makes each Guarantor subject to the restrictive covenants of this Franchise Agreement

6.3 Infringement

a. You will notify us in writing of any possible infringement on the Marks, any component of the System, and any part of the copyrighted materials or the illegal use by others of any Mark, any portion of the System, or any copyrighted materials that may be the same as, or confusingly similar to, that used by us.

b. You acknowledge that we have the right, in our sole discretion, to determine whether any action will be taken because of any possible infringement or illegal use of the Marks, the System or the Proprietary Information. We may commence or prosecute such action in our own name and may join you as a party to the action if we determine it to be reasonably necessary for the continued protection and quality control of the Marks, and each component of the System. If you learn that any third party whom you believe is not authorized to use the Marks and is using them, or any variant of them, you must promptly notify us. We will determine whether we wish to take any action against the third party. You will have no right to make any demand, or to prosecute any claim against the alleged infringer. You must cooperate with us in any way necessary in the event of such an infringement.

c. We have the right to control any administrative proceedings or litigation involving a Mark licensed by us to you. We must indemnify you for any action against you, by a third party, based solely on alleged infringement, unfair competition, or similar claims about the Marks. We have no obligation to defend or indemnify you, if the claim against you related to your use of the Marks is in violation of this Franchise Agreement.

6.4 Business Name

a. You acknowledge that our principals, our Affiliates, or we have a prior and superior claim to each portion of the Marks. You will not use the phrase "Amazing Athlete" or any portion of the Marks in the legal name of its corporation, partnership, or any other business entity used in conducting the business provided for in this Agreement. You also agree not to register or attempt to register a trade name using the words "Amazing Athletes" in your name or that of any other person or business entity without our prior written consent, which may be withheld for any reason or for no reason at all. You may do business as "Amazing Athletes of _____ (city/county/area)" so long as this is only a "doing business as" or fictitious name and not part of the business entity name.

b. Franchisee understands and agrees that the telephone number(s), URL's, and email addresses for the Business constitute a part of the System and each is subject to the restrictions of this Agreement. Accordingly, Franchisee shall not change the telephone number(s) for the Business without

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prior notice and written approval by Franchisor. Franchisee shall advertise and publicize the telephone number(s) for the Business in the manner prescribed by Franchisor. Upon expiration or earlier termination of this Agreement, all contact information other than address if you operate your Business out of your home, shall be deemed the property of the Franchisor pursuant to Exhibit 5 that you will sign.

c. Except as permitted in the Franchisee Manual, you shall not use any of the Marks as part of an electronic mail address or on any sites on the internet and the Franchisee shall not use or register any of the Marks as part of a domain name on the internet.

6.5 Modification, Discontinuation, and Goodwill

a. In the event that the Franchisor, in its sole discretion, shall determine it necessary to modify or discontinue use of any Marks or any portion of the Proprietary Information or the System, or to develop additional or substitutes for any such component, you will, within a reasonable time after receipt of written notice of such a modification or discontinuation from us, take such action, at your sole expense, as may be necessary to comply with such modification, discontinuation, addition or substitution.

b. You have the right to use the Marks, the System, and the Proprietary Information only in the Exclusive Territory, and only for so long as you shall fully perform and comply with all of the conditions, terms and covenants of this Franchise Agreement, and our policies and procedures that we prescribe from time to time.

c. All other use of the Marks must be with our prior written approval (which may be granted or denied for any reason or no reason at all).

d. Any and all goodwill associated with any component of the Proprietary Information (including the Marks and the System) including any goodwill that might be deemed to have arisen through your activities, shall inure directly and exclusively to the benefit of the Franchisor. You further agree to execute any and all additional documents and assurances reasonably requested by us in connection therewith and agree to fully cooperate with us or any of our other franchisees or licensees in securing all necessary and required consents of any federal or state agency or legal authority. If you take any action that in any manner disparages, brings disrepute to, or other harms the goodwill associated with the Marks, the System, or the Proprietary Information, we will have the right to terminate immediately this Franchise Agreement without granting you any right to cure.

6.6 No Use of Other Marks

No marks, logotypes, trade names, trademarks or the like other than specifically approved by us shall be used in the identification, marketing, promotion, or operation of the Business.

6.7 Protection of All Information

a. You agree to:

i. fully and strictly adhere to all security procedures prescribed by us for maintaining the secrecy of the Marks, each component of the System, and all of the Proprietary Information;

ii. disclose such information to your employees only to the extent necessary to make and market our products;

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iii. refrain from using any component of the Marks, the System or the Proprietary Information in any other business or in any manner not specifically authorized or approved by us in writing; and

iv. exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of the Franchise Agreement.

b. Franchisee and each Franchisee Party also agrees to refrain from conducting any activity at the Franchised Business or in connection therewith, or take any action at the Business which is illegal, or take any action or fail to take any action either at the Business, or outside the Business, or during personal time, which could result in damage to, or disparagement of the Marks, System, or Proprietary Information, or which reasonably could, or does negatively impact the reputation and goodwill associated therewith.

Any breach of this covenant will result in immediate termination for which no cure is provided.

6.8 Innovations by You.

a. During the Initial Term or any Successor Franchise Term, you may create, design, or otherwise improve upon any portion of the System, or the Proprietary Information, including, but not limited to improving upon any manner of doing business (Innovation). Any such Innovation will be deemed the sole and exclusive property of the Franchisor and not Franchisee. Upon the creation of such Innovation, you will immediately notify the Franchisor in writing which will describe in detail, the nature of the Innovation. The Franchisor has the sole and exclusive right to approve or disapprove of any such Innovation for any reason or no reason at all. If we approve of it, we may permit you to use the Innovation and may, in our sole and exclusive option, permit any one or more franchisees or company-owned stores to use any portion of the Innovation.

b. You agree that as between us, we will own the right, title, and interest to the Innovation. You agree to take any action necessary to ensure that we obtain such right, title, and interest, so long as such action costs you nothing.

c. We are not obligated to pay you for the Innovation, though we reserve the right to do so, without incurring the obligation to pay you or any other franchisee for any future Innovation.

ARTICLE VII

TRAINING

7.1 Franchisee Initial Training

a. For the first franchise that you buy, you, or if you are a business entity, your Principal Operator must complete the Franchisee Initial Training to our commercially reasonable satisfaction. Your Designated Manager may, but is not required to attend training. Training participants will not receive any compensation from the Franchisor while attending the Franchisor's training

b. The initial training program length and its content is more fully set forth in the Franchisee Manuals or in handouts that we may give you.

c. You must pass our initial training as more fully set forth in Article 3.

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d. You may wish to have initial training completed at your location. If you request this of us, and if we agree in our sole discretion to provide this service, you will pay our then-current and non-refundable Remote Training Fee. You may have to travel by car to the nearest franchisee in order to get this training. You may incur travel fees including room and board.

7.2 Seminar, Biennial Conference, and Other Education Development Programs.

a. We do have a biennial conference (once every two years) that requires attendance by all franchisees. You will be responsible for the payment of all expenses for travel, accommodations, food, and other expenses incurred. Though none is now required, we may in the future require you to pay the Biennial Conference Fee. . If a fee is charged or changed, we will give you written notice before the conference.

b. If you fail to attend the biennial conference you will be required to pay the then-current Mandatory Non-Attendance Fee for not attending. The Mandatory Non-Attendance Fee will be collected on the Monday following the last day of the Biennial Conference.

c. In addition to the biennial conference described above, and though we do not now, we have the right, in the future to require you, your principals, designated employees and to attend a local or regional meeting up to 2 times per year. All mandatory training will be offered without charge of a tuition or fee; however, you will be responsible for all traveling and living expenses that are associated with attendance at the same.

7.3 Additional Training

You may also request additional on-site training at your location that we may, in our sole discretion, provide to you. All costs associated with such training will be yours, including any fees that we charge to provide such services. Such services are more fully described in the Franchisee Manuals, as are the current charges that we assess for our services.

7.4 Employees and Employee Training

a. Your employees are not our employees. You are exclusively responsible for the performance of any and all matters pertaining to your employees including hours worked, scheduling, the payment of taxes, and purchasing any workers compensation insurance, and following all municipal, state and federal rules, laws and statutes pertaining to the employees.

b. You will be solely and exclusively responsible for properly training all employees in the operation of the Business. We make no determination and provide no advice on any matter governing the essential terms or conditions of your employees employment. By way of example and not limitation, we provide no advice, direction or control over wages or methods of payment, benefits, hiring policies, supervision, promotion, discipline, termination procedures, scheduling, employee-customer relationships, employee bookkeeping or records, and the like.

c. You may not, under any circumstances use our name, Marks, copyrighted information or other Proprietary Information on any checks, employee records, employee applications, employee handbooks or other items that are delivered to the employee.

ARTICLE VIII

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QUALITY CONTROL

In addition to all other obligations and representations of yours set forth in this Franchise Agreement, you agree as follows:

8.1 System Compliance

You agree to follow strictly the System, the Franchisee Manuals, and other procedures, forms and obligations promulgated or provided by us from time to time.

8.2 Compliance with Applicable Laws

a. You agree to comply with all applicable laws, ordinances and regulations, or rulings of every nature whatsoever that in any way regulate or affect the operation of your Business. You agree not to engage in any activity or practice which results in, or may reasonably be anticipated to result in, any public criticism of the System or any part thereof.

b. We have not made, and you have not relied upon, any representation that no licenses, or only certain licenses, are necessary in connection with the operation of your Business.

8.3 Inspections and Records

a. You hereby consent to reasonable inspections and audits during normal business hours at the Business, as more fully described in this Franchise Agreement.

b. You agree to use only those records and record keeping practices that Franchisor dictates.

8.4 Approved Products, Product Purchases, and Approval Method

a. You agree to provide only the services we specify in the Franchisee Manuals, which will be amended from time to time. You also agree that all goods or services supplied by the Business shall comply with our standards and specifications. You must purchase the same from designated or approved sources and suppliers.

b. In some cases, you may wish to purchase a required good or service from a supplier that has not been previously approved by us. There is no charge for this service. We do not maintain written criteria for approving suppliers and thus, these criteria are not available to you or your proposed supplier. To obtain our approval, you must submit such information as we may reasonably require in order to evaluate the prospective supplier. We will evaluate the submitted information and will provide written notice of our decision to you within 15 days. If however, no written notice is received, the approval is deemed to be denied. We may grant or deny approval for any reason or for no reason at all. Other than as stated here, we have no other process for approving suppliers.

c. Approval of alternative suppliers may be revoked by us if we determine in good faith that the goods or services they are supplying no longer meet the quality standards that are in effect at that time.

8.5 Customer Service

a. You will give prompt, courteous, and efficient service to the locations at which you provide your services.

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b. You will also supply Students and the family of the Students who enroll in your Business with courteous and professional services. A breach of this covenant may result in your immediate termination without a right to cure.

c. You will otherwise operate the Business in strict compliance with the System and the policies, practices and procedures contained in the Franchisee Manuals (or otherwise communicated to you in writing) so as to preserve, maintain, and enhance the reputation and goodwill of your Business, the Marks, the Proprietary Information, and the System.

8.6 Timely Delivery of all Reports and Fees

You will timely deliver to us all reports and fees as required herein or in the Franchisee Manuals.

8.7 Notification of Deficiencies

Should we notify you at any time of defects, deficiencies, or unsatisfactory conditions concerning the Business (including your books and records), you agree to immediately correct any such item or items and you will in every event, complete such corrections within the time period for any cure that is granted by this Franchise Agreement or by the Franchisee Manuals.

8.8 Compliance with all Terms of this Franchise Agreement

You agree to comply with all covenants and duties placed upon you by this Franchise Agreement.

8.9 Management

Your Principal Operator, Designated Manager, or you shall be required to devote his or her full time, attention, and best efforts to the management and operation of the Business and the compliance with this Franchise Agreement.

8.10 Modification

a. We may reasonably change or modify the System, the Franchisee Manuals, and the Marks, and you agree to accept, be bound by, use, implement, and display any such changes to the System. You will make whatever expenditures are reasonably required to implement such changes or modifications. We shall have complete ownership and control of any changes, modifications, enhancements, or suggestions, whether made by you or us.

b. We may approve exceptions to, or changes in the uniform standards for you or other franchisees that we believe are necessary or desirable under particular circumstances. You have no right to object to such variances or to obtain the same variances for yourself.

8.11 Disclosure

We can disclose in our offering circular materials any information concerning your Franchise and the Business, including your name, address, telephone number, financial, and other information.

ARTICLE IX

TRANSFERS

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9.1 Sale or Assignment by Franchisor

This Franchise Agreement and all rights and obligations hereunder are fully assignable and transferable by us, and if so assigned or transferred, shall be binding upon and inure to the benefit of our successors and assigns. By way of example and not limitation, we may be sold, or we may sell to a competitor or any other entity any portion of or all of our rights: to license or sublicense the Marks; to any component of the Proprietary Information or System; or, any other assets. In addition, we may go public, may engage in a private or other placement of some or all of our securities, may merge, or acquire other entities or assets which may be competitive with the System, or not, we may be acquired by a competitive or other entity and we may undertake any refinancing, leveraged buy-out or other transaction. You waive all claims, demands, and damages with respect to any transaction allowed under this section or otherwise. You will fully cooperate with any such proposal, merger, acquisition, conversion, sale, or financing.

9.2 Transfer by You

a. This Franchise Agreement is personal as to you, and is being entered into in reliance upon, and in consideration of, the qualifications and representations of you and if you are a business entity then the Franchisee Parties and you. Therefore, this Franchise Agreement, any of its rights or privileges, and any equitable, capital, voting, non-voting or other interest in the Franchisee (or Franchisee Parties) may be assigned, sold, transferred or divided in any manner by you or anyone else only after you have obtained our express prior written approval.

b. In order to obtain such written approval, you will provide us with all documentation relating to the proposed transfer of the Franchise or the Franchised Business. We will notify you of our approval or disapproval within 30 days after we receive all of the information that we may request from you. If we do not respond within this 30-day period, the proposed transfer will be deemed to be disapproved by us. Said approval will be based upon our Reasonable Business Judgment and will be conditioned as below described.

c. The term "Transfer" includes the voluntary, involuntary, direct, or indirect assignment, sale, gift or other disposition by you (or by any equity owner of the Franchisee) of any interest in: (i) this Franchise Agreement; (ii) the ownership of the Franchisee; or, (iii) any assets of the Franchised Business (other than in the normal course of business). A Transfer also includes any "assignment", "sale" "gift" or other disposition including but not limited to a disposition resulting from: a divorce; insolvency; corporate or partnership dissolution proceeding; otherwise by operation of law; in the event of death; the transfer or disposition by will or under the laws of intestate succession; declaration of, or transfer in trust; and any other direct or indirect assignment, sale, gift, pledge, mortgage or the granting of any security interest encumbering this Franchise Agreement, the ownership of the Franchisee, or the assets of the Franchised Business.

d. If a proposed Transfer is only among existing equity holders of a business-entity franchisee and if there is no Change in Control, then there will be no Transfer Fee and we will not be entitled to exercise our "Right of First Refusal" which is described below. All other conditions to the approval of a proposed Transfer however will apply.

e. If the proposed Transfer could result in a Change in Control, then all of our rights apply and such Transfer will be subject to our approval

f. Each certificate of a corporate- or limited-liability-business-entity- franchisee shall have endorsed upon its face a legend stating that assignment or transfer thereof is subject to the restrictions of

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this Agreement. You agree to provide us with a copy of each such certificate so that we can ensure compliance with this provision.

9.3 Conditions to Approval of any Transfer

a. In determining the acceptability of the Proposed Transferee, we will consider, among other things, our then-current standards for new franchisees, including the net worth, credit worthiness, background, training, personality, reputation and business experience of the Proposed Transferee, the terms and conditions of the proposed transfer, and any circumstances that would make the transfer contrary to our Reasonable Business Judgment or the best interests of the System.

b. We may meet with the Proposed Transferee and candidly discuss all matters relating to the Franchise Agreement and the Franchised Business. In no case will you or a Proposed Transferee rely on us to review or evaluate any proposed transfer. We will not be liable to you or the Proposed Transferee or any other person or entity relating to the transfer.

c. As conditions of any Transfer otherwise permitted under this Franchise Agreement, you agree as follows:

i. you will notify us of proposed Transfer or Assignment by sending a written notice to us and enclosing a copy of the written offer from the Proposed Transferee;

ii. you must be in Compliance with this Franchise Agreement and not be in default hereunder at the time you request the transfer;

iii. all accounts payable and other monetary obligations to any Affiliate or us must be paid in full;

iv. you must have timely submitted all required reports, financial statements and other documents;

v. the terms and conditions of the proposed Transfer or Assignment must be provided in writing to us;

vi. if approved, the Proposed Transferee must sign the then-current form of franchise agreement **which may contain terms, covenants and conditions that are significantly different than those found in this Franchise Agreement**;

vii. the Proposed Transferee must attend training and will pay tuition (if any) that is then being charged to new franchisees. The Proposed Transferee will also pay for his travel, room and board expenses for such training;

viii. the Transferee or you must pay the Transfer Fee upon execution of the franchise agreement by the Proposed Transferee;

ix. your Franchisee Parties and you must execute the then-current form of General Release to us. A copy of the current form of General Release is attached as Exhibit 4.

x. all restrictive covenants found in this Franchise Agreement including any post-term covenant not-to-compete, any indemnification covenants, confidentiality obligations, and the provisions relating to dispute resolution will survive any transfer and continue to be your obligation.

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9.4 Invalidity of Transfers

a. Involuntary Transfers by you, such as by legal process including bankruptcy, assignment for the benefit of creditors, assignment as security for any financial or non-financial matter or otherwise, are not permitted, are not binding on us, and are grounds for the termination of this Franchise Agreement without the right to cure. You agree that using this Franchise Agreement as security for a loan, or otherwise encumbering this Franchise Agreement, is prohibited unless we specifically consent to any such action in writing prior to the proposed transaction.

b. You agree not to grant a sub-franchise under this Franchise Agreement, nor to otherwise seek to license or permit others to use this Franchise, the Franchised Business, or any of the rights derived by you under this Franchise Agreement and any manner that violates the provisions herein.

c. Any attempt to complete a Transfer or Assignment without our express permission will be considered a breach of this Franchise Agreement for which no cure shall be provided.

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9.5 Death or Permanent Disability

a. Upon the death or Permanent Disability of the Franchisee or the Principal Operator, the executor, administrator, conservator, guardian or other personal representative of such person shall transfer the Franchisee's interest in this Franchise Agreement or such interest in the Franchisee entity to an approved third party who may be the heirs or successors of the deceased or disabled individual. Such disposition of this Franchise Agreement or such interest (including, without limitation, transfer by operation of law, intestacy, bequest or inheritance) shall be completed within a reasonable time, not to exceed 180 days from the date of death or permanent disability, and shall be subject to all terms and conditions applicable to transfers contained in this Article as though the transferee were being introduced to us by the deceased or disabled Franchisee; provided, however, that for purposes of this Section, there shall be no transfer fee charged by the Franchisor.

b. Failure to transfer the interest in this Agreement or such interest in the Franchisee entity within said period of time shall constitute a breach of this Agreement for which no additional cure may be granted.

9.6 Right of First Refusal

In the event of a Transfer, you agree the same is subject to our 30-day right of first refusal to purchase such rights, interest or assets on the same terms and conditions as are contained in the written offer for the Transfer or Assignment (Right of First Refusal) provided, however, the following additional terms and conditions shall apply:

a. you will notify us of such offer by sending a written notice to us (which notice may be the same notice as required by Section 9.3 above), enclosing a copy of the written offer from the Proposed Transferee;

b. the 30-day Right of First Refusal period will run concurrently with the period in which the Franchisor has to accept or not accept the Proposed Transferee;

c. such Right of First Refusal is effective for each proposed transfer and any material change in the terms or conditions of the proposed transfer shall be deemed a separate offer on which a new thirty (30) day right of first refusal shall be given to us;

d. if the consideration or manner of payment offered by a Proposed Transferee is such that we may not reasonably be required to furnish the same, then we may purchase the interest which is proposed to be sold for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the cash value of the consideration proposed to be paid by the Proposed Transferee, an independent appraiser shall be designated by the Franchisor, whose determination will be binding upon the parties. All expenses of the appraiser shall be paid for equally between the Franchisor and the Franchisee; and

e. if we choose not to exercise the Right of First Refusal, you will be free to complete the Transfer, subject otherwise to your compliance with this Franchise Agreement. Our failure to reply to your notice of a proposed sale within the 30-day period is deemed a waiver of such Right of First Refusal.

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ARTICLE X

DEFAULT AND TERMINATION

10.1. Termination by Franchisor - Effective upon Notice

We have the right, at our option, to terminate this Franchise Agreement and all rights granted you hereunder, without affording you any opportunity to cure any default (subject to any state laws to the contrary, where such state law may prevail), or to exercise any other rights that we may have including terminating your right to operate your Business without terminating the Franchise Agreement which notice will be effective five days after mailing by prepaid certified mail, return receipt, or if by overnight or hand delivery, then effective on the date of such delivery, or the date of refusal by you to accept a delivery attempt, upon the occurrence of any of the following events:

a. you cease to operate the Business or otherwise abandon the Business for a period of 14 consecutive days, or any shorter period that indicates your intent to discontinue operation of the Business, unless and only to the extent that full operation of the Business is suspended or terminated due to Force Majeure or other similar causes beyond the Franchisee's control and not related to the availability of funds to you;

b. if you: become insolvent, as that term is commonly defined using generally accepted accounting principles, consistently applied; are adjudicated a bankrupt; if any action is taken by you, or by others against you under any insolvency, bankruptcy or reorganization act; or if you make an assignment for the benefit of creditors or a receiver is appointed by the Franchisee. This provision may not be enforceable under federal bankruptcy law, 11 U.S.C. §§ 101 et seq. If, for any reason, this Agreement is not terminated pursuant to this Article 10, and the Franchise Agreement is assumed, or assignment of the same is made to any person or entity who has made a bona fide offer to accept an assignment of the Franchise Agreement pursuant to the U.S. Bankruptcy Code, then notice of such proposed assignment or assumption, setting forth: (i) the name and address of the proposed assignee; and (ii) all of the terms and conditions of the proposed assignment and assumption; shall be given to us within 20 days after receipt of such proposed assignee's offer to accept assignment of the Agreement; and, in any event, within ten days before the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption. We will thereupon have the prior right and option, to be exercised by notice given at any time before the effective date of such proposed assignment and assumption, to accept an assignment of this Franchise Agreement to us upon the same terms and conditions, and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, less any brokerage commissions which may be payable by you out of the consideration to be paid by such assignee for the assignment of this Franchise Agreement;

c. if any material judgment or award (or several judgments or awards which in the aggregate are material) is (are) obtained against you and remain(s) unsatisfied or of record for 30 days or longer (unless a supersedes or other appeal bond has been filed); if execution is levied against the Business or any of the property used in the operation of the Business and is not discharged within 5 days; or if the real or personal property of the Business or the business which operates the Franchisee shall be levied upon in accordance with the law of the state in which the Business is located;

d. if any criminal background check (as permitted by you under Exhibit 3 and which may be conducted at any time during any term of this Franchise Agreement), discloses, or if we learn through any other method, that you have been arrested for, convicted of, or plead no contest to, a crime (whether a petty offense, misdemeanor, or felony) involving moral turpitude; are arrested for, convicted of, or plead no contest to, a felony of any nature; or are arrested for, convicted of, or plead no contest to, any crime

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(whether a petty offense, misdemeanor, or felony), or civil offense that is reasonably likely, in the sole opinion of the Franchisor, unfavorably reflects on the System, Marks, or the goodwill or reputation thereof;

e. if any credit background check determines that your status as a debtor has materially negatively changed from any prior report so that your ability to continue to operate the Business is commercially substantially in doubt;

f. if you fail to pay any Flat Royalties, fees, payments, the Note (if we provided financing in accordance with Article 3), or any other amounts due us, including any amounts which may be due as a result of any agreements between you and us within five (5) days after receiving notice that such fees or amounts are overdue;

g. if you misuse or fail to follow our direction and guideline concerning use of the Marks or any component of the Proprietary Information, and fail to correct the misuse or failure within five days after notification from us; except that if your violation of this subparagraph (g) is intentional, there will be no 5-day right to cure and default and termination will be immediate;

h. if you disclose to any unauthorized person any component of the Proprietary Information or the System;

i. if during the Initial Term of this Franchise Agreement (or during any Successor Franchise Rights term) you have received from us 4 written notices of default as to any term, covenant, or condition (or combination thereof) of this Franchise Agreement and are again in default of the same or any other portion, term, or covenant of this Agreement, even if all prior breaches were timely cured;

j. if during any Successor Term you receive one written notice of default as to any term, covenant, or condition (or combination thereof) of this Franchise Agreement and are again in default of the same or any other term, covenant, or covenant of this Agreement, even if the breach was timely cured;

k. if you complete a Transfer, or attempt a Transfer in violation of Article 9; or if you become subject to an Involuntary Transfer

l. if you violate any municipal, state, or federal law that applies in any way to the Business or your operation under the Franchise Agreement, and you then fail to cure the same within any time to cure provided by the governmental entity;

m. if you make any material misrepresentations relating to the acquisition of your rights under this Franchise Agreement.

n. you violate any covenant or condition of 1.6(d)(v) above;

o. you violate any other covenant or condition which contains its own cure provision and then fail to cure within the time period provided therein;

p. if you have employees, and you fail to pay any employee his or her wages;

q. if you fail, refuse, or neglect to obtain any prior written approval or consent as required by this Franchise Agreement;

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r. if you engage in any unauthorized business or practice or sell any unauthorized product or service from the Business;

s. if you fail to pay any tax (including but not limited to payroll, sales, income, or any other tax due as a result of the operation of the Business);

t. if one or more complaints are received by us concerning: you; the operation of your Business; your demeanor; or for any other reason during any 12 month period;

u. if you take any action, fail to take any action, or are arrested at any time either during normal business hours, or outside business hours which action, failure to act, or arrest, in our commercially reasonable judgment results in, or may reasonably result in the disparagement of the Marks, the System, or any portion of the Proprietary Information; or,

v. if you fail to add new lines of good and services after we have notified you in writing and have given you reasonable time to comply which will be no longer than 60 days.

10.2. Termination by Franchisor – Thirty-Days Notice

a. We will have the right to terminate this Agreement (subject to any state laws to the contrary, in which case such state law shall prevail) effective upon thirty (30) days written notice to the Franchisee, if the Franchisee breaches any other term, covenant, or condition of this Franchise Agreement and fails to cure the default during such thirty-day (30-day) period.

b. After the passage of said 30-day period without cure, this Agreement will terminate without further notice to you.

10.3 Cross Default

a. If Franchisee is a party to any other Franchise Agreements with us or are a party to any agreements with our Affiliates, and if such agreement is breached and not timely cured within the time period permitted in such document with the result being that such agreement is terminated, then we have the right to terminate this Agreement without affording you any additional right to cure.

b. If you violate the terms, covenants or conditions of any other contract or agreement with a third party that is unrelated to us but which is material to the operation of the Business including, but not limited to, any real property or equipment lease, (Third Party Contract) and fail to cure any such breach within the time permitted under such Third Party Contract, and as a result, you are unable: (i) to operate the Business in the manner that you were able to before the breach of the Third Party Contract; or, (ii) to operate any other Business under a separate franchise agreement as a result of an uncured breach of a Third Party Contract; or, (iii) operate the Business in accordance with the terms of this Agreement, then upon termination of said Third Party Contract, this and all other franchise agreements with us may, in our sole and exclusive discretion, also be terminated at the same time as the Third Party Contract terminates. You must provide us immediate notice in the event of the termination of a Third Party Contract

10.4 Diligent Pursuit of Cure

a. If the breach is one for which cure is provided above, and if you undertake the cure within three days of the date that you receive our notice, and if you continue to pursue such cure in good faith but are unable to complete the cure within the time period provided in this Franchise Agreement, then you shall be given up to an additional 30 days after the end of the first cure period within which to

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complete such cure. If you fail to continually pursue the cure during this additional time period or are unable to complete such cure within this additional time period, then we have the right to terminate the Franchise Agreement without further notice to you.

b. Notwithstanding anything to the contrary herein, we have the right, in our sole discretion, to grant you an extended period of time to cure. In such an event, however, we will not be deemed to have waived our rights to later strictly enforce any right to cure, to deny you the right to cure a future breach for which no cure is provided, or to take such action as is allowed to us by this Franchise Agreement if you fail to cure during the extended period granted to you.

10.5 Our Rights to Damages

Upon your failure to cure any Event of Default (if the right to cure is provided), we may proceed to enforce any or all of the following non-exclusive remedies or any other remedy, claim, cause of action, award or damages allowed by law or equity, with the understanding that the pursuit of any one remedy shall not be deemed an election or waiver by us to pursue additional remedies as all remedies are cumulative and are not exclusive:

a. Bring one or more actions for: lost profits as measured by the Flat Royalties and other fees that would have been due and payable had breach and default not occurred; penalties and interest as provided for in this Franchise Agreement; and for all other damages sustained by us because of your breach of this Franchise Agreement.

b. Accelerate the balance of any outstanding installment obligation due hereunder and bring an action for the entire accelerated balance.

c. Bring an action for temporary or permanent injunctions and orders of specific performance enforcing the provisions of this Franchise Agreement and otherwise stop you from engaging in actions prohibited hereby, including, without limitation: (i) improper use of the Marks or System; (ii) unauthorized assignment of the Franchise Agreement; (iii) violation of any of the restrictive covenants; and (iv) your failure to meet or perform your obligations upon termination or expiration of this Franchise Agreement.

d. Terminate (or not terminate) this Franchise Agreement and proceed to enforce our right to damages with the understanding that the termination of the Franchise Agreement will not terminate our rights to all damages permitted herein, or in law, or equity.

e. If you: operate the Business after a Transfer, Involuntary Transfer, repurchase, termination or expiration; use any of the Marks, Proprietary Information, or any component of the System after expiration or earlier termination; or violate any surviving covenants after any expiration or earlier termination, then, in addition to any remedies provided above, and in addition to any other remedies in law or equity (all of which shall be cumulative and shall not be deemed to be an election of remedies to the exclusion of other remedies), our remedies will include, but will not be limited to, recovery of the greater of: (i) all profits earned by you in the operation of the business using our Marks or System after such Transfer, Assignment, repurchase, termination, or expiration; and (ii) all Flat Royalties, advertising contributions, and other amounts which would have been due if such Transfer, Assignment, repurchase, termination, or expiration had not occurred; and (iii) any other remedies available in law or equity.

f. Further, you agree that, in the event you continue to operate or subsequently begin to operate any other business, you will not use any reproduction, counterfeit, copy, or colorable imitation of the Marks, either in connection with such other business or in the promotion thereof, which is likely to

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cause confusion, mistake, or deception, or which is likely to dilute our exclusive rights in and to the Marks and the System, and you further agree not to utilize any designation of origin, description, or representation that falsely suggests or represents an association or connection with Franchisor.

10.6 Limitation of Right to Bring Action and Waiver of Punitive, Exemplary, or Consequential Damages

FRANCHISOR AND FRANCHISEE ARE LIMITED TO BRINGING ANY LEGAL CLAIM AGAINST THE OTHER WITHIN ONE YEAR OF THE DATE THAT THE FACTS WHICH GIVE RISE TO THE CLAIM WERE DISCOVERED OR ONE YEAR FROM THE DATE THAT SUCH FACTS REASONABLY SHOULD HAVE BEEN DISCOVERED.

BOTH FRANCHISOR AND FRANCHISEE AGREE TO WAIVE THE RIGHT TO A JURY TRIAL AND TO BE AWARDED EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

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Initials of Franchisee

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Initials of Franchisee

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Initials of Franchisor

10.7 State or Federal Law Prevails

If any mandatory provisions of governing state law prohibit termination of this Franchise Agreement as described herein, or if the same otherwise limit Franchisor's rights to terminate by imposing different rights or obligations as are found herein, then such mandatory provisions of state law shall be deemed incorporated into this Franchise Agreement by reference and shall prevail over any inconsistent terms in the agreement. If no such law exists, or if such law exists but permits the franchisee to agree to abide by the termination provisions as set forth herein instead of that state law, or if by use of arbitration as an alternative dispute resolution practice the result of which is that such state or federal law is pre-empted by such arbitration rights, then the franchisee agrees that the terms of this Franchise Agreement will prevail. Except to the extent that the same are pre-empted, these waivers and limitations may not be enforceable under state or federal law.

10.8 Payment of Fees is an Independent Covenant

You agree that you will not withhold payments of Flat Royalties, Franchisee National Advertising Fees, regional advertising contributions, or any other amounts of money owed to us for any reason, even including a claim by you of the alleged nonperformance by us of any obligation hereunder. All such claims by you shall, if not otherwise resolved by us, be resolved as permitted in this Agreement. All covenants are independent of each other.

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10.9 Action Against the Franchisor

Subject to the limitations of actions as found in this Article that require you to take any action before the expiration of the time limit found therein, prior to starting any dispute resolution procedure against us or any of our officers, agents, or employees, you agree to first give us or our officers, agents, or employees sixty (60) days prior written notice and an opportunity to cure any alleged act or omission within that time period. If such act or omission cannot be cured within such sixty-day (60-day) period, and we or our officers, agents, or employees are diligently continuing efforts to attempt to cure such alleged act or omission, you will give us or our officers, agents, or employees such additional time as is reasonably necessary to cure which time shall not exceed an additional thirty (30) days. If we fail to complete such cure in a timely fashion, then you have such rights as are permitted herein.

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ARTICLE XI

OBLIGATIONS OF FRANCHISEE UPON TERMINATION OR EXPIRATION

11.1 Obligations upon Termination or Expiration

Upon termination or expiration of this Franchise Agreement for any reason, you shall cease to be a licensed Franchisee of Franchisor and shall:

a. immediately pay for all product purchases, advertising fees, and other charges and fees owed or accrued to us;

b. refrain from holding yourself out as a Franchisee and immediately cease to advertise or in any way use the System, the Marks, any materials, designs, logos, methods, procedures, processes, and other commercial property and symbols or promotional materials provided by or licensed to you by us or in any way connected with the Business;

c. immediately take all necessary steps to disassociate yourself from the System and the Business, including, but not limited to, the removal of signs, destruction of letterhead, changing of telephone listings, telephone numbers, internet sites and Web pages and the like, and to assign and transfer the telephone listing, telephone numbers, and home Web pages to us through the telephone system, telephone-advertising-pages and the internet. In order to complete the latter, you agree that you will sign the Collateral Assignment of Contact and Electronic Information that is attached to this Franchise Agreement as Exhibit 5. If you fail or refuse to do so, the telephone company and other listing agencies may accept this Franchise Agreement as evidence of our exclusive rights in and to such telephone number(s) and listing and its authority to direct their transfer. You appoint us as your attorney-in-fact for the above transfers;

d. take such action as shall be necessary to amend or cancel any assumed name, fictitious name, or business name or equivalent registration which contains any trade name or Mark of ours, or in any way identifies you as being affiliated with the System;

e. immediately notify all suppliers, utilities, creditors, and concerned others that you are no longer affiliated with us, the System, or the Franchise, and provide proof to us of such notification. You covenant not to use any part of the System or any part of our trade secret or confidential or proprietary information or materials following the termination of this Franchise Agreement and not to identify any present or future business owned or operated by you as having been in any way associated with us or the System;

f. within seven (7) calendar days, return to us by first class, prepaid, certified, return receipt requested, United States Mail, all Manuals (including originals and any copies), all training, advertising, promotional aids, materials and all other printed materials pertaining to the operation of the Business and the Student Lists;

g. unless an earlier time is called for, in which case the earlier time prevails, furnish evidence satisfactory to us of compliance with this Article within sixty (60) calendar days after the termination, expiration, or non-renewal of this Agreement;

h. cease using or availing yourself of any of our software, hardware, or other proprietary technology.

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11.2 Additional Matters

Further, upon termination, expiration, or non-renewal of this Franchise Agreement for any reason:

a. no payment will be due to you from any source on account of any goodwill or other equity claimed by you arising from your operation or ownership of the Business or this Franchise Agreement;

b. unless otherwise described herein, no fees, charges, royalties, advertising fees, or other payments of any kind from you to us will be refundable in whole or in part; and

c. you will have no equity or other continuing interest in this Franchise Agreement.

ARTICLE XII

RIGHT TO PURCHASE

12.1 Right to Purchase

a. Except as otherwise provided in Article 9, which shall prevail in the instance of a Transfer, upon expiration or earlier termination of this Franchise Agreement you hereby grant to us the right to acquire, in our sole discretion, all or any part of your inventory, equipment, signs and accessories, and other personal property relating to the Business or the Franchise Agreement at the then-existing Fair Market Value of such furniture, fixture, equipment, or item as of the date of expiration or termination of this Franchise Agreement.

b. We must exercise this option within 30 days of such expiration or termination by giving written notice to you of our intent to exercise our option to purchase. Unless otherwise agreed by you, the purchase price as determined hereunder shall be paid in cash within the option period.

c. If we have not notified you of our election to exercise this option within the aforesaid thirty-day (30-day) period, it shall be conclusively presumed that we have elected not to exercise our option, and you are then free to sell or transfer such assets to any person or entity on such terms as you may so choose.

ARTICLE XIII

RELATIONSHIP BETWEEN THE PARTIES

13.1 Independent Contractor

a. In all matters between us, or between you and the public, you are an independent contractor. Nothing in this Franchise Agreement or in the franchise relationship constitutes a partnership, agency, joint venture or other arrangement between us.

b. No party to this Franchise Agreement is liable for the debts, liabilities, taxes, duties, obligations, defaults, compliance, intentional acts, wages, negligence, errors, or omissions of the other.

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c. You are responsible for the management and control of the Business and its operation under this Franchise Agreement, including without limitation, its daily operations, management, employee direction, and paying all costs and expenses of your Business.

d. The Parties agree not to hold themselves out by action or inaction, contrary to the foregoing.

e. None of your employees shall be deemed an employee of Franchisor, and each employee shall be so notified.

f. Neither party shall act or have the authority to act as agent for the other, and neither you nor we shall guaranty the obligations of the other or in any way become obligated for the debts or expenses of the other unless agreed to in writing.

13.2 No Fiduciary Relationship

It is understood and agreed between us that this Franchise Agreement does not establish a fiduciary relationship.

13.3 Posting of Signs

You agree to post promptly and maintain any signs or notices specified by us or by applicable law indicating the status of the parties as described above.

ARTICLE XIV

INDEMNIFICATION

14.1 Indemnification

a. You agree to, and will indemnify, defend, and hold us (Indemnified Parties) harmless from , and you will reimburse us for all "Claims" (as defined below), arising directly or indirectly out of your operation of the Business, your unauthorized use of the Marks, the Proprietary Information, System, or as a result of your performance under this Franchise Agreement.

b. "Claims" include but are not limited to any claim, cause of action, damage, award, judgment, cost (including reasonable attorneys' fees, court costs, and expert witness fees), expenditure of funds, or loss suffered by us or brought against us and arising out of: your performance or failure to perform under this Franchise Agreement; a claim for breach of contract; premises liability; your operation of the Franchised Business; employment matters; your performance under the System; your use of the Franchisee Manuals and Proprietary Information; your use of the Marks; as well as any other damages, causes of action, tort claims, or any other claim in law or equity against an Indemnified Party which may arise as a result of your breach of any term, covenant, or condition of this Franchise Agreement and operation of the Franchised Business.

c. Included in indemnification shall be the reimbursement or direct payment by you of any award, damage, consequential damages, and costs reasonably incurred in the defense of any claim against the Indemnified Parties, including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses.

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d. We have the absolute right to defend any such Claim, and shall have the right to have counsel of our own choosing, the reasonable cost of which shall be borne by the Franchisee.

e. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Franchise Agreement and shall continue for any applicable limitation of actions statute.

ARTICLE XV

RESTRICTIVE COVENANTS

15.1 In-Term Covenant Not to Compete

a. You and we share a common interest in avoiding situations where persons or companies who are, or have been franchisees within the System, operate or otherwise become involved with a similar competing business either during or after the termination for any reason of this Franchise Agreement.

b. Therefore, during the term of this Agreement, and for any extensions or renewals hereof, you agree that you, and all Franchisee Parties shall refrain in any capacity or at any location from: owning; operating; leasing; franchising; conducting; consulting with; engaging in; having any interest in; assisting any person or entity engaged in for its own account; acting as an employee, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation engaged in any wholesale, retail, or other business that is a Competitive Business, except with our prior written consent which consent may be granted or withheld for any reason or for no reason at all.

15.2 Post-Term Covenant Not to Compete

Upon termination or expiration of this Franchise Agreement for any reason, or upon the occurrence of any transfer, repurchase or termination of your rights hereunder, and for a period of two (2) years thereafter, you agree that the Franchisee Parties and you will refrain from: owning; operating; leasing; franchising; conducting; consulting with; engaging in; having any interest in; assisting any person or entity engaged in for its own account; acting as an employee, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation engaged in any Competitive Business which is within your Exclusive Territory, or within the Exclusive Territory owned by us, our predecessor, or any other franchisee operating under the System.

15.3 No Disclosure

The Franchisee Parties and you agree that during the term of this Franchise Agreement, during any Successor Franchise Term or at any other time after the expiration or earlier termination of this Franchise Agreement (or any franchise agreement signed pursuant to the Successor Franchise term), each will refrain from making any unauthorized disclosure or use the Marks, any component of the System, or any portion of the Proprietary Information.

15.4 Other Protection

During the term of this Agreement, for a period of two (2) years following the expiration or termination of this Agreement, and in the area described in Section 15.2 above, Franchisee and the Franchisee Parties covenant that each will refrain from, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

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a. diverting or attempting to divert to any competitor of the Business (by direct or indirect inducement or otherwise) any business or clients of the Business.

b. doing or performing, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks, the System or both; or

c. inducing, directly or indirectly, any person who is at that time employed by Franchisor or by any other Franchisee of Franchisor, to leave his or her employment.

15.5 Survival

The foregoing restrictive covenants shall survive the termination or expiration of this Agreement and shall apply regardless of whether this Franchise Agreement was terminated by lapse of time, by default of either party, or for any other reason.

15.6 Reasonable Restriction and Savings Clause

a. The covenants found in this Article are intended to be a reasonable restriction on Franchisee and those others identified above. The Franchisor and Franchisee agree that the purpose of these restrictions is to protect the entire franchise system from unfair competition and to protect the goodwill, and time and effort spent by Franchisor in creating the Marks, the Proprietary Information, and the System. In fact, the Franchisor would not have shared such information with the Franchisee unless the Franchisee agreed to be bound by the terms of this Article 15.

b. Franchisee and the Franchisee Parties further agree that each has skills of a general and specific nature and has other opportunities, or will have other opportunities, to use such skills, and that the enforcement of these covenants will not unduly deprive the Franchisee of the opportunity to earn a living.

c. For purposes of interpretation of the covenants found in this Article, every location of a Business, every month of time, each mile of distance, or any other restriction shall be considered severable. In the event an arbitrator or court of competent jurisdiction interprets a spatial, temporal, or other limitation to be overly broad, then the arbitrator or court shall adjust the offending limitation, in the most limited manner possible, so as to fashion a reasonably enforceable covenant which upholds the restrictive nature of this Article to the fullest extent of the law.

d. Franchisee and the Franchisee Parties expressly agree that the existence of any claim it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants of this Article. Franchisee further agrees that Franchisor shall be entitled to set off any amounts owed by Franchisor to Franchisee against any loss or damage to Franchisor resulting from Franchisee's breach of this section.

15.7 Tolling of Time and Franchisor Is Entitled to Injunctive Relief

a. Franchisee acknowledges that any failure to comply with the requirements of this Article will cause Franchisor irreparable injury for which no adequate remedy at law may be available, and Franchisee hereby accordingly consents to the issuance by a court of competent jurisdiction of an injunction prohibiting any conduct by Franchisee in violation of the terms of this section, and waives any requirement for the posting of any bond(s) relating thereto. Franchisor may further avail itself of any legal or equitable rights and remedies which it may have under the Agreement or otherwise.

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b. If Franchisee is a business entity of any nature and is otherwise not signing this Franchise Agreement individually, this Article will apply to all officers, directors, shareholders, general partners, Members, Managing Members, or parties to any manner of limited liability company, or principals of the Franchisee in any form or fashion, as well as any person or entity which is controlled by, controls, or is under common control with the Franchisee.

c. If, at any time during a period of non-competition following expiration or termination of this Agreement, or if upon a Transfer, you fail to comply with your obligations under this Section, then that period of noncompliance will not be credited toward your satisfaction of the period of non-competition.

ARTICLE XVI

DISPUTE RESOLUTION

16.1 Resolution before Arbitration

You, the Franchisee Parties and we believe that it is important to resolve any disputes amicably, quickly, cost effectively, and professionally and to return to business as soon as possible. We agree that the provisions of this Article support these mutual, practical business objectives, and, therefore, agree as follows:

a. all provisions of this Franchise Agreement (including the language of this Article) will be fully enforced, including, but not limited to, those relating to arbitration, waiver of jury trial, limitation of damages, venue, choice of laws, and shortened periods in which to bring claims;

b. the Parties rely on the federal preemption of state laws under the Federal Arbitration Act (9 U.S.C. § 1 et seq.) (FAA) with the understanding that the FAA and not state law will control any matters pertaining to mediation and arbitration and, as a result, the provisions of this Franchise Agreement will be enforced only according to its terms and through the alternative dispute mechanism found in this Article. The Parties further agree that each Party intends that any state law attempting to prohibit arbitration or void out-of-state forums for arbitration are preempted by the Federal Arbitration Act and that arbitration shall be held as provided in this Article;

c. except as expressly provided in this Franchise Agreement, **EACH PARTY KNOWINGLY WAIVES ALL RIGHTS TO A COURT OR JURY TRIAL AND, INSTEAD, SELECTS FACE-TO-FACE MEETINGS, MEDIATION AND FINALLY BINDING ARBITRATION AS THE SOLE MEANS TO RESOLVE DISPUTES UNDERSTANDING THAT FACE-TO-FACE MEETINGS, MEDIATION AND ARBITRATION MAY BE LESS FORMAL THAN A COURT OR JURY TRIAL, MAY USE DIFFERENT RULES OF PROCEDURE AND EVIDENCE, THAT AN APPEAL PROCESS IS GENERALLY LESS AVAILABLE, AND THAT THE FEES AND COSTS ASSOCIATED WITH MEDIATION AND/OR ARBITRATION MAY BE SUBSTANTIALLY GREATER THAN IN CIVIL LITIGATION;**

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Initials of Franchisee

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Initials of Franchisee

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Initials of Franchisor

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d. the terms of this Franchise Agreement (including but not limited to this Article) will control with respect to any matters of jurisdiction, venue, and choice of law; and,

e. notwithstanding the fact that a Party is or may become a party to a court action or special proceeding with a third party or otherwise, and whether or not such pending court action or special proceeding: (i) may include issues of law, fact, or otherwise that arise out of the same transaction (or series of related transactions) as any arbitrable matter between or involving the Parties; (ii) involves a possibility of conflicting rulings on issues of law, fact, or otherwise; and (iii) such pending court action or special proceeding may involve a third party who cannot be compelled to arbitrate the terms, covenants, and conditions of this Franchise Agreement, the Parties still agree any dispute between the Parties to this Franchise Agreement will be enforced according to the terms found herein, including the obligation to perform under this Article.

f. Prior to arbitration, each Party agrees to adhere to the following procedure:

i. First, in the event of a complaint between them, the Parties agree to meet face-to-face within 30 days after any Party gives written notice to the other;

ii. Second, if the issues between the Parties cannot be so resolved, then the disagreement must be submitted to non-binding mediation before: (1) FDRS, Inc., (doing business as Franchise Arbitration and Mediation, Inc: "FAM") or its successor (or an organization designated by FAM or its successor); or (2) any other mediation organization approved by all Parties. If the Parties cannot agree upon a mediation service then such mediation shall be held by Judicial Arbitration and Mediation Service (JAMS) or its successor (or an organization designated by JAMS or its successor), if FAM cannot conduct such mediation and the Parties cannot agree on a mediation organization. If all of the organizations specified are unable or unwilling to conduct such proceeding(s), and the Parties to the dispute cannot agree on an appropriate organization or person to conduct such proceedings(s), then the mediation shall be heard by the American Arbitration Association.

A. The Parties shall agree upon a single mediator. If the Parties cannot agree upon the mediator then the senior most officer, director, or manager of the association under which the mediation is to take place shall choose a neutral and disinterested mediator and such choice will be final and binding upon the Parties.

B. Any mediation will be conducted by a mediator experienced in franchising. Any Party may be represented by counsel and may, with permission of the mediator, bring persons appropriate to the proceeding.

iii. If the mediation does not resolve the matter, then the Parties agree that the disagreement will be submitted to and finally resolved by binding arbitration.

16.2 Resolution under Arbitration

a. Arbitration will be held before, and in accordance with the arbitration rules of, FAM or its successor (or an organization designated by FAM or its successor). provided that if such arbitration cannot be heard by any such organizations, then the arbitration will be conducted before and in accordance with the arbitration rules of JAMS or its successor (or an organization designated by JAMS or its successor). If all of the organizations specified are unable or unwilling to conduct such proceeding(s), and the parties to the dispute cannot agree on an appropriate organization or person to conduct such proceedings(s), then the arbitration will be heard by a single arbitrator from the American Arbitration Association. Any arbitrator must be experienced in franchising. If the Parties cannot agree upon the

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arbitrator then the senior most officer, director or manager of the association under which the arbitration is to take place shall choose a neutral and disinterested arbitrator and such choice shall be final and binding upon the Parties.

b. Any Party may be represented by counsel and may, with permission of the arbitrator, bring persons appropriate to the proceeding.

c. The judgment of the arbitrator on any preliminary matter and the final arbitration award will be final and binding and may be entered in any court having jurisdiction.

d. The arbitrator's award will be in writing. On request by any party to the arbitration, the arbitrator will provide to all disputants a reasoned opinion with findings of fact and conclusions of law, and the Party so requesting will pay the arbitrator's fees and costs connected therewith.

e. There will be no right to appeal the final award

16.3 Confidentiality:

The Parties to any meeting/mediation/arbitration will sign confidentiality agreements, excepting only public disclosures and filings as are required by law.

16.4 Choice of Law, Venue and Jurisdiction

a. Any meeting/mediation/arbitration will be conducted exclusively at a neutral location within 15 miles of our then-current headquarters without regard to conflict of law provisions or *forum non-conveniens* demand to the contrary.

b. The arbitrator in any proceeding under this Article will apply all applicable laws and equity permitted under the laws of the state in which the headquarters of the Franchisor is then located without regard to conflicts of law provisions.

c. The Parties have negotiated regarding the terms of this Section (including the jurisdiction, venue, forum, and choice of law) in which to resolve their disputes and have agreed to the terms of this Article generally and to this Section specifically.

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Initials of Franchisee

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Initials of Franchisee

_____
Initials of Franchisor

16.5 Discovery, other Procedural Matters, Fees, and Costs

a. The arbitrator will decide any factual, procedural, or legal questions relating in any way to the dispute between the Parties, including, but not limited to: any decision as to whether this Article is applicable and enforceable; subject matter, timeliness, scope, remedies and unconscionability; and any alleged fraud in the inducement.

b. The Parties to the dispute have the same discovery rights as are available under the rules of the arbitration association hosting the arbitration.

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c. Each participant must submit or file any claim which would constitute a "compulsory counter-claim" (as defined by the applicable rule under the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such compulsory counter-claim that is not submitted or filed in such proceeding will be forever barred.

d. The arbitrator may issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief.

e. Each Party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction.

f. The arbitrator will have subpoena powers limited only by the laws of the state in which our headquarters is then located

g. In addition to any other remedy, the arbitrator has the right to award the "Prevailing Party" his, her, or its costs, fees, reasonable attorney's fees, expert witness fees, and the like which that Party expended in the preparation for and the prosecution of the case at arbitration. For the purposes of this Franchise Agreement in general and this Article specifically, the "Prevailing Party" shall be deemed to be that Party which has obtained the greatest net judgment in terms of money or money equivalent. If money or money equivalent has not been awarded, then the Prevailing Party shall be that Party that has prevailed on a majority of the material issues decided. The "net judgment" is determined by subtracting the smallest award of money or money equivalent from the largest award. If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrator shall award the above fees to the Party that it deems has prevailed over the other Party using reasonable business and arbitrator's judgment.

16.6 Disputes Not Subject to the Mediation/Arbitration Process

Claims or disputes relating primarily to the Marks, to any intellectual property licensed to you, and to any matter governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), are subject to court proceedings in a court of competent jurisdiction. Only the portion of any claim or dispute identified in this Section shall be subject to court action and only to the extent that such action is necessary in order to protect the Franchisor.

16.7 Other Matters

a We each understand and specifically agree that any matters concerning the relationship between us and any dispute arising as a result, will be determined on an individual basis and shall not be brought as a class action, or with multiple unrelated franchisees (whether as a result of attempted consolidation, joinder, or otherwise). This is prudent from a business standpoint because: (i) the mediation and arbitration procedures function most effectively on an individual case basis; (ii) there are significant factors present in each individual Franchisee's situation which should be respected; and (iii) class-wide or multiple plaintiff disputes do not foster quick, amicable, and economic dispute resolutions.

b. Each Party agrees that it has the right to seek damages that are in addition to the actual monetary loss that can be proven, which would include, but not be limited to, such damages as consequential, exemplary, and punitive damages. Being advised of the same, we each waive such damages that may be in addition to any actual monetary damages suffered; except if you are required to indemnify us under Article 14 and if as a result of the action underlying the indemnification, such

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damages are awarded to the injured party, then you agree that indemnification will cover such damages. If in some event such damages are awarded and if such award is not deemed to be outside the scope of what is permitted by this Article or this Franchise Agreement, then any constitutional and/or statutory limitations on punitive, exemplary, multiple, or similar damages will apply, and any award by an arbitrator or court in excess of such limitations will be in excess of legal authority and void.

16.8 One Year Limitation of Action

a. Except for an alleged violation of the Marks or any intellectual property licensed to you (which may be brought at any time), no arbitration, action, or suit (whether by way of claim, counter-claim, cross-complaint, raised as an affirmative defense, offset, or otherwise) between us will be permitted, whether for damages, rescission, injunctive, or any other legal or equitable relief in respect of any alleged breach of this Franchise Agreement, or any other claim of any type, unless such party commences such arbitration proceeding, action, or suit before the expiration of one (1) year from the date on which the facts giving rise to the cause of action comes to the attention of, or using reasonable diligence should have come to the attention of, such party. The 1-year period will begin to run and will not be tolled merely because the claiming party was unaware of legal theories, statutes, regulations, or case law upon which the claim might be based.

b. Notwithstanding the foregoing, if any federal or state law provides for a shorter limitation period than is described in this Section, then such shorter period will govern.

c. This Article will not apply to issues of indemnification described in another Article, and such actions under the indemnification covenant may be brought within the period provided by any limitation-of-action statute under the laws of the state in which the main office of the Franchisor is then located.

_____
Initials of Franchisee

_____
Initials of Franchisee

_____
Initials of Franchisor

16.9 Survival of Obligations

Each provision of this Article 16 will be deemed to be self-executing and will continue in full force and effect subsequent to and notwithstanding the expiration, termination, rescission, or finding of unenforceability of this Agreement (or any part of it) for any reason.

ARTICLE XVII

INSURANCE

17.1 Insurance is Required; Minimum Coverage

a. Within the earlier of the day before you teach your first class, or 30 days after the opening the Business, you will purchase and maintain in full force and effect during the term of this Agreement at your expense, an insurance policy or policies protecting you and us, and the officers, directors, partners, and employees of both you and us against any loss, liability, personal injury, death, property damage or expense whatsoever arising or occurring upon or in connection with the operation of

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the Business. Franchisor and its officers, directors, partners, and employees shall be named as an additional insured on all such policies.

b. At the time you first obtain insurance, and within 30 days of each renewal, you shall deliver to us the actual policy or policies of insurance or endorsements issued by the insurer (and not the broker) evidencing the proper coverage with limits not less than those required hereunder.

c. All policies shall expressly provide that not less than 30 days prior written notice shall be given to us in the event of material alteration to termination, non-renewal, or cancellation of the coverage evidenced by such policies. You will obtain the following insurance with the following minimum coverages. You can elect to purchase insurance with greater coverage or limits:

i. professional liability insurance having a combined single limit for any claim of $250,000 per occurrence and $250,000 in the aggregate; plus,

ii. general liability insurance, including coverage for operations, delivery of your services to the schools, locations, the Student or the Student's family, contractual liability, personal and advertising injury, fire damage, and medical expenses having a combined single limit for any form of injury or property damage of $1,000,000 per occurrence and $2,000,000 in the aggregate; plus,

iii. excess liability umbrella coverage for general and automobile liability coverage in an amount of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate. All such coverage shall be on an occurrence basis and shall provide for waivers of subrogation; plus,

iv. employer's liability and worker's compensation Insurance as required by state law in the state in which the Business is found.

d. Amazing Athletes Franchise Systems, Inc. and its directors and officers, must be listed as an additional insureds, using the then-current headquarters address.

e. Such policy or policies shall be written by an insurance company rated A-minus or better, in Class 10 or higher, by Best Insurance Ratings Service and satisfactory to us in accordance with standards and specifications set forth in the Franchisee Manuals or otherwise in writing, from time to time, and shall include, at a minimum, (except as additional coverage and higher policy limits may be specified by us from time to time) the coverage found above.

17.2 No Limitations on Coverage

Your obligation to obtain and maintain, or cause to be obtained and maintained, the foregoing policy or policies in the amounts specified shall not be limited in any way because of any insurance that may be maintained by us, nor shall your performance of these obligations relieve you of liability under the indemnity provisions set forth herein.

17.3 Franchisor May Procure Insurance Coverage

Should you, for any reason, fail to procure or maintain the insurance required by this Agreement, as described from time to time by the Franchisee Manuals or otherwise in writing, we shall have the right and authority (but no obligation) to procure such insurance and to charge the same to you; said charges, together with a reasonable fee for our expenses in so acting, shall be immediately payable to us by you.

ARTICLE XVIII

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ADDITIONAL PROVISIONS

18.1 Entire Agreement - Merger

a. This Franchise Agreement, including all exhibits and addenda, contains the entire agreement between the parties and supersedes any and all prior oral, written, express, or implied agreements, statements or understandings concerning the subject matter hereof.

b. You agree and understand that we will not be liable or obligated for any oral representations or commitments made prior to the execution hereof or for claims of negligent or fraudulent misrepresentation based on any such oral representations or commitments and that no modifications of this Agreement shall be effective except those in writing and signed by both parties.

c. We do not authorize and will not be bound by any representation of any nature other than those expressed in this Agreement. The Franchisee further acknowledges that no representations have been made to Franchisee by us regarding projected sales volumes, market potential, revenues, profits of the Franchisee's Business, or operational assistance other than as stated in this Agreement or in any disclosure document provided to its representatives or us.

d. Nothing in this franchise agreement, or in any related agreement that you sign with us is intended to disclaim any representations in the franchise disclosure document.

18.2 Modification

a. This Agreement may only be modified in a written agreement that is signed by all parties to this Franchise Agreement.

b. You acknowledge however, that we may modify our standards, specifications and operating and marketing procedures including those set forth in the Franchisee Manuals, any component of the System, the Marks, and any copyrighted or Proprietary Information, unilaterally, under any conditions and to the extent to which we, in our sole discretion, deem necessary to protect, promote or improve the Marks and the quality of the System in general.

18.3 Delegation

From time to time, we shall have the right to and will delegate the performance of any portion or all of our obligations and duties hereunder to a third party who is approved by us to deliver such services and perform such duties, whether the same are agents of ours or independent contractors which we have contracted with to provide such services. The Franchisee agrees in advance to any such delegation by us of any portion or all of its obligations and duties hereunder.

18.4 Review of Agreement

You acknowledge that you had a copy of this Agreement in your possession for a period of time not less than fourteen (14) calendar days during which time you had the opportunity to submit same for professional review and advice by one or more professionals of the Franchisee's choosing prior to freely executing this Agreement.

18.5 No Waiver

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No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by either of us shall be considered to imply or constitute a further waiver by either of us of the same or any other condition, covenant, right, or remedy.

18.6 No Right to Set Off or Third Party Beneficiaries

a. You shall not be allowed to set off amounts owed to us for any fees, or other amounts due hereunder, against any monies owed to you, nor shall you, in any event, withhold such amounts due to any alleged nonperformance by us hereunder, which right of set off is hereby expressly waived by you.

b. All obligations of the Franchisor under this Agreement are solely and exclusively for the benefit of the Franchisee, and no other party is entitled to rely on, enforce, benefit from, be deemed to be a third-party beneficiary, or otherwise obtain relief either directly or by subrogation.

18.7 Invalidity

If any provision of this Agreement is held invalid by any tribunal in a final decision from which no appeal is or can be taken, such provision shall be deemed modified to eliminate the invalid element and, as so modified, such provision shall be deemed a part of this Agreement as though originally included. The remaining provisions of this Agreement shall not be affected by such modification.

18.8 Notices

Except as otherwise stated in this Franchise Agreement (including Article 10), all notices required to be given under this Franchise Agreement shall be given in writing, by certified mail, return receipt requested, or by an overnight delivery service providing documentation of receipt, at the address set forth in the first Article of this Agreement, or at such other addresses as either of us may designate from time to time, and shall be effectively given when receipted for, when refused, or when received or refused via overnight delivery, as may be applicable. Any notice delivered by hand will be effective as of the date of the delivery.

18.9 Time is of the Essence and Construction

a. In all matters pertaining to this Franchise Agreement, time is of the essence.

b. The headings are for the convenience only of the reader and are not intended to be inclusive or exclusive of any term, covenant, or condition.

c. In reading this Agreement, the singular shall include the plural and the reference to one gender shall include reference to the other gender and to the neutral gender.

d. The word “including” means “including, but not limited to...”

e. Unless otherwise stated, a reference to days shall be calendar days. The counting of days shall include weekends and all state and national holidays. If a notice is to be delivered which notice requires the counting of days, such counting shall begin on the first calendar day following the day that the notice was received, refused, or deemed to have been delivered pursuant to the terms of this Agreement. Unless otherwise stated, the last day of any counted time period or the last day of the termination or the expiration of this Franchise Agreement will be 5:00 pm local time of our then-current headquarters.

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18.10 Survival of Provisions and Independent Covenants

a. Any provisions that, by their terms, extend beyond termination or expiration of this Agreement shall continue in full force and effect subsequent to and notwithstanding the termination or expiration of this Agreement.

b. The Parties further agree that each covenant herein shall be construed to be independent of any other covenant or provision of this Agreement.

18.11 Force Majeure

Except for monetary obligations hereunder which are due regardless of the language of this Section, and unless otherwise specifically provided in this Franchise Agreement, Force Majeure shall apply.

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18.12 Guaranty

If you take ownership in the franchise in other than your personal name at any time during the Initial Term or any renewal or extension thereof, you and all shareholders, Members of a limited liability business entity, partners, or other owners of an equity interest in the Franchise the Franchisee shall be required to sign the Guaranty, which is attached as Exhibit 8. The Guarantors shall be bound by all restrictive covenants found herein, including, but not limited to, all covenants in Articles 6 and 15.

18.13 Acknowledgement

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

a. THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED HEREIN INVOLVES SUBSTANTIAL RISKS AND DEPENDS UPON THE FRANCHISEE'S ABILITY AS AN INDEPENDENT BUSINESS PERSON AND ITS ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE BUSINESS, AND

b. NO ASSURANCE OR WARRANTY, EXPRESS OR IMPLIED, HAS BEEN GIVEN AS TO THE POTENTIAL SUCCESS OF SUCH BUSINESS VENTURE OR THE EARNINGS LIKELY TO BE ACHIEVED, AND

c. NO STATEMENT, REPRESENTATION, OR OTHER ACT, EVENT, OR COMMUNICATION, EXCEPT AS SET FORTH IN THIS DOCUMENT AND IN ANY OFFERING CIRCULAR SUPPLIED TO THE FRANCHISEE, IS BINDING ON US IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT.

d. YOU UNDERSTAND THAT IF YOU ARE NEVER ABLE TO OPERATE THE BUSINESS PROFITABLY, YOU COULD LOSE PART OR ALL OF YOUR INVESTMENT, PLUS ANY ADDITIONAL FUNDS THAT YOU CONTRIBUTE TO THE BUSINESS.

18.14 Recitals, State Specific Amendment, Closing Acknowledgement, Statement of Understanding, and Signatures

a. The Recitals are made part of this Franchise Agreement.

b. Further, the Franchisee shall review and sign the "Closing Acknowledgment" that is attached at Exhibit 11.

c. In some cases, the state in which you are located requires that this Franchise Agreement be amended. Please see Exhibit 7 to learn if there is an amendment that affects your state.

d. You and we will complete the Statement of Understanding found at Exhibit 10 at the time you sign this Franchise Agreement.

e. This Franchise Agreement may be signed in any number of counterparts all of which taken together form one original document. Signatures may be done electronically or manually. Facsimile or electronically signed and delivered documents shall be as effective as an original.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above set forth.

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
a Tennessee corporation

by: _____
President
date: _____

FRANCHISEE

Signature	_____	Signature:	_____
Name:	_____	Name:	_____
Address:	_____	Address:	_____
City:	_____	City:	_____
State:	_____	State:	_____
Zip:	_____	Zip:	_____
Telephone No:	_____	Tele.	_____
date:	_____	date:	_____

OR:

(If a business entity)

Company
Name: _____
by: _____
its _____
Address: _____
City: _____
State: _____
Zip: _____
Telephone No: _____
date: _____

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EXHIBIT 1
INITIAL FRANCHISE FEE AND STATEMENT OF OWNERSHIP

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INITIAL FRANCHISE FEE AND STATEMENT OF OWNERSHIP

Franchisee: _____

Trade Name (if different from above): _____

The Initial Franchise Fee (IFF) is: _____

Form of Ownership (Check One)

_____ Individual _____ Partnership _____ Corporation ____ limited liability business entity

If a partnership, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a limited liability business entity, provide the name and address of each equity-interest holder, Member, and Manager, showing percentage owned, and indicate the state in which the limited liability business entity was formed.

If a corporation, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder, showing what percentage of stock is owned by each.

_____
_____
_____
_____
_____

Franchisee acknowledges that this Statement of Ownership applies to the Business authorized under this Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to the Franchisor in writing.

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
a Tennessee corporation

By: _____
President

FRANCHISEE

_____ _____
Signature Signature

_____ _____
Signature Signature

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(If a business entity)

Company Name:_____

Signature: _____
Print Name: _____
its _____

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EXHIBIT 2
EXCLUSIVE TERRITORY

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EXCLUSIVE TERRITORY

1. The business address for any notices mailed under the Franchise Agreement shall be: _____.

2. **Exclusive Territory.** The Franchisee's Exclusive Territory is described as follows:
_____
_____
_____
_____

Fully executed this _____ day of _____, 20___

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
a Tennessee corporation

By: _____
President

FRANCHISEE

Signature: _____ Signature:_____

Signature: _____ Signature: _____

Company Name:_____

Signature: _____
Print Name: _____
its _____

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EXHIBIT 3
RELEASE FOR CRIMINAL AND CREDIT CHECK

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CREDIT AND CRIMINAL BACKGROUND CHECK RELEASE FORM

I understand that an initial and ongoing credit and criminal background check is a condition of being considered as a franchise candidate (and franchisee) of Amazing Athletes Franchise Systems, Inc (AAFS).

I consent to AAFS obtaining my criminal conviction history from any law enforcement agency, criminal background service provider, municipality, state, or the FBI. I understand that AAFS will obtain this information at the time I apply to become a franchisee and during the term of my franchise agreement. The criminal history record, as received from the reporting entity may include, but not be limited to, arrest and conviction data, plea bargains, deferred adjudication, as well as social security verification. It may also include information regarding driving history. I understand that I will have a limited opportunity to review the criminal history and a process is available for clarification if I dispute the record as received.

I further consent to AAFS obtaining my credit history from all three credit reporting agencies. I understand that AAFS will obtain this information at the time I apply to become a franchisee and during the term of my franchise agreement.

I hereby release and agree to indemnify AAFS and its officers, directors, employees and agents harmless from and against any and all liability, expense (including court cost and attorneys' fees) and claims for damage of any nature whatsoever resulting from the investigation of my background in connection with my application to become, and ongoing performance as a franchisee.

I certify that the information provided in this form is true and complete. I understand that false or misleading information given in my application to purchase a franchise, any subsequent written documents, any interview(s), any other documents given to AAFS, or on this form will render my application void, and will result in my not being able to purchase a franchise or may result in the termination of my franchise. I authorize you to make a criminal background investigation and other such investigations as are necessary in arriving at the decision to permit me to purchase a franchise or to retain my rights as a franchisee.

I further understand and agree that should any criminal or credit background checks done during the term of the franchise agreement disclose any material change in my status, the same may result in the termination of my franchise.

_____
Initials

Notwithstanding the foregoing, any misuse by Franchisor of any information obtained during such background check that results in damage or injury to the below-signed shall permit the below-signed such rights as may be available.

AAFS will keep this form on file for the term of my franchise agreement and for a period of two (2) years following its termination for any reason.

DATE: _____

PRINTED NAME: _____ _____ _____
FIRST MIDDLE LAST

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SIGNATURE: _____

DATE OF BIRTH: _____

SOCIAL SECURITY NO.: _____

ADDRESS: _____
_____

DRIVER'S LICENSE STATE AND NO.: _____

GENDER: _____

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EXHIBIT 4
GENERAL RELEASE

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GENERAL RELEASE

This General Release (Release) is made this ____ day of _____, 20__, by and between **AMAZING ATHLETES FRANCHISE SYSTEMS, INC.**, **a Tennessee corporation** (hereinafter "Franchisor"), and _____ (hereinafter "Franchisee"), and _____ (hereinafter "Guarantor"). Franchisor, Franchisee and Guarantor may sometimes be referred to as a "Party" or jointly as the "Parties".

RECITALS

WHEREAS, Franchisor and Franchisee entered into that certain franchise agreement dated_____ (Franchise Agreement);

WHEREAS, pursuant to the Agreement, Franchisee was permitted to open and operate a franchised business (Business);

WHEREAS, Guarantor guaranteed the performance of the Franchisee under the Franchise Agreement;

WHEREAS, Franchisee desires take some action (or make some amendment) to the Franchise Agreement, or desires for the Franchisor to take any action for which a General Release is called for in the Franchise Agreement or is required by Franchisor as part of such action;

WHEREAS, as a material inducement to the Franchisor approving the same, the Franchisee has agreed to provide this Release;

WHEREAS, all capitalized terms not defined herein shall have the meaning set forth in the Franchise Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants found herein, for that consideration stated below, and for other good and valuable consideration, the adequacy of which is admitted by all parties hereto, it is agreed as follows:

COVENANTS

1 Franchisee, for and on behalf of itself, its officers, directors, shareholders, and employees, and on behalf of any parent corporation or subsidiary, business entity, successor, assignee, and their officers, directors, shareholders, and employees (Franchisee Parties) and Guarantor for himself or herself and for and on behalf of its family members,, and for and in consideration of: the Franchisor granting to the Franchisee the right to do the following; _____; and for other good and valuable consideration, all of which is deemed adequate by all Parties hereto, do each (personally, jointly and severally) from the beginning of time to the Effective Date of this Release, release, indemnify, and forever forgive and discharge Franchisor and Franchisor's officers, directors, shareholders, agents and employees (Franchisor Parties), from any and all: equitable or legal claims; claims sounding in federal law or state statute; causes of action; complaints; direct, indirect, punitive or consequential damages; judgments; business losses; awards; injury, or any other right or action (separately and together a "Claim" or the "Claims") which relate in any way to: (i) the manner and method by which Franchisor delivered the FDD to Franchisee, and Guarantor (ii) the content, or lack of content of the FDD (as such content may have been required by any applicable state or federal law); (iii) the performance or failure of performance of Franchisor or Franchisor Parties in reference to any federal-required or state-required disclosure obligations and

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requirements; (iv) any oral, written, express or implied promises, statements, disclosures and the like relating in any way to the Franchise Agreement or the franchise relationship between the Franchisor and Franchisor Parties, Franchisee, Guarantor and the Franchisee Parties; (v) the performance or the failure to perform of Franchisor or any Franchisor Party under the Franchise Agreement; (vi) the performance or failure to perform of Franchisor or any Franchisor Party under any other oral or written, express or implied agreement, covenant, or document whether or not found in the Franchise Agreement; and, (vii) any other Claim sounding in equity or law. Notwithstanding the foregoing, nothing in this Release is intended to disclaim any representations made in the Franchise Disclosure Document.

2. Franchisee for itself and on behalf of the Franchisee Parties and Guarantor each agrees and expressly states that this Release was made in contemplation of not only known Claims and the consequences thereof, but also in contemplation of the possibility that the each such Party identified in this paragraph may or will sustain future damages presently unknown to them and which accrued on or before the Effective Date of this Release but which were not asserted until after that date. By executing this Release Franchisee for itself and on behalf of the Franchisee Parties intend to release Franchisor and the Franchisor Parties, jointly and severally from liability for any and all known, unknown and unforeseen Claims, losses, expenses, damages, costs, liabilities, business losses, and the consequences thereof.

3. Franchisee for itself and on behalf of the Franchisee Parties assume any and all risk that the facts and law may be, or may become, different from the facts and law as known to them, or believed to be known by them as of the date of this Release, and each agrees that if the execution of this Release was made on the basis of mistake (mutual or unilateral) that each will forever waive any right to claim that entering into this Release resulted from a mistake of any kind, thereby waiving all claims based upon the doctrine of mistake.

4. Franchisee for itself and on behalf of the Franchisee Parties and Guarantor deliver this Release with the intent that Franchisor rely upon the same. Should any condition, covenant, or clause herein be considered to be unenforceable, any tribunal of competent jurisdiction shall be permitted to amend the Release to the least extent possible so as to form an enforceable covenant, or if such amendment cannot be fashioned then to excise the offending clause, covenant, or condition so as to form an enforceable Release, which shall be binding upon the Parties to the fullest extent permissible.

5. Notwithstanding the terms of this Release, nothing herein relieves any Party of the obligation to maintain the confidentiality of any confidential, trade secret, proprietary or similar information of any other Party. The terms of this Release are and will remain confidential and will not be disclosed by any Party, except as required by legal process, and except as required to be disclosed in Franchisor's Franchise Disclosure Document.

6. In the event of a dispute concerning this Release, the Parties agree that the alternative dispute resolution provisions of the Franchise Agreement found at Article 16 are incorporated herein by this reference as if fully set forth here and the same will be the manner by which any such dispute is resolved.

7. If any mandatory provisions of the governing state law limit or prohibit the use of this Release, or which in any manner impose different rights or obligations as are found herein, then such mandatory provisions of state law shall be deemed incorporated in the Franchise Agreement and this Release by reference and shall prevail over any inconsistent terms in this Release. If no such law exists, or if such law exists but permits the Franchisee to agree to abide by the terms of this Release or if by accepting the alternative dispute resolution covenants of the Franchise Agreement found at Article 16, the state law is preempted by the federal law applicable to such dispute resolution, then the Franchisee, the

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Franchisee Parties and the Guarantor each agree to abide by the terms of this Release. Notwithstanding the foregoing, excluded from this release are claims arising from representations in the FDD.

8. Notwithstanding anything herein to the contrary:

a. Release of Unknown Claims and Waiver of California Law. The Franchisee, Franchisee Parties, and Guarantors acknowledge that they are aware and informed that the laws of California may purport to limit or reduce the effect of a general release with respect to claims not know or suspected by them at the time of execution of the release, such as Section 1542 of the Civil Code of the State of California which provides that:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected his or her settlement with the debtor."

Franchise, Franchisee Parties, and each Guarantor waives and relinquishes every right or benefit which they have, or may have, under Section 1542 of the Civil Code of the State of California and under any similar provisions of any other law (as may be applicable to this Release), to the fullest extent that the Franchisee, Franchisee Parties, and Guarantors, may lawfully waive such right or benefit pertaining to the subject matter of this Release. In connection with such waiver and relinquishment, with respect to the Released Claims, the Franchisee, Franchisee Parties, and Guarantors each acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this Release, but that it is the Franchisee's, Franchisee Party's, and Guarantor's intention to settle and release fully, finally and forever, all claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. Franchisee, and each Franchise Party and Guarantor agree to defend, indemnify and hold harmless Franchisor from any and all claims arising out of, directly or indirectly, the assertion by Franchisee, each Franchisee Party, and each Guarantor, (or any person or entity by, through, or on their behalf) of any Released Claims, positions, defenses, or arguments contrary to this Section 6(a) above.

b. Release of Unknown Claims and Waiver of South Dakota Law. The Franchisee and each Franchisee Party and Guarantor acknowledges that each is aware and informed that the laws of South Dakota may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by them at the time of execution of the release, such as South Dakota Codified Laws§ 20-7-11, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Franchisee and each Franchisee Party and Guarantor, waive and relinquish every right or benefit which they have, or may have, under § 20-7-11 of the South Dakota Codified Laws, and under any similar provisions of any other law (as may be applicable to this Release), to the fullest extent that they may lawfully waive such right or benefit pertaining to the subject matter of this Release. In connection with such waiver and relinquishment, with respect to the Released Claims, Franchisee and each Franchisee Party and Guarantor acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that Franchisee and each Franchisee Party and Guarantor now know or believe to be true with respect to the subject matter of this Release, but that it is

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their intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. Franchisee and each Franchisee Party and Guarantor agree to defend, indemnify and hold harmless the Franchisor and the Franchisor Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by the Franchisee and the Franchisee Affiliates (or any person or entity by, through, or on behalf of Releasor) of any Released Claims, positions, defenses, or arguments contrary to this Section l.(b) of this Release.

9. Additional Provisions

a. Each such Party represents that the execution and delivery of this Release is the duly authorized and binding act of such Party.

b. The Recitals are incorporated herein by this reference.

c. This Release shall be interpreted in accordance with the laws of the state of Colorado without regard to any conflict of laws provision to the contrary. Enforcement of this Release is to be under the alternative dispute resolution provisions of the Franchise Agreement found at Article 16 as though such Article was incorporated in its entirety herein.

d. Each Party shall fully cooperate with all other Parties with respect to the performance of this Release. Each Party will execute, acknowledge and deliver such further documents that may reasonably be required in order to effectively perform this Release and to evidence the release of all obligations and liabilities of the Parties as more fully stated herein.

e. This Release may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same instrument, without necessity of production of the others. An executed signature page delivered via facsimile transmission or electronic signature shall be deemed as effective as an original executed signature page.

DONE AS OF THE EFFECTIVE DATE

Franchisor	**Franchisee**
AMAZING ATHLETES FRANCHISE SYSTEMS, INC.	_____
a Tennessee corporation	
By: _____	By: _____
President	Its: _____
date: _____	Date: _____
	INDIVIDUAL FRANCHISEES
_____	_____
Signature	Signature
date: _____	date: _____
	GUARANTORS
	_____
	date: _____

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date: _____

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EXHIBIT 5
COLLATERAL ASSIGNMENT OF CONTACT AND ELECTRONIC INFORMATION

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COLLATERAL ASSIGNMENT OF CONTACT AND ELECTRONIC INFORMATION

This Collateral Assignment of Contact and Electronic Information (Agreement) is made this ___ day of _____, 20____, by and between Amazing Athletes Franchise Systems, Inc. (Franchisor) and _____ (Franchisee).

RECITALS

WHEREAS, on _____, 20____, Franchisor and Franchisee executed a "Franchise Agreement" pursuant to the terms of which Franchisee obtained a franchise from Franchisor to operate a Business at the Franchised Location.

WHEREAS, as part of the Franchise Agreement, the Franchisee agreed that upon termination of the Franchise Agreement, that the Franchisor would have the right, title and interest in and to all contact and electronic information relating to the Franchisee's Business;

WHEREAS, in order to ensure that the Franchisor that it will have such rights, the parties have agreed to enter into this Agreement;

WHEREAS, any capitalized term not defined herein will have the meaning set forth in the Franchise Agreement;

NOW THEREFORE, for and in consideration of the covenants found in the Franchise Agreement and for other good and valuable consideration the adequacy of which is admitted by all parties hereto, it is agreed as follows:

COVENANTS

1. Franchisee acknowledges that, as between Franchisor and Franchisee, the Franchisor has the sole rights to and interest in all telephone, telecopy or facsimile machine numbers, directory listings, URL's web page identifiers, email addresses, and social network addresses (including Twitter and Face Book), that are associated with any Mark.

2. Franchisee authorizes Franchisor, and hereby appoints Franchisor and any of its officers, as Franchisee's attorney-in-fact, to direct the telephone company, all telephone directory publishers, any electronic transfer agency, any URL or webpage host, and any other electronic business, company, transfer agent, host, webmaster, and the like to transfer to the Franchisor all telephone, facsimile machine numbers, and directory listings, and all electronic listings, web pages, social network pages or identities (including twitter and Face Book), URL's, email addresses and the like that relate to the Franchised Business, should Franchisee fail or refuse to do so, and any Party named herein may accept such direction under this Agreement as conclusive of Franchisor's exclusive rights in and to such information, site, URL, electronic media, telephone numbers, directory listings and the like and Franchisor's authority to direct their transfer.

3. This Agreement is only effective at such time as the Franchise Agreement is terminated for any reason and then only if the Franchisee fails or refuses to make the necessary assignments as contemplated by this Agreement.

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4. The Recitals are incorporated into this Agreement by this reference.

In Witness Whereof, the parties hereto have executed and delivered this Agreement as of the day and year first written above.

Done as of the day and year first written above.

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
a Tennessee corporation

By: _____
President

FRANCHISEE

_____ _____
Signature Signature

(If a business entity)

Company
Name: _____
by: _____
its _____

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EXHIBIT 6
CONFIDENTIALITY AGREEMENT

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CONFIDENTIALITY AND
NON-COMPETITION AGREEMENT

This Confidentiality and Non-Competition Agreement (Confidentiality Agreement) is entered into this _____ day of _____, 20___, between Amazing Athletes Franchise Systems, Inc., (Franchisor) _____ (Franchisee), and if applicable _____ (Employee) residing at _____ _____. Franchisor, Franchisee, and Employee may sometimes be referred to in the singular as a "Party" or jointly as the "Parties."

RECITALS

WHEREAS, Franchisee has been granted a franchise from Franchisor, and as such, is the beneficiary of certain confidential and proprietary information of Franchisor (identified as "Confidential Information" as more fully described below);

WHEREAS, Employee, in the course of his employment with the Franchisee, will have access to such Confidential Information;

NOW, THEREFORE, in consideration of the employment of the Employee by Franchisee, and for other good and valuable consideration, the adequacy of which is admitted by all Parties, it is agreed as follows:

COVENANTS

1. For purposes of this Confidentiality Agreement, Employee acknowledges that, during the course of his employment. he has obtained or may obtain knowledge of confidential matters, procedures, methods of operation, copyrighted materials, equipment containing the Franchisor's trademarks, service marks, trade names, logos and the like, systems, techniques, pricing, accounting systems and procedures, specifications, products manuals, Manuals, business plans, customer lists, technical designs, or drawings that relate to Franchisee's business, suppliers, marketing plans, and the like developed and owned by the Franchisor (Confidential Information) and made available to the Franchisee, all of which are necessary and essential to the operation of Franchisee's business and without which Franchisee could not efficiently, effectively, and profitably operate its franchise. Employee further acknowledges that such Confidential Information was not known to him prior to his employment.

2. Except as may be required in the performance of duties for Franchisee, Employee will not, during the course of his or her employment and at any time thereafter, directly or indirectly, use or disclose to any third party, or authorize any third party to use, any component of the Confidential Information relating to the business or interest of Franchisee or Franchisor, which he knows or reasonably should know, is regarded as confidential and valuable to Franchisee or Franchisor.

3. If Employee is in a management position with the Franchisee, Employee will not, during the course of his employment and for one (1) year thereafter, directly or indirectly in any capacity, without Franchisee's prior written consent, engage in a business or have any financial interest in a business that is a "Competitive Business" by becoming an owner, officer, director, shareholder, partner, associate, employee, agent, representative, or consultant, or serve in any other capacity in any such business that is located within five (5) miles of any location that offers the Training. For purposes of this Confidentiality Agreement, a "Competitive Business" shall be any business that offers physical training and sports skills to school children of the same age as those being offered our training at the time of the alleged competition.

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4. Employee, regardless of his position with the Franchisee, will not, during the course of his employment and for one (1) year thereafter, directly or indirectly employ or attempt to employ, or solicit for any employment, any of Franchisee's employees.

5. Employee, regardless of his position with the Franchisee, will not, during the course of his or her employment and for one (1) year thereafter, directly or indirectly contact any Student of Franchisee for the purpose of soliciting from any such Student any business that is the same as, or substantially similar to, the business conducted between the Franchisee and the Student.

6. At the termination of his employment, Employee agrees to deliver to Franchisee (and will not keep in his possession or deliver to anyone else) all Manuals and other Confidential Information, records, data, designs, photographs, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, other documents or property, or reproductions of any such items belonging to Franchisee, its successors or assigns, which relate in any way to the operation of the Franchisee's business.

7. Employee hereby acknowledges and agrees that any breach by him of this Confidentiality Agreement will cause damage to Franchisee and Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisee may be entitled, either Franchisee or Franchisor shall be entitled to temporary, preliminary, or permanent injunctive relief for any breach or threatened breach by Employee without proof of actual damages that have been or may be caused.

8. If any portion of this Confidentiality Agreement shall be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement shall be considered valid and operative, and effect shall be given to the intent manifested by the portion held invalid or inoperative. Further to the extent that any restrictive covenant violates the law of the state in which the Employee is employed, then a court of competent jurisdiction shall amend the offending limitation to the least extent possible so as create an enforceable covenant.

9. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural.

10. This Agreement shall bind the successors and assigns of Franchisee and the heirs, personal representative, successors, and assigns of Employee.

11 All covenants made in this Agreement by Employee that must survive its termination in order to remain enforceable, shall so survive the termination of this Confidentiality Agreement.

12. This Confidentiality Agreement may be amended in whole or in part only by an agreement in writing signed by the Parties.

13. This Confidentiality Agreement contains the entire understanding of the Parties in reference to the subject matter found herein. Any prior understanding or agreement, whether oral or written, shall be merged herein.

14. Any notice, request, demand, or other communication given pursuant to the terms of this Confidentiality Agreement shall be deemed given upon delivery, if hand-delivered, or three (3) days after deposit in the United States mail, postage prepaid, and sent certified or registered mail, return receipt requested, addressed to the addresses of the parties indicated below or at such other address as such party shall have advised the other Party in writing.

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15. Notwithstanding anything herein to the contrary, Franchisee's Franchisor may enforce this Agreement to the extent necessary to protect any commercially reasonable interest that it may have including the right to protect the Confidential Information

EMPLOYEE ACKNOWLEDGES THAT HE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

Done as of the date first found above

FRANCHISEE:

_____
by: _____
its; _____
Date Signed _____

EMPLOYEE:

_____

Date Signed: _____

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EXHIBIT 7
STATE ADDENDA

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FOR THE STATE OF CALIFORNIA

This Addendum to the Franchise Agreement, agreed to this _____ day of _____, 20__, between Amazing Athletes Franchise System, Inc. and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§31000-3516 and the California Franchise Relations Act, Cal. Bus. And Prof. Code §§20000-20043, the Franchise Agreement for AMAZING ATHLETES FRANCHISE SYSTEMS, INC. is amended as follows:

The California Franchise Relations Act provides rights to Franchisee concerning termination or nonrenewal of the Franchise Agreement, which may supersede provisions in the Franchise Agreement.

Any Article of the Franchise Agreement that terminates the Franchise Agreement upon the bankruptcy of the Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

The Franchise Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Agreement; this covenant may not be enforceable under California Law.

The Franchise Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of action arising under California law.

The Franchise Agreement requires application of the laws of a state other than California. This provision might not be enforceable under California law.

The Franchise Agreement requires binding arbitration. The arbitration will occur at the forum indicated in the Franchise Agreement with the costs being borne by the non- prevailing party. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside of the State of California.

We will refrain from collecting the IFF or any other fees from you until we have delivered all of our pre-opening services (Item 11) and you are open for business. At that time we will collect all pre-opening fees that are due to us.

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the California Investment Law and/or the California Franchise Relations Act are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
a Tennessee corporation

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By: _____
President

FRANCHISEE

_____ _____
Signature Signature

_____ _____
Signature Signature

(If a business entity)

Company
Name: _____
by: _____
its _____

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ADDENDUM TO THE FRANCHISE AGREEMENT

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.

FOR THE STATE OF HAWAII

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20___, between Amazing Athletes Franchise Systems, Inc., and _____ (Franchisee), amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E et seq., the Franchise Agreement is amended as follows:

- The Hawaii Franchise Investment Law provides rights to Franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Agreement contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

- The Franchisee is required to sign a general release as a condition of renewal and transfer of the franchise; such release will exclude claims arising under the Hawaii Franchise Investment Law.

- Any covenant of the Franchise Agreement which purports to terminate upon the Franchisee upon bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independent of this Addendum. To the extent this Addendum will be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
a Tennessee corporation

By: _____
President

FRANCHISEE

_____ _____
Signature Signature

_____ _____
Signature Signature

(If a business entity)

Company

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Name: _____
by: _____
its _____

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FOR THE STATE OF ILLINOIS

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20__, between AMAZING ATHLETES FRANCHISE SYSTEMS, INC., and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705 (the "Act"), the Franchise Agreement for AMAZING ATHLETES FRANCHISE SYSTEMS, INC. is amended as follows:

The conditions under which the Franchise Agreement can be terminated and Franchisee's rights upon non-renewal, as well as the application by which Franchisee must bring any claims, may be governed by the Illinois Franchise Disclosure Act, 815 ILCS 705/19 and 705/20.

No action for liability under the Illinois Franchise Disclosure Act will be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after Franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or ninety (90) days after delivery to Franchisee of a written notice disclosing the violation, whichever will first expire.

Notwithstanding anything in the franchise agreement to the contrary, under Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. The language of Section 41 shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under 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.

The Franchise Agreement will be governed by Illinois Law. Jurisdiction and venue for court litigations will be in Illinois. Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State is void, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois.

The Illinois Attorney General's Office has reviewed our financial documents and as a result of the Franchisor's financial condition, has imposed certain financial assurances for your benefit. As a result, we will refrain from collecting your Initial Franchise Fee until we have provided the training and Start-up Kit services, and you are open for business. At that time the IFF and all other fees will be due to us.

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the Act are met independent of this Addendum. To the extent this Addendum will be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
a Tennessee corporation

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By: _____
President

FRANCHISEE

_____ _____
Signature Signature

_____ _____
Signature Signature

(If a business entity)

Company
Name: _____
by: _____
its _____

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ADDENDUM TO THE FRANCHISE AGREEMENT
AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
FOR THE STATE OF INDIANA

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20___, between Amazing Athletes Franchise Systems, Inc., and _____, and it amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the Indiana Deceptive Franchise Practices Law, IC 23-2.2.7 and the Indiana Franchise Disclosure Law, IC 23-2-2-2.5, the Franchise Agreement for Amazing Athletes Franchise Systems, Inc., is amended as follows:

a. Nothing in the Franchise Agreement will be deemed to release the Franchisor from claims based in the Indiana Deceptive Franchise Practices Law or the Indiana Franchise Disclosure Law.

b. The Franchise Agreement is amended to prohibit unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

c. Article 15 of the Franchise Agreement is amended subject to Indiana Code 23-2-2.7-1(9) to provide that post-term non-competitor covenants will have a geographical limitation of the territory granted to Franchisee.

d. The Franchise Agreement is amended to provide that the Franchisee will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee's reliance upon or use of procedures or products which were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.

e. The Franchise Agreement is amended to provide that in the event of a conflict of law, the Indiana Franchise Disclosure Law, IC 23-2-2.5, and the Indiana Deceptive Franchise Practices Law will prevail.

f. The Franchise Agreement is amended to provide that Franchisee may commence litigation in Indiana for any cause of action under Indiana law.

g. The Franchise Agreement is amended to provide that arbitration between Franchisor and Franchisee will be conducted in Indiana or a site mutually agreed upon.

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the Indiana Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum will be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
a Tennessee corporation

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By: _____
President

FRANCHISEE

_____ _____
Signature Signature

_____ _____
Signature Signature

(If a business entity)

Company
Name: _____
by: _____
its _____

AMAZING ATHLETES
FRANCHISE SYSTEMS, INC. _____

by: _____ by: _____
President its: _____

_____
Individual Franchisee

_____
Individual Franchisee

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FOR THE STATE OF MARYLAND

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20__, between Amazing Athletes Franchise Systems, Inc, and _____, amends and revises said Franchise Agreement as follows:

a. The Franchise Agreement requires Franchisee to sign a general release as a condition of renewal, sale, termination, and transfer of the franchise. These covenants shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

b A franchisee may bring a lawsuit in Maryland for claims under the Maryland Franchise Registration and Disclosure Law.

c. Any claim under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

d. All 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.

e. Item 5 is amended to provide that all initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations under the franchise agreement.

f. To the extent this Addendum will be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
a Tennessee corporation

By: _____
President

FRANCHISEE

_____ _____
Signature Signature

_____ _____
Signature Signature

(If a business entity)

Company
Name: _____
by: _____
its _____

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FOR THE STATE OF MINNESOTA

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20__, between AMAZING ATHLETES FRANCHISE SYSTEMS, INC., and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., (the "Act") the Franchise Agreement for AMAZING ATHLETES FRANCHISE SYSTEMS, INC. is amended as follows:

With respect to franchises governed by Minnesota Law, Franchisor will comply with the Minnesota Franchise Law which requires, except in certain specified cases, that Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement.

Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release which may require the Franchisee to waive any claims under Minnesota Statutes 1973, Supplement, sections 80C.01 to 80C.22.

As required by Minnesota Franchise Act, Franchisor will reimburse you for any costs incurred by Franchisee in the defense of Franchisee's right to use the Marks, so long as Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

The Franchise Agreement is amended to state that any claim concerning the Franchised Business or this Agreement or any related agreement will be barred unless an action for a claim is commenced within three (3) years from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.

Franchisor will comply with all requirements of the Act that require termination for good cause as defined by the Act.

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Offering Circular or 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.

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the Acts are met independent of this Addendum. To the extent this Addendum will be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
a Tennessee corporation

By: _____
President

FRANCHISEE

_____ _____
Signature Signature

_____ _____
Signature Signature

(If a business entity)

Company
Name: _____
by: _____
its _____

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FOR THE STATE OF NEW YORK

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20__, between AMAZING ATHLETES FRANCHISE SYSTEMS, INC., and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§ 680 through 695, (the "Act") the Franchise Agreement for AMAZING ATHLETES FRANCHISE SYSTEMS, INC. is amended as follows:

The Franchisee is required to sign a general release as a condition of renewal, termination and transfer of the franchise. Such release will exclude claims arising under the General Business Laws.

Franchisor will not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform the Franchisor's obligations under the Franchise Agreement, in Franchisor's good faith judgment, so long as it remains subject to the General Business Laws of the State of New York.

Franchisee will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee's reliance upon or use of procedures or products which were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.

The Franchise Agreement requires that the franchise be governed by the laws of the state the Franchisor's principal business is then located. Such a requirement will not be considered a waiver of any right conferred upon the Franchisee by Article 33 of the General Business Laws.

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the Act is met independent of this Addendum. To the extent this Addendum will be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
a Tennessee corporation

By: _____
President

FRANCHISEE

_____ _____
Signature Signature

_____ _____
Signature Signature

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(If a business entity)

Company
Name: _____
by: _____
its _____

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FOR THE STATE OF VIRGINIA

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20___, between Amazing Athletes Franchise Systems, Inc, (Franchisor) and _____ (Franchisee) amends and revises said Franchise Agreement as follows:

a. Any section of the Franchise Agreement which terminates the Franchise Agreement upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

b. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for use in the Commonwealth of Virginia is amended as follows:

Additional Disclosure. The following statements are added to Item 17.h:

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 does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

Franchisor Franchisee

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
a Tennessee corporation

By: _____
President

FRANCHISEE

_____ _____
Signature Signature

_____ _____
Signature Signature

(If a business entity)

Company
Name: _____
by: _____
its _____

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FOR THE STATE OF WASHINGTON

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20__, between AMAZING ATHLETES FRANCHISE SYSTEMS, INC., and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the Washington Franchise Investment Protection Act, Washington Rev. Code §§19.100.010 - 19.100.940, (the "Act") the Franchise Agreement for AMAZING ATHLETES FRANCHISE SYSTEMS, INC. is amended as follows:

The Act provides rights to Franchisee concerning non-renewal and termination of the Franchise Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act will control.

Franchisee is required to sign a general release as a condition of renewal, termination and transfer of the franchise. Such release will exclude claims arising under the Washington Franchise Investment Protection Act.

The Franchise Agreement requires that the franchise be governed by the laws of the State in which the Franchisor's headquarters is located (now Tennessee); such a requirement may be unenforceable in the event of a conflict with the Washington Franchise Investment Protection Act. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

The Franchise Agreement requires litigation or arbitration to be conducted in the State in which the Franchisor's headquarters is located (now Tennessee); the requirement will not limit any rights Franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington.

Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, or 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 the Franchisor's reasonable estimated or actual costs in effecting a transfer.

In Washington, we will not require or accept the payment of any initial franchise fees until you have: (a) received all initial training that it is entitled to under the franchise agreement or disclosure document, and; (b) opened for business.

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the Act is met independent of this Addendum. To the extent this Addendum will be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
a Tennessee corporation

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By: _____
President

FRANCHISEE

_____ _____
Signature Signature

_____ _____
Signature Signature

(If a business entity)

Company
Name: _____
by: _____
its _____

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EXHIBIT 8
GUARANTY

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GUARANTY OF FRANCHISEE'S OBLIGATIONS

This Guaranty of Franchisee's Obligations (Guaranty) is entered into this _____ day of _____, 20__ by and between **AMAZING ATHLETES FRANCHISE SYSTEMS, INC.**, (Franchisor), and _____ (Franchisee) and _____, whose address is _____ and _____, whose address is _____ (herein jointly and severally known as Guarantor(s)).

RECITALS

WHEREAS, Franchisee signed a franchise agreement with Franchisor on the ____ day of _____, 20__ (Franchise Agreement);

WHEREAS, as an inducement to the Franchisor for granting the Franchise Agreement, the Guarantor(s) agreed to fully guaranty the performance of Franchisee under the Franchise Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants found herein and for other good and valuable consideration, which consideration is deemed to be adequate by all parties, each of the undersigned hereby personally and unconditionally agree to the following:

COVENANTS

1. Guarantor(s) guarantee to Franchisor and its successors and assigns, for the term of the Franchise Agreement, including any amendments thereto or renewals thereof, that the Franchisee shall timely pay any amount required by the Franchise Agreement, the promissory note (Note), if Franchisor provided financing to the Franchisee under Article 3 of the Franchise Agreement, and shall perform each and every undertaking, agreement, and covenant set forth in the Franchise Agreement and any addenda or Exhibits attached thereto as each may be amended or renewed.

2. Guarantor(s) further agrees to be personally bound by each and every term of the Franchise Agreement, as amended or renewed, and agrees to be personally liable for the breach of, and, if permitted, the cure of each and every breach of any term, covenant, or condition of the Franchise Agreement. Guarantor(s) agree that this Guaranty is one of payment and performance and not one of just collection.

3. By signing this Guaranty, each Guarantor further agrees that each shall also be subject to all restrictive covenants in the Franchise Agreement, including, but not limited to all covenants of Article 6, any in-term or post-term covenants not to compete, found at Article 15, and all indemnification provisions of the Franchise Agreement.

4. As part of the inducement given to Franchisor by the Guarantor(s) to permit the Franchisee to enter into the Franchise Agreement, the Guarantor(s) further agree to waive the following:

a. acceptance and notice of acceptance of the foregoing undertaking;

b. notice of demand for payment of any indebtedness or notice of any nonperformance of any obligations hereby guaranteed;

c. protest and notice of default with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;

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d. any right Guarantor may have to require that any action be first brought against Franchisee or any other person or entity as a condition of liability; and

e. any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

5. Guarantor(s) further consent and agrees that:

a. Guarantor is directly and immediately liable under this Guaranty, and if signed by more than one Person, such liability is joint and several;

b. Guarantor(s) shall render any payment or performance required under the Franchise Agreement upon demand of Franchisor if Franchisee fails or refuses punctually to do so;

c. Guarantor(s) performance shall not be contingent or conditioned upon pursuit of any remedies against Franchisee or any other person;

d. Guarantor(s) liability shall not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims which Franchisor may from time to time grant to Franchisee or to any other person, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Franchise Agreement, including renewals thereof;

e. this Guaranty will be continuing and irrevocable during the term of the Franchise Agreement, including renewals thereof; and,

f. Franchisor's rights under this Guaranty will not be exhausted by any action of Franchisor until all of the terms, covenants, and conditions of the Franchise Agreement have been met.

6. Guarantor waives all of the following, whether created or imposed by or under statute, common law, or otherwise:

a. any right to require Franchisor to proceed against Franchisee or any other person or any security now or hereafter held by Franchisor or to pursue any other remedy whatsoever;

b. any defense based upon any legal disability of Franchisee or any Guarantor, or any discharge or limitation of the liability of Franchisee or any Guarantor to Franchisor, or any restraint or stay applicable to actions against Franchisee or any other Guarantor, whether such disability, discharge, limitation, restraint or stay is consensual, or by order of a court or other governmental authority, or arising by operation of law or any liquidation, reorganization, receivership, bankruptcy, insolvency or debtor-relief proceeding, or from any other cause;

c. all setoffs, counterclaims, presentment, demand, protest or notice of any kind, except for any notice which may be expressly required by the provisions of this Guaranty.

d. any defense based upon the modification, renewal, extension or other alteration of the obligations under the Franchise Agreement, or of the documents executed in connection therewith;

e. any defense based upon the negligence of Franchisor, including, without limitation, the failure to file a claim in any bankruptcy of the Franchisee or any guarantor;

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f. all rights of subrogation, reimbursement, and, indemnity;

g. any defense based upon or related to Guarantor's lack of knowledge as to Franchisee's financial condition;

h. any and all rights to revoke this Guaranty in whole or in part;

i. any defense based upon any action taken or omitted by Franchisor in any bankruptcy or other insolvency proceeding involving Franchisee; and,

j. all rights and defenses arising out of an election of remedies by Franchisor, even though that election of remedies impairs or destroys Guarantor's right of subrogation and/or reimbursement against Franchisee.

7. Guarantor agrees to pay upon Franchisor's demand, Franchisor's reasonable out-of-pocket costs and expenses, including but not limited to attorneys' fees, costs and disbursements, incurred in any effort to collect or enforce any of the terms, covenants or conditions of the Franchise Agreement, or this Guaranty, regardless whether any lawsuit is filed.

8. Guarantor, and each of the persons or entities executing this Guaranty as Guarantor individually, makes the following representations and warranties, which are deemed to be continuing representations and warranties until payment and performance in full of terms, covenants, and conditions of the Franchise Agreement:

a. Guarantor has all the requisite power and authority to execute, deliver and be legally bound by this Guaranty on the terms and conditions herein stated;

b. this Guaranty constitutes the legal, valid and binding obligations of Guarantor enforceable against Guarantor in accordance with its terms;

c. the execution and delivery of this Guaranty and the consummation of the transaction contemplated hereby will not, with or without notice and/or lapse of time: (i) constitute a breach of any of the terms and provisions of any Note, contract, document, agreement or undertaking, whether written or oral, to which Guarantor is a party or to which Guarantor's property is subject; (ii) accelerate or constitute any event entitling the holder of any indebtedness of Guarantor to accelerate the maturity of any such indebtedness; (iii) conflict with or result in a breach of any writ, order, injunction or decree against Guarantor of any court or governmental agency or instrumentality; or (iv) conflict with or be prohibited by any federal, state, local or other governmental law, statute, rule or regulation;

d. No consent of any other person is required in connection with the valid execution, delivery or performance by Guarantor of this Guaranty; and,

e. this Guaranty and any other statement furnished by Guarantor to Franchisor contain no untrue statements of material fact or omits to state a material fact necessary in order to make the statements contained herein or therein true and not misleading.

9. Each Guarantor understands and agrees that each is bound by the Dispute Resolution covenants of the Franchise Agreement found at Article 16 which are incorporated herein by this reference as if fully set forth here.

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IN WITNESS WHEREOF, each of the undersigned has affixed his, her, or its signature as of the date first found above.

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
a Tennessee corporation

By: _____
President

FRANCHISEE

_____ _____
Signature Signature

_____ _____
Signature Signature

(If a business entity)

Company
Name: _____
by: _____
its _____

GUARANTOR(S)

_____ _____
Personally Personally

STATE OF _____)
) ss.
COUNTY OF _____)

The above Guaranty was acknowledged before me by _____ as the President of **AMAZING ATHLETES FRANCHISE SYSTEMS, INC.**

_____
Notary Public

My Commission expires on: _____

STATE OF _____)
) ss.
COUNTY OF _____)

The above Guaranty was acknowledged before me by _____ as the _____ of _____, Franchisee.

_____

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Notary Public

My Commission expires on: _____

STATE OF _____)
) ss.
COUNTY OF _____)

The above Guaranty was acknowledged before me by _____ as the _____ of _____, Guarantor.

_____
Notary Public

My Commission expires on: _____

STATE OF _____)
)ss.
COUNTY OF _____)

The above Guaranty was acknowledged before me by _____ personally, as the Guarantor.

_____
Notary Public

My Commission expires on: _____

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EXHIBIT 9

PROMISSORY NOTE

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THIS IS A LEGAL INSTRUMENT. IF NOT UNDERSTOOD, LEGAL, TAX OR OTHER COUNSEL SHOULD BE CONSULTED BEFORE SIGNING.

PROMISSORY NOTE (NOTE)

$___,000.00 _____ ___, 20__

FOR VALUE RECEIVED, the undersigned "Maker(s)" promise(s) to pay to the order of Amazing Athletes Franchise Systems, Inc., or assigns (Note Holder) the principal sum of _____ and 00/100 US Dollars ($_____,000) (Principal) with interest at six percent (6%) per annum simple interest (Interest).

Payments of the Note shall be made as follows:

a. On the first day of each month beginning with the month that follows the month in which this Note was signed, Maker shall pay one-twelfth (1/12) of the Principal and interest.

b. If this Note is not sooner paid, all remaining Principal shall be due and payable on the first day of the twelfth month following the date of this Note. (Final Payment Date).

c. If this Note was signed by the Maker on a day other than the first day of the month, then the first payment shall be due on the first day of the month following the date of the Note. Included in such payment will be the interest that accrued from the date the Note was signed to the last day of the month in which it was signed.

d. Maker may prepay the principal amount outstanding under this Note, in whole or in part, at any time without penalty. Any partial prepayment shall be applied as provided in the next paragraph. Any partial payment shall not postpone the due date of any subsequent payments or change the amount of such payments.

Maker shall pay to the Note Holder a late fee equal to ten percent (10%), (Late Fee), of any amount that is not received by the Payment Due Date or the Final Payment Date.

If any payment required by this Note is not made by the Payment Due Date or Final Payment Date, the Note Holder shall notify the Maker in writing (Notice). Said Notice shall state the amount due plus any costs, fees, Late Fee, and any other default amounts. Thereafter, the Maker shall have five (5) calendar days within which to make said payment (Cure). Until the expiration of said Cure period, the Maker may cure said default by making the required payment. Cure restores the Maker to their rights under this Note. If after notice to Cure, Maker fails to timely pay, the Holder shall be permitted to declare entire Principal amount outstanding due and payable at once (Acceleration) and the interest shall increase to twelve percent (12%) per annum (Default Interest).

In addition to any other claims, upon Acceleration, the Note Holder shall be also entitled to collect all reasonable costs and expense of collection andsuit (if a suit is started), including, but not limited to reasonable attorneys' fees. Further, the failure to timely pay on this Note may result in the termination of Maker(s) franchise agreement with the Holder.

Payments received for application to this Note shall be applied first to the payment of late charges, if any, second to the payment of accrued interest specified above, and the balance applied in reduction of the Principal amount hereof.

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Maker and all other makers, sureties, guarantors, and endorsers hereby waive presentment, notice of dishonor and protest, and they hereby agree to any extensions of time of payment and partial payments before, at, or after maturity. This Note shall be the joint and several obligation of Maker and all sureties, guarantors and endorsers, and their successors and assigns.

All notices or other communications required or permitted to be given pursuant to this Note shall be in writing and shall be considered as properly given: (a) on the day of any hand delivery; (b) three (3) days after such notice is mailed from within the United States by certified or registered mail, properly addressed and postage prepaid; (c) on the day that the notice is signed-for or refused after being sent by overnight courier or delivery service; or, (d) on the date that it was sent by facsimile transmission (with proof of the transmission to the proper number). The address of the Parties shall be that which the Parties provide each other from time to time.

This Note shall be interpreted in accordance with the laws of the state of Colorado.

The provisions of this Note are hereby expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid to Note Holder as intended or imputed interest exceed the maximum amount permissible for a commercial transaction under applicable law. If at the time of payment the performance or fulfillment of any provisions hereof exceeds the limit for interest in a commercial transaction prescribed by law, then the obligation to be performed or fulfilled shall be reduced by the least amount and to the highest interest rate permitted by law in a commercial transaction so as to make the performance of the Maker hereunder enforceable.

No waiver by Note Holder of any breach shall operate as a waiver of any other breach or of the same breach on a future occasion.

Time is of the essence. All time periods shall run to 5:00 p.m. Central Time.

This Note is unsecured.

Maker

_____ _____
Individual Signature

by: _____ date: _____
name: _____
its: _____

_____
Individual Signature

date: _____

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EXHIBIT 10

STATEMENT OF UNDERSTANDING

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STATEMENT OF UNDERSTANDING

Franchise(s): _____
Owned by: _____
Date: _____

This document serves as a mutual understanding of the important dates for Franchise _____, owned by _____, Franchisee by and through _____ its _____.

1. Franchisee will be given at least 60 days to make zip code switches to their protected territory so long as the total number of qualifying locations remains + or – 3 locations.

   Franchisee acknowledges that no zip code changes may be made after _____, 20__

2. Franchisee will be given at least a 90 day grace period on their National Advertising Fee (NAF).

   a. Franchisee acknowledges that their first NAF payment will due _____ which is payable with the _____ Royalties;

3. Franchisee will pay the first three months of their technology fee upon signature of their FA. The monthly technology Fee will become payable beginning month four.

   a. Franchisee acknowledges that their first Technology Fee will due _____ payable with the _____ Royalties;

4. Franchisee will submit monthly a RSS along with payment of any due royalties;

   a. Franchisee acknowledges that their first Royalty Summary Sheet and Royalty Payment will be due _____ for the month of _____.

5. Beginning in the 7th month from the Effective Date, Royalties may not be less than $500 – Beginning the 13th month from the Effective Date, Royalties may not be less than $600;

   a. Franchisee acknowledges that their _____ Royalties due _____ will not be less than $500 **AND** that their _____ Royalties due _____ will not be less than $600.

FRANCHISEE **FRANCHISOR**

_____ Amazing Athletes Franchise Systems, Inc.

by: _____ by: _____
its: _____ its: _____

Individual Franchisee

_____
print name: _____

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EXHIBIT 11
CLOSING ACKNOWLEDGEMENTS

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CLOSING ACKNOWLEDGEMENT

Franchisee Name: _____
Address: _____
Telephone: _____
Today's Date: _____

A. GENERAL QUESTIONS

1. I had a face-to-face meeting with a franchise marketing representative. Yes_____ No_____. If yes, the date of said meeting was: _____

2. The date which I received the Franchise Disclosure Document (FDD) from Franchisor. _____

3. The earliest date on which I signed the Franchise Agreement or any other binding document (not including the Receipt). _____

4. The earliest date on which I delivered cash, check, or consideration to the franchise marketing representative or any other person. _____

5. Did you initiate negotiations about the Franchise Agreement with the Franchisor? Yes_____ No_____. If yes, what was that date? _____

B. REPRESENTATIONS

PLEASE RESPOND TO EACH PARAGRAPH. IN RESPONDING, PLEASE STATE WHETHER THE STATEMENT IS TRUE OR FALSE AND PROVIDE ANY OTHER INFORMATION THAT YOU IS IMPORTANT TO YOU

1. I had an opportunity to review the FDD and other agreements attached to the disclosure document and understand the terms, conditions, and obligations of these agreements.

☐ **Yes** ☐ **No**

_____ _____
_____ initials

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2. I had an opportunity to seek professional advice regarding the FDD, the Franchise Agreement and all matters concerning the purchase of my franchise.

☐ **Yes** ☐ **No**

_____ _____
_____ initials

3. Except as specifically written in the Franchise Agreement, no promises, agreements, contracts, commitments, representations, understandings, "side deals" or otherwise have been made to or with me with respect to any matter, including, but not limited to, any representations or promises regarding advertising (television or otherwise), marketing, site location, operational assistance or other services.

☐ **Agree** ☐ **Disagree**

_____ _____
_____ initials

4. Even if promises, agreements, contracts, commitments, representations, understandings, "side deals" or otherwise have been made to or with me with respect to any matter, including, but not limited to, any representations or promises regarding advertising (television or otherwise), marketing, site location, operational assistance or other services, I have not relied in any way on any such promises, agreements, contracts, commitments, representations, understanding or "side deals" when making my decision to purchase this franchise.

☐ **Agree** ☐ **Disagree**

_____ _____
_____ initials

5. No oral, written or visual claim or representation, promise, agreement, contract, commitment, representation, understanding or otherwise which contradicted or was inconsistent with the disclosure document or the Franchise or Regional Developer Agreement was made to me.

☐ **Agree** ☐ **Disagree**

_____ _____
_____ initials

6. Even if an oral written or visual claim or representation, promise, agreement, contract, commitment, representation, understanding or otherwise which contradicted or was inconsistent with the disclosure document or the Franchise or Regional Developer Agreement was made to me, I have not relied in any way on any such matter the contradicts or is inconsistent with the disclosure document when making the decision to purchase this business.

☐ **Agree** ☐ **Disagree**

_____ _____
_____ initials

7. Except as specifically stated in Item 19 of the disclosure document, no oral, written, visual, or other claim or representations were made which stated or suggested any sales, income, expense, profits, cash flow, tax effects or otherwise was made to me by any person or entity representing the Franchisor; or if made, I did not rely on the same when making my decision to purchase this business.

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☐ **Agree** ☐ **Disagree**

_____ _____
_____ initials

8. I have made my own independent determination that I have adequate working capital to develop, open, and operate my Franchised or RD Business.

☐ **Agree** ☐ **Disagree**

_____ _____
_____ initials

9. I understand that my investment in this business contains substantial business risks and that there is no guarantee that it will be profitable.

☐ **Agree** ☐ **Disagree**

_____ _____
_____ initials

10. I acknowledge that the success of my business depends in large part upon my ability as an independent business person and my active participation in the day to day operation of the business.

☐ **Agree** ☐ **Disagree**

_____ _____
_____ initials

C. STATEMENTS OF THE FRANCHISOR

THE PARAGRAPHS BELOW ARE POLICIES OF THE FRANCHISOR. IF ANY IS UNTRUE OR IS CONTRADICTED BY YOUR EXPERIENCE, PLEASE PROVIDE AN EXPLANATION.

1. The Franchisor <u>does not permit</u> any employee, salesperson, officer, director or other individual to make or endorse any representations, warranties, projections or disclosures of any type relating to the financial success of the franchise business and, except as specifically stated in Item 19, or by you at the line below, no information as to sales, income, expenses, profits, cash flows, tax consequences or otherwise have been given to the Franchisee. I*f any such representations have been made to you by any person in the Franchisor's employ, please state so below and immediately inform the Manager of the Franchisor.*

_____

_____
initials

2. The Franchisor <u>does not permit</u> any employee, salesperson, officer, director, franchisee, or other individual to project any results that a Franchisee can expect in the operation of the business. *If any such representations have been made to you by any person, please state so below and immediately inform the Manager of the Franchisor.*

_____

_____

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initials

3. The Franchisor <u>does not permit</u> any promises, agreements, contracts, commitments, representations, understandings, "side deals" or variations or changes in or supplements to the Franchise Agreement except by means of a written addendum thereto signed by you and the Franchisor. ***If any such deals or changes have been made or promised, please state so below and immediately inform the Manager of the Franchisor.***

_____

_____
initials

I have completed this Closing Acknowledgement and have disclosed any information that is contrary to any printed statement or have provided any other information that I deem to be important.

Done this _____ day of _____, 20___

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
a Tennessee corporation

By: _____
President

FRANCHISEE

_____ _____
Signature Signature

_____ _____
Signature Signature

(If a business entity)

Company
Name: _____
by: _____
its _____

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EXHIBIT C
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FOR THE OPERATIONS MANUAL

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EXHIBIT D
CURRENT FRANCHISEES

Several franchisees own more than one unit and are listed only once unless the franchisee owns units under different names or contact information in which case the franchisee's name will appear more than one time.

Arizona:

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EXHIBIT E
FRANCHISEES WHO HAVE BEEN TERMINATED, CANCELED, TRANSFERRED, OR NOT RENEWED

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Wall, NJ 07719
1-732-551-6826
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Grace Washam & Pam Washam
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Snoqualmie, WA 98065
1-206-972-6022
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ksrathletes@gmail.com

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Jennifer Trant
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Leah Richmond signed
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NoHenrico, VA 23228
1-757-672-9052
Lrichmond562@yahoo.com

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

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EXHIBIT F
TRADEMARK-SPECIFIC FRANCHISEE ASSOCIATIONS AND INDEPENDENT FRANCHISEE ASSOCIATIONS

NONE

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EXHIBIT G
STATE-SPECIFIC ADDENDA

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ADDENDA TO THE
AMAZING ATHLETES FRANCHISE SYSTEM, INC
FRANCHISE DISCLOSURE DOCUMENT

THE STATE OF CALIFORNIA

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE DEPARTMENT OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

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 DISCLOSURE DOCUMENT

ITEM 2 is amended to provide the following:

The franchisor, any person or franchise broker listed in Item 2 of the disclosure document are not 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 persons from membership in such association or exchange.

ITEM 3 is amended to state the following:

The franchisor, any person or franchise broker in Item 2 of the UFDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined by the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

ITEM 4 is amended to state the following:

No person previously identified in Item 2 of this Disclosure Document has been involved as a debtor in proceedings under the U.S. Bankruptcy Code.

ITEM 5 is amended to state the following:

We will refrain from collecting the IFF or any other fees from you until we have delivered all of our pre-opening services (Item 11) and you are open for business. At that time we will collect all pre-opening fees that are due to us.

ITEM 12 is amended to state that we reserve the right to establish alternative channels of distribution within the Franchisee's Exclusive Territory without compensation to the franchisee.

ITEM 17 of the Disclosure document is amended to add the following:

The California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise if the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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.)

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The Franchise Agreement requires Franchisee to sign a general release as a condition of transfer. This general release shall exclude claims arising under California law and will exclude any claims arising from representations in the FDD.

The Franchise Agreement contains a covenant not to compete which extends beyond the term of the agreement. This provision might not be enforceable under California law.

The Franchise Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of action arising under California law.

The Franchise Agreement requires application of the laws of a state other than the State of California. This provision might not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516).

Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professional Code Sections 2000 through 20043.

The Franchise Agreement requires binding arbitration. The arbitration will occur at the forum indicated in ITEM 17 with the costs being borne by the prevailing party. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California. The following URL address is for the franchisor's website:

www.amazingathletes.com

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.

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THE STATE OF HAWAII

1. The following list reflects the status of our franchise registrations in the states that have franchise registration and disclosure laws:

a. This registration is currently effective in the following states: California, Florida, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, Virginia, Washington, and Virginia.

b. This proposed registration is on file with or will shortly be on file with the following States: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, Virginia, Washington, and Wisconsin.

c. There are no states which have refused, by order or otherwise, to register these franchises.

d. There are no states that have revoked or suspended the right to offer these franchises.

e. There are no states in which the proposed registration has been withdrawn.

2. The Franchise Agreement has been amended as follows:

a. The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

b. The Franchise Agreement requires the franchisee to sign a general release as a condition of renewal and transfer of the franchise; such release shall exclude claims arising under the Hawaii Franchise Investment Law.

c. Any covenant in the Franchise Agreement that purports to terminate the Franchise Agreement upon the bankruptcy of the franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

3. The Receipt Pages are amended to add the following:

THIS FRANCHISE WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS

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FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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ADDENDUM TO THE FRANCHISE AGREEMENT
AMAZING ATHLETES FRANCHISE SYSTEM, INC
FOR THE STATE OF ILLINOIS

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20___, between Amazing Athletes Franchise Systems, Inc., and _____, and it amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Franchise Agreement for Amazing Athletes Franchise Systems, Inc., is amended as follows:

a. Articles 1, 3 and 10 of the Franchise Agreement are amended to add:

The conditions under which the Franchise Agreement can be terminated and Franchisee's rights upon non-renewal, as well as the application by which Franchisee must bring any claims, may be governed by the Illinois Franchise Disclosure Act, 815 ILCS 705/19 and 705/20.

Further, no action for liability under the Illinois Franchise Disclosure Act will be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after Franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or ninety (90) days after delivery to Franchisee of a written notice disclosing the violation, whichever will first expire.

b. Article 5 and 7 are amended to state the following:

The Illinois Attorney General's Office has reviewed our financial documents and as a result of the Franchisor's financial condition, has imposed certain financial assurances for your benefit. As a result, we will refrain from collecting your Initial Franchise Fee until we have provided the training and the Start-up Kit services and you are open for business. At that time, the IFF will be due to us.

c. Article 16 of the Franchise Agreement is amended to add:

The Franchise Agreement will be governed by Illinois Law. Jurisdiction and venue for court litigations will be in Illinois. Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State is void, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR	**FRANCHISEE**
AMAZING ATHLETES FRANCHISE SYSTEM, INC.	_____

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by: _____
President

by: _____
its: _____

_____
Individual Franchisee

_____
Individual Franchisee

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FOR THE STATE OF INDIANA

1. ITEM 8 of the Disclosure Document is amended to add the following:

   Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for and transmitted by the franchisee.

2. ITEMS 6 and 9 of the Disclosure Document are amended to add the following:

   The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products which were required by franchisor, if such procedures or products were utilized by franchisee in the manner required by franchisor.

3. ITEM 17 of the Disclosure Document is amended to add the following:

   Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

   Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

   ITEM 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant shall have a geographical limitation of the territory granted to franchisee.

   ITEM 17(u) is amended to provide that arbitration between a franchisee and franchisor will be conducted in Indiana or a site mutually agreed upon.

   ITEM 17(v) is amended to provide that franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.

   ITEM 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action which arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

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FOR THE STATE OF MARYLAND

The Franchise Disclosure Document is amended to add the following:

Item 5 is amended to state the following: In Maryland, all initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations under the franchise agreement.

In Item 17 and the Franchise Agreement requires you to sign a general release. The general release required as a condition of renewal, termination or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

In Item 17 and the Franchise Agreement, we require you to arbitrate in Tennessee using Tennessee law. This is amended to provide that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

In Item 17 and the Franchise Agreement, we require Tennessee law to prevail. This is amended to provide that in the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.

Item 17 and the Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

Item 17 is amended to state: "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

In Item 17 all 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.

Item 5 is amended to provide that all initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations under the franchise agreement.

The Closing Acknowledgment that is attached to the Franchise Agreement is amended to state: "All 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."

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STATE OF MINNESOTA

The following Minnesota-specific language must be included in an exhibit attached to the Franchise Disclosure Document and also to the franchise agreements:

- Minnesota Statutes, 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 Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) 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 (2) that consent to the transfer of the franchise will not be unreasonably withheld.

- 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.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5. 3.

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STATE OF NEW YORK

The following information is added to the cover page of the Franchise Disclosure Document:

YOU MUST MAKE MINIMUM ROYALTY, ADVERTISING OR TECHNOLOGY PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YOUR STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW BUREAU OF INVESTOR PROTECTION AND SECURITIES , 120 BROADWAY, 23D FLOOR, NEW YORK, NEW YORK, 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

ITEM 3 is amended by the addition of the following language:

Neither franchisor nor any person identified in ITEM 2 has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against them alleging a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion; misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations. In addition, neither franchisor nor any person identified in ITEM 2 has any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

Neither franchisor nor any person identified in ITEM 2 has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been held liable in a civil action by final judgment or been the subject of a material compliant or other legal proceeding involving violation of any franchise law, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations. Neither Franchisor nor any person identified in ITEM 2 is subject to any injunctive or restrictive order or decree relating to the franchises, or any Federal, State or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, as a result of a concluded or pending action or proceeding brought by a public agency.

ITEM 4 is amended to state that:

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Neither the franchisor, nor its Affiliates, officers or general partner of the franchisor has, during the ten (10) year period immediately before the date of the disclosure document, has: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; (c) was a principal officer of any company or a general partner in any partnership that either filed as a debtor (or had filed against it) a petition to start action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the Bankruptcy Code during or within one (1) year after the officer or general partner of the franchisor held this position in the company or partnership.

ITEM 5 of the Disclosure document is amended to add the following:

The Franchise Fee will be used to defray Franchisor's costs in obtaining and screening Franchisees, providing training, training materials and assisting in opening the Franchised Business for business.

ITEMS 6 and 11 of the Disclosure document are amended to add the following:

The franchisee will not be required to indemnify franchisor for any liability imposed on franchisor as a result of franchisee's reliance upon or use of procedures or products which were required by franchisor, if such procedures or products were utilized by franchisee in the manner required by franchisor.

ITEM 17 of the Disclosure document is amended to add the following:

No general release shall be required as a condition of renewal or transfer which is intended to exclude claims arising under the General Business Law of the State of New York, Article 3, Sections 687.4, and 687.5.

ITEM 17(d) is amended to provide that you may terminate the Franchise Agreement on any grounds available by law.

ITEM 17(j) is amended to state, that no assignment will be made except to an assignee that, in the good faith judgment of Franchisor, is able to assume Franchisor's obligations under the Franchise Agreement.

ITEM 17(w) is amended to state that New York law governs any cause of action which arises under the General Business Law of the State of New York, Article 33, Section 680-695.

The Franchisor represents that this disclosure document does not knowingly omit anything or contain any untrue statements of a material fact.

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STATE OF NORTH CAROLINA

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

THE STATE OF NORTH CAROLINA HAS NOT REVIEWED AND DOES NOT APPROVE, RECOMMEND, ENDORSE OR SPONSOR ANY BUSINESS OPPORTUNITY. THE INFORMATION CONTAINED IN THIS DISCLOSURE HAS NOT BEEN VERIFIED BY THE STATE. IF YOU HAVE ANY QUESTIONS ABOUT THIS INVESTMENT, SEE AN ATTORNEY BEFORE YOU SING A CONTRACT OR AGREEMENT.

The Franchise Disclosure Document is amended to add the following:

Item 11 is amended to state: "If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery day stated in your contract, you may notify the seller in writing and demand that the contract be cancelled."

The State Cover Page is amended to include the following: "As required by North Carolina law, the seller has secured a bond issued by International Fidelity Insurance Company a surety company authorized to do business in this State. Before signing a contract to purchase this business opportunity, you should check with the surety company to determine the bond's current status."

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STATE OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Amazing Athletes Franchise Systems, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure.

The State Cover Page is amended to include the following **RISK FACTORS**

3. THE FRANCHISOR AND FRANCHISEE EACH AGREE THAT HE, SHE, OR IT WILL BE LIMITED TO BRINGING ANY ACTION AGAINST THE OTHER WITHIN 1 YEAR OF THE DATE THAT THE FACTS WHICH GIVE RISE TO THE CLAIM WERE DISCOVERED OR 1 YEAR FROM THE DATE THAT SUCH FACTS REASONABLY SHOULD HAVE BEEN DISCOVERED.

4. IF FRANCHISEE OBTAINS FINANCING FROM THE FRANCHISOR, THE FRANCHISEE'S SPOUSE MAY BE REQUIRED TO SIGN A PERSONAL GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS WHICH ALSO PLACES THE SPOUSES PERSONAL ASSETS AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

5. WE BOTH AGREE TO WAIVE THE RIGHT TO A JURY TRIAL AND TO BE AWARDED EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

6. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

Item 3 is amended to say:

No person previously identified in Item 2 of this Disclosure Document has been involved as a debtor in proceedings under the U.S. Bankruptcy Code.

The following statements are added to Item 17.h:

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 does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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THE STATE OF WASHINGTON

ITEM 5 of the Disclosure document is amended to add the following:

In Washington, we will not require or accept the payment of any initial franchise fees until you have: (a) received all initial training that it is entitled to under the franchise agreement or disclosure document, and; (b) opened for business.

ITEM 17 of the Disclosure document is amended to add the following:

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your 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 a 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 the franchisor's reasonable estimated or actual costs in effecting a transfer.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this __ day of _____ 20__.
Amazing Athletes Franchise Systems, Inc.

_____ _____
by: _____ Prospective Franchisee
its: _____

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EXHIBIT H
APPLICATION

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APPLICATION

Now that you have completed your discovery process, we are excited to guide you into Franchise Training and Ownership.

All Amazing Athletes Franchisees are required to attend a 5-day (Monday-Friday) training seminar which walks through business operations and coaching standards. Training seminars are generally held once a month and due to their immersive nature, can only accommodate 6 total individuals.

In order to secure your training spot, you will be required to submit your completed training application, background authorization and application fee.

APPLICATION FEE

The training application fee of $1,000.00 (Application Fee) will secure your place in a future training session and hold your preferred exclusive zip-coded territory for you until you sign your Franchise Agreement and complete your training session.

If you attend your training seminar during the dates you select, we will refund the Application Fee

If you are unable to attend your training seminar you will have a one-time chance to transfer into an upcoming training seminar so long as there are still available spaces. If you attend your new training seminar we will still refund the $1,000.00 Application Fee.

If you withdraw from your training seminar or choose to postpone your training for longer than 6 months from your initial training date, you will forfeit all rights to the Application Fee.

YOUR TRAINING SESSION

You are currently booked for the following Training Session:

_____

Up to two individuals per unit may attend training. Please list the names of the individuals who will be attending on behalf of your unit below:

Individual 1: _____

Individual 2: _____

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To pay your Application Fee via credit card, please fill out the following Credit Card Authorization Form.

CREDIT CARD AUTHORIZATION

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.

PLEASE READ THIS BEFORE YOU CONTINUE: FORM MUST BE COMPLETED IN FULL, SIGNED BY AN AUTHORIZED USER OF THE CREDIT CARD, ALONG WITH **A CLEAR COPY OF THE AUTHORIZED USER DRIVER'S LICENSE SHOWING SIGNATURE AND PICTURE**, E-MAILED TO JANEE@AMAZINGATHLETES.COM AND RECEIVED BY AMAZING ATHLETES FRANCHISE SYSTEMS, INC. BEFORE ANY TRAINING CAN BE BOOKED. IF YOU FAIL TO COMPLY WITH THESE REQUIREMENTS WE WON'T BE ABLE TO HOLD YOUR TRAINING SPOT.

_____ **BY EXECUTING THIS**
(NAME AS IT APPEARS ON CREDIT CARD)

AGREEMENT UNCONDITIONALLY AUTHORIZES AMAZING ATHLETES FRANCHISE SYSTEMS TO CHARGE THE FOLLOWING CREDIT CARD:

CREDIT CARD TYPE: (Circle One) MASTERCARD VISA

CREDIT CARD NUMBER: _____

_____

EXPIRATION DATE: _____ CVV 2 Code: _____ (BACK OF CARD)

FOR THE AMOUNT OF: $1,000.00 _____

_____

CARDHOLDER'S BILLING ADDRESS (Required):

STREET ADDRESS: _____

_____

CITY: _____ STATE: _____ ZIP CODE: _____

_____ COUNTRY: _____

_____

TRAINING DATE & AUTHORIZATION:

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Training Session: _____

_____

_____ _____

CARDHOLDER AUTHORIZED SIGNATURE DATE

I CERTIFY THAT THE ABOVE STATEMENTS AND INFORMATION MADE IN THE AGREEMENT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE. I ALSO CERTIFY THAT I AM AUTHORIZED TO EFFECT CHARGES TO THE ABOVE CREDIT CARD NUMBER. IN THE CASE OF ANY ISSUES OR DISPUTES CONCERNING THIS TRANSACTION I WILL NOTIFY AMAZING ATHLETES FRANCHISE SYSTEMS, INC. PROMPTLY TO RECTIFY THE SITUATION PRIOR TO NOTIFYING MY CREDIT CARD COMPANY.

BACKGROUND CHECK DISCLOSURE

Amazing Athletes Franchise Systems, Inc. (the "Company") will procure a consumer report and/or investigative consumer report on you in connection with your application for franchise ownership.

TalentWise, a consumer reporting agency, will obtain the report for the Company. Further information regarding TalentWise, including its privacy policy, may be found online at www.Talentwise.com. TalentWise is located at 19910 North Creek Parkway, Suite 200, Bothell, WA 98011, and can be reached at (866) 338-6739.

The report may contain information bearing on your character, general reputation, personal characteristics, mode of living and/or credit standing. The information that may be included in your report include: social security number trace, authorization to work checks, criminal records checks, civil record checks, financial information and credit checks (Experian U.S. Credit), federal record checks, public court records checks, driving records checks, drug tests, physical tests, educational records checks, employment history verification, references checks, sanction, licensing and certification checks. The information contained in the report will be obtained from private and/or public record sources, including sources identified by you in your job application or through interviews or correspondence with your past or present coworkers, neighbors, friends, associates, current or former employers, educational institutions or other acquaintances.

Provided to you with this authorization is a Summary of Your Rights Under the Fair Credit Reporting Act in a form prescribed by the Federal Trade Commission. Please do not sign this authorization until you have received this summary.

You have the right, upon written request made within a reasonable time after receipt of this notice, to request disclosure of the nature and scope of any investigative consumer report from the Company. Submit any such written requests to Janee Henderson by email at janee@amazingathletes.com, by fax to 1-615-465-6656, or by mail to 1227 Lakeview Drive, Suite 2 Franklin, TN 37067.

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ADDITIONAL STATE LAW NOTICES

If you are in California, Maine, New York, or Washington, please also note:

CALIFORNIA: Pursuant to section 1786.22 of the California Civil Code, you may contact TalentWise during normal business hours (9am to 5pm PST, Monday through Friday) to obtain and review all information in your file. You may obtain such information by appearing in person at TalentWise's offices, during normal business hours and upon reasonable notice, and upon submitting proper identification and paying the costs duplication services. You may be accompanied by one other person, provided that person furnishes proper identification. You may also obtain a copy of your file by certified mail, if you have previously provided identification in a written request that your file be sent to you or a third party identified by you. You may also obtain a summary of your file by telephone, upon providing proper identification. TalentWise has trained personnel available to explain your file to you, including any coded information.

CALIFORNIA (En Español): De acuerdo con el artículo 1786.22 del Código Civil, se puede llamar a TaletnWise por los horarios normales de trabajo (9 de la mañana a 5 de la tarde, tiempo del pacífico, lunes a viernes) para sacar y examinar su archivo privado en detalle. Para conseguir una copia de su archivo privado, se puede hacer una visita en persona a la oficina de TalentWise por los horarios normales de trabajo, al darnos aviso razonable, al presentarnos de identificación apropriada, y al pagarnos las cuestas de duplicación. Otra persona puede accompañarle con tal que también setraiga identificación apropriada. Se puede pedirnos que le mandamos por correo certificado una copia de su archivo privado con tal que hayamos recibido una solicitud escrita que se lo mandemos una copia de su archivo privado a Usted o tal tercer partido que esté identificado por Usted. También se puede pedir por teléfono un resumen de su archivo privado, al presentarnos identificación apropriada. Empleamos trajabadores cualificados, a quienes están disponibles para explicárselo el contenido de su archivo privado con más detalles, incluso algunos datos cifrados.

MAINE: You have the right, upon request, to be informed of whether an investigative consumer report was requested, and if one was requested, the name and address of the consumer reporting agency furnishing the report. You may request and receive from the Company, within five business days of our receipt of your request, the name, address, and telephone number of the nearest unit designated to handle inquiries for the consumer reporting agency issuing an investigative consumer report concerning you. You also have the right, under Maine law, to request and promptly receive from all such agencies copies of any such reports.

NEW YORK: You have the right, upon request, to be informed of whether an investigative consumer report was requested, and if one was requested, the name and address of the consumer reporting agency furnishing the report. At the time you consent to your employer obtaining a report you are entitled to receive a copy of

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Article 23-A of New York Correction Law. Do not sign your consent until you receive a copy of that law.

WASHINGTON: If the Company requests and investigative consumer report, you have the right, upon written request made within a reasonable period of time after your receipt of this disclosure, to receive from the Company a complete and accurate disclosure of the nature and scope of the investigation requested by the Company. You also have the right to request from the consumer reporting agency a written summary of your rights and remedies under the Washington Fair Credit Reporting Act.

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BACKGROUND CHECK AUTHORIZATION

I have carefully read and understand this disclosure and authorization form and I have received a copy of the "Summary of Your Rights under the Fair Credit Reporting Act" provided with this form. I have had the opportunity to review my rights. By my signature below, I consent to the preparation of background reports by TalentWise, and to the release of such reports to the Company and its designated representatives.

I understand that, to the extent allowed by law, information contained in my background check request form or otherwise disclosed to the Company by me may be utilized for the purpose of obtaining such consumer reports and/or investigative consumer reports about me.

I hereby authorize law enforcement agencies, learning institutions (including public and private schools and universities), information service bureaus, record/data repositories, courts (federal/state/local), my past or present employers, the military, and other individuals or sources to furnish any and all information on me that is requested by the consumer reporting agency.

By my signature (including electronic) below, I certify the information provided on and in connection with this form is true, accurate, and complete. I agree that this form in original, faxed, photocopied or electronic form will be valid for any background reports that may be requested by or on behalf of the company.

First Name: _____ Middle Name: _____

Last Name: _____

Present Street Address: _____

City/State/Zip: _____

Social Security Number: _____

Driver's License Number: _____

Professional License Number (If Applicable):

State: _____ Type: _____ Number: _____

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FOR IDENTIFICATION PURPOSES ONLY:

Date of Birth: _____ Gender: _____

Signature: _____ Date: _____

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Para informacion en espanol, visite www.ftc.gov/credit o escribe a la FTC Consumer Response Center, Room 130-A 600 Pennsylvania Ave. N.W., Washington, D.C. 20580.

SUMMARY OF YOUR RIGHTS
UNDER THE FAIR CREDIT REPORTING ACT

The Federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting
agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Here is a summary of your major rights under the FCRA. For more information, including information about additional rights, go to www.ftc.gov/credit or write to: Consumer Response Center, Room 130-A, Federal Trade Commission, 600 Pennsylvania Ave. N.W., Washington, D.C. 20580.

- **You must be told if information in your file has been used against you**. Anyone who uses a credit report or another type of consumer report to deny your application for credit, insurance, or employment – or to take another adverse action against you – must tell you, and must give you the name, address, and phone number of the agency that provided the information.

- **You have the right to know what is in your file.** You may request and obtain all the information about you in the files of a consumer reporting agency (your "file disclosure"). You will be required to provide proper identification, which may include your Social Security number. In many cases, the disclosure will be free. You are entitled to a free file disclosure if:
    - a person has taken adverse action against you because of information in your credit report;
    - you are the victim of identity theft and place a fraud alert in your file;
    - your file contains inaccurate information as a result of fraud;
    - you are on public assistance;
    - you are unemployed but expect to apply for employment within 60 days.

  In addition, by September 2005 all consumers will be entitled to one free disclosure every 12 months upon request from each nationwide credit bureau and from nationwide specialty consumer reporting agencies. See www.ftc.gov/credit for additional information.

- **You have the right to ask for a credit score.** Credit scores are numerical summaries of your credit-worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores used in residential real property loans, but you will have to pay for it. In some mortgage transactions, you will receive credit score information for free from the mortgage lender

- **You have the right to dispute incomplete or inaccurate information**. If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous. See www.ftc.gov/credit for an explanation of dispute procedures.

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- **Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.** Inaccurate, incomplete or unverifiable information must be removed or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.

- **Consumer reporting agencies may not report outdated negative information**. In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.

- **Access to your file is limited.** A consumer reporting agency may provide information about you only to people with a valid need --usually to consider an application with a creditor, insurer, employer, landlord, or other business. The FCRA specifies those with a valid need for access.

- **You must give your consent for reports to be provided to employers.** A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to www.ftc.gov/credit.

- **You may limit "prescreened" offers of credit and insurance you get based on information in your credit report.** Unsolicited "prescreened" offers for credit and insurance must include a toll-free phone number you can call if you choose to remove your name and address from the lists these offers are based on. You may opt-out with the nationwide credit bureaus at 1-888-5-OPTOUT (1-888-567-8688).

- **You may seek damages from violators.** If a consumer reporting agency, or, in some cases, a user of consumer reports or a furnisher of information to a consumer reporting agency violates the FCRA, you may be able to sue in state or federal court.

- **Identity theft victims and active duty military personnel have additional rights.** For more information, visit www.ftc.gov/credit.

States may enforce the FCRA, and many states have their own consumer reporting laws. In some cases, you may have more rights under state law. For more information, contact your state or local consumer protection agency or your state Attorney General. Federal enforcers are:

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TYPE OF BUSINESS:	CONTACT:
Consumer reporting agencies, creditors and others not listed below	Federal Trade Commission: Consumer Response Center – FCRA Washington, DC 20580 1-877-382-4357
National banks, federal branches/agencies of foreign banks (word "National" or initials "N.A." appear in or after bank's name)	Federal Trade Commission: Consumer Response Center - FCRA Washington, DC 20580 1-877-382-4357
Federal Reserve System member banks (except national banks, and federal branches/agencies of foreign banks)	Federal Trade Commission: Consumer Response Center - FCRA Washington, DC 20580 1-877-382-4357
Savings associations and federally chartered savings banks (word "Federal" or initials "F.S.B." appear in federal institution's name)	Office of Thrift Supervision Consumer Complaints Washington, DC 20552 800-842-6929
Federal credit unions (words "Federal Credit Union" appear in institution's name)	National Credit Union Administration 1775 Duke Street Alexandria, VA 22314 703-519-4600
State-chartered banks that are not members of the Federal Reserve System	Federal Deposit Insurance Corporation Consumer Response Center, 2345 Grand Avenue, Suite 100 Kansas City, Missouri 64108-2638 1-877-275-3342
Air, surface, or rail common carriers regulated by former Civil Aeronautics Board or Interstate Commerce Commission	Department of Transportation , Office of Financial Management Washington, DC 20590 202-366-1306
Activities subject to the Packers and Stockyards Act, 1921	Department of Agriculture Office of Deputy Administrator - GIPSA Washington, DC 20250 202-720-7051

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EXHIBIT I
FINANCIAL STATEMENTS

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AMAZING ATHLETES FRANCHISE SYSTEMS, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

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HOLMES CPA PLLC
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
of Amazing Athletes Franchise Systems, Inc.

I have audited the accompanying financial statements of Amazing Athletes Franchise Systems, Inc. (a Tennessee corporation), which comprise the balance sheet as of December 31, 2016, and the related statements of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements for the General Account.

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

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amazing Athletes Franchise Systems, Inc., General Account, as of December 31, 2016, and the results of the operations and the cash flows of the General Account for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Amazing Athletes Franchise Systems, Inc. as of December 31, 2015, were audited by other auditors whose report dated April 6, 2016, expressed an unmodified opinion on those statements.

HOLMES CPA PLLC

March 14, 2017

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
BALANCE SHEETS
December 31, 2016 and 2015

ASSETS

	2016 General Account	2015 General Account
Current Assets:		
Cash	$ 46,533	$ 33,394
Accounts receivable	22,687	41,754
Total current assets	69,220	75,148
Property and Equipment:		
Automobile	71,696	60,796
Furniture and equipment	10,131	5,131
	81,827	65,927
Less: Accumulated depreciation	(53,149)	(4,700)
	28,678	61,227
	$ 97,898	$ 136,375

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:		
Current portion of note payable	$ 15,940	$ -
Overdraft payable		
Credit card payable	-	-
Total current liabilities	15,940	-
Long Term Liabilities:		
Note payable - vehicle	53,134	47,424
Total long term liabilities	53,134	47,424
Stockholders' Equity:		
Common stock, 1,500 shares at stated value	2,000	2,000
Retained earnings	26,824	86,951
	28,824	88,951
	$ 97,898	$ 136,375

See Accountant's Report and notes to Financial Statements.

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
STATEMENTS OF INCOME AND RETAINED EARNINGS
Years Ended December 31, 2016 and 2015

	2016 General Account	2015 General Account
Income:		
Sales	$ 903,442	$ 798,575
Less: Sales return and allowance	-	(13,250)
	903,442	785,325
Expenses:		
Advertising	12,903	8,478
Automobile expense	27,397	24,119
Bank service charges	485	299
Computer and internet	846	1,399
Consulting fees	36,820	16,428
Depreciation	44,548	2,350
Gifts	3,159	3,563
Insurance	-	278
Interest	-	1,632
Management fees	150,000	150,000
Meals and entertainment	16,258	13,368
Miscellaneous	269	276
Office supplies	3,264	14,887
Payroll expenses	201,603	154,715
Professional fees	22,082	20,049
Rent	60,075	103,000
Repairs and maintenance	257	3,129
Subscriptions	2,863	3,249
Taxes	18,360	6,688
Telephone	5,218	6,644
Travel and education	39,796	41,603
	646,203	576,154
Net Income	257,239	209,171
Retained Earnings, Beginning	86,951	44,548
Prior period adjustment	-	(7,907)
Stockholder Distributions	(317,366)	(158,861)
Retained Earnings, Ending	$ 26,824	$ 86,951

See Accountant's Report and notes to Financial Statements.

AMAZING ATHLETES FRANCHISE SYSTEMS, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2016 and 2015

	2016 General Account	2015 General Account
Cash flows from operating activities:		
Net income	$ 257,239	$ 209,171
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	44,548	2,350
(Increase) decrease in operating assets:		
Accounts receivable	19,067	(17,117)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	-	(3,849)
Total adjustments	63,615	(18,616)
Net cash provided by operating activities	320,854	190,555
Cash flows from investing activities:		
Proceeds from disposal of property and equipment		
Purchases of property and equipment	(41,200)	-
Net cash used by investing activities	(41,200)	-
Cash flows from financing activities		
Proceeds on long-term borrowings	108,902	11,704
Repayment of long-term debt	(58,051)	(11,490)
Common stock	-	1,000
Stockholder distributions	(317,366)	(158,861)
Net cash used by financing activities	(266,515)	(157,647)
Increase in cash	13,139	32,908
Cash at beginning of year	33,394	486
Cash at end of year	$ 46,533	$ 33,394
Supplemental disclosures of cash flow statement information		
Interest paid	$ -	$ 1,632

See Accountant's Report and notes to Financial Statements.

AMAZING ATHLETES FRANCHISE SYSTEMS, INC
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Amazing Athletes Franchise Systems, Inc. ("the Company") was organized and established on January 17, 2013 as a Tennessee corporation. The Franchisor was established primarily for the sale and nationwide management of franchises of a quality athletic program for children in preschools. The franchisees are located in the United States of America.

Basis of Accounting

The accompanying financial statement has been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

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.

Cash Equivalents

For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Receivables

The Company reports trade receivables at net realizable value. Management determines the allowance for doubtful accounts based on historical losses and current economic conditions. On a continuing basis, management analyzes delinquent receivables and, once these receivables are determined to be uncollectible, they are written off through a charge against earnings.

Property and Equipment

Depreciation is provided using straight-line and accelerated methods over the following estimated useful lives of the assets:

Furniture and fixtures	7 years
Office equipment	5-7 years
Transportation equipment	5 years

Maintenance, repairs and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Gains or losses on disposition of property and equipment are included in income.

Concentration of Risk

The Company maintains its checking account in a local bank. The checking account is secured by the Federal Deposit Insurance Corporation (FDIC) through December 31, 2016. This program provides depositors with unlimited coverage for non-interest bearing transaction accounts.

Income Taxes

The Company, with the consent of its shareholders, elected to be taxed as an S corporation for federal tax purposes. Federal income taxes are paid by the shareholders on their personal returns based on their pro-rata share of income. Accordingly, no provision for federal income taxes has been presented in the financial statements. However, certain state income taxes are still paid by the Company and are included in these financial statements.

The income tax position taken by the Company for any years open under the various statutes of limitations is that the Company continues to be exempt from income taxes by virtue of its pass through entity status. Management believes this tax position meets the more-likely-than-not threshold and, accordingly, the tax benefit of this income tax position (no income tax expense or liability) has been recognized for the years ended on or before December 31, 2016.

None of the Company's Federal or State income tax returns are currently under examination by the Internal Revenue Service ("IRS") or Tennessee Department of Treasury. However fiscal years 2013 and later remain subject to examination.

Statements of Cash Flows

For purposes of the statements of cash flows, highly liquid investments, with original maturities of three months or less that are not held for sale in the ordinary course of business are considered cash equivalents.

Note B - LONG-TERM DEBT

Long-term debt consisted of the following:

Ford Lincoln of Franklin	**2016**
Repayment provision: Monthly principal and interest payments of $1,328 maturing April 2021 at an estimated interest rate of 0.00%.	
Collateral: 2016 Lincoln Navigator	$ 69,074
Less current portion	15,940
Total Long-Term Debt, net of current maturities	$ 53,134

As of December, 2016, the annual maturities of long-term debt are as follows:

2017	$ 15,940
2018	15,940
2019	15,940
2020	15,940
2021	5,313
	$ 69,074

Note C - RELATED PARTY TRANSACTIONS

The following related party transactions occurred for the year ending December 31, 2016.

The charge for "Management fee" (per income statement) was made to a wholly owned Corporation. The Corporation is solely owned by the shareholder. The Corporation named Total Sports, Inc. is a Wyoming corporation created 3/12/14.

The advertising expense includes $30,000 of compensation paid to Shareholder's family for their services in promoting the Amazing Athletes brand. The family members travel on location to demonstrate the principles underlying the educational system that is being marketed.

The shareholder is the owner of a property secured by an operating lease referenced in Note D. The lease arrangement secures the Company exclusive use of 1500 square feet of office and storage space as well as a one-acre recreation field used for coaching and training individuals. The lease is $5,000 monthly, and the term expires December 31, 2017.

Note D - OPERATING LEASES

The facility operating leases existing at December 31, 2016 details are as follows:

Location, 1227 Lakeview Drive Suite 2, Franklin, TN
Term, 3 years starting August 16, 2015 ending August 16, 2018

Location, 200 Watson View Drive, Franklin, TN
Term, 5 years starting January 1, 2013 ending December 31, 2017

Remaining payments for both commercial lease agreements:

	Total Payments
2017	$ 90,400
2018	60,000

There is a transportation equipment lease that started in June 2014. The lease is considered an operating lease in accordance with FASB 13 in the year 2014. The lease amount is $1,089 monthly for a term of 39 months, to terminate in 2017.

	Total Payments
2017	$ 8,712

Note E - DEFINED CONTRIBUTION PLAN

The Company sponsors a simple individual retirement account for the eligible employees. Employees may contribute up to 100% of their pre-tax income up to a maximum deferral of $12,500. The Plan provides for matching Company contributions of 3 percent. Employer matching contributions were $3,908 for the year ended December 31, 2016.

Note F - FRANCHISE FEE REVENUE

The Company recognizes franchise fees as revenue in each accounting period as those fees are earned under the contracts. The unaudited advertising account is presented for additional analysis and is expensed as incurred.

As of December 31, 2016, the Company had 94 units under franchise agreements. There were eleven new units sold during the year ending December 31, 2016 representing $270,000 of initial franchise fee revenue that is included in sales. Under the franchise agreement, the Company provides guidance, advice and management assistance to the franchisees.

Note G - SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 14, 2017, which is the date the financial statements were available to be issued. No material subsequent events were identified for recognition or disclosure.

AMAZING ATHLETES FRANCHISE SYSTEM INC

FINANCIAL STATEMENTS

DECEMBER 31, 2015

BY

CDR CPA, INC

CDR CPA, INC.
Christopher D. Reeder CPA

41856 IVY STREET SUITE 101 * MAILING: P.O BOX 930 MURRIETA, CA 92564 * (951) 698-0830 * FAX (951) 698-0730

Independent Auditor's Report

Board of Directors and Stockholders
Amazing Athletes Franchise System Inc.

Report on the General Account

We have audited the accompanying balance sheet of Amazing Athletes Franchise Systems, Inc. for the year ended December 31, 2015 and 2014, and the related statement of income and retain earnings, cash flows and the related notes for the General Account. We have excluded the Advertising Account for the year then ended from any audit procedures.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of these financial statements for the General Account 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 the 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, presents fairly, in all material respects, the financial position of Amazing Athletes Franchise Systems Inc., General Account only, as of December 31, 2015 and 2014, and the results of operations and the cash flow of General Account for the year ended December 31, 2015

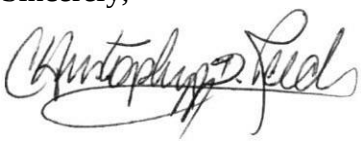
CDR CPA, INC.
Christopher D. Reeder CPA

41856 IVY STREET SUITE 101 * MAILING: P.O BOX 930 MURRIETA, CA 92564 * (951) 698-0830 * FAX (951) 698-0730

and 2014, in accordance in accordance with accounting principles generally accepted in the United States of America

5 April 2016

Sincerely,



Christopher D. Reeder CPA
CDR CPA Inc.

Amazing Athletes Franchise Systems Inc
Balance Sheet
As of December 31,

	2015 Audited General Account	2014 Audited General Account	2015 Unadited Advertising Account	2014 Unadited Advertising Account
ASSETS				
Current Assets				
Checking/Savings	$ 33,394	$ 486	$ 2,461	$ -
Accounts Receivable	41,754	13,392	8,930	3,280
Total Current Assets	75,148	13,878	11,391	3,280
Fixed Assets				
Transportation Equipment	60,796	60,796		
Furniture and Equipment	5,131	5,131		
Less Accumulated Depr.	(4,700)	(2,350)		
Total Fixed Assets	61,227	63,577	0	0
TOTAL ASSETS	**$ 136,375**	**$ 77,455**	**$ 11,391**	**$ 3,280**
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Cash Overdrawn	$ -			$ 1,760
Credit Card Payable	0	4,005		2,416
Total Current Liabilities	0	4,005	0	4,176
Long Term Liabilities				
Note Payable - Tundra	47,424	58,914		
Total Long Term Liabilities	47,424	58,914	0	0
Total Liabilities	47,424	62,919	0	4,176
Equity				
Capital Stock - 1500 Share Common at stated value	2,000	1,000		
Additonal Paid-In Capital	281,870	123,967	12,659	12,659
Retained Earnings	89,072	115,888	(1,268)	(10,221)
Stockholder Distributions	(283,991)	(226,319)	0	(3,334)
Total Equity	88,951	14,536	11,391	(896)
TOTAL LIABILITIES & EQUITY	**$ 136,375**	**$ 77,455**	**$ 11,391**	**$ 3,280**

See Independent Accountant's Audit Report

Amazing Athletes Franchise Systems Inc
Statement of Income And Retained Earnings
For the Twelve Months Ended December 31,

	2015 Audited General Account	2014 Audited General Account	2015 Unaudited Advertising Account	2014 Unaudited Advertiising Account
Income				
Sales	$ 798,575	697,101.00	$ 131,010	$ 119,482
Sales Return and Allowance	(13,250)	0	0	0
Total Income	785,325	697,101	131,010	119,482
Expense				
Advertising and Promotion	$ 8,478	6,233	$ 69,420	$ 77,624
Automobile Expense	24,119	30,335	101	66
Bank Service Charges	299	4,605	15	486
Computer and Internet Expenses	1,399	1,907	22,650	94
Consulting Fees	16,428	57,323	20,616	30,831
Depreciation Expense	2,350	2,350		
Gift	3,563	1,961		
Insurance Expense	278	320		
Interest Expense	1,632	306		375
Management Fees	150,000	150,000		
Meals and Entertainment	13,368	15,282	312	827
Misc	275	24,906		
Office Supplies	14,887	9,524	1,562	670
Payroll Expenses	154,715	141,500		
Professional Fees	20,049	22,158	375	3,000
Rent Expense	103,000	87,788		
Repairs and Maintenance	3,129	2,551		
Subscriptions	3,249	8,629		
State Taxes	6,688	14,663		
Telephone Expense	6,644	5,477		
Travel Expense	41,603	30,925	3,373	20,320
Utilities	0	962		
Payroll Taxes		7,320		
Payroll Service Fee		495		
Total Expense	$ 576,153	$ 627,520	$ 118,423	$ 134,293
Operating Income (Loss)	209,172	69,581	12,587	(14,811)
Net Income	**209,172**	**69,581**	**12,587**	**(14,811)**
Stockholder Distribution	**(283,991)**	**(226,320)**	**0**	**(3,334)**
Retained Earning Beginning	**(112,192)**	**44,548**	**(13,855)**	**4,590**
Adjustment to Retained Earnings				
Taxes Prior Period	**(7,907)**			
Adjusted Retained Earnings	**(120,099)**	**44,548**	**(13,855)**	**4,590**
Retained Earnings Ended December 31	**$ (194,919)**	**$ (112,192)**	**$ (1,268)**	**$ (13,555)**

See Independent Accountant's Audit Report

Amazing Athletes Franchise Systems Inc
Statement of Cash Flows
For the Twelve Months Ended December 31,

	2015 Audited General Account	2014 Audited General Account	2015 Unaduited Advertising Account	2014 Unaudited Advertising Account
CASH FLOW FROM OPERATING ACTIVITIES				
Net Income	$ 209,172	$ 69,581	$ 12,587	$ (14,811)
Adjustments to reconcile Net Income (Loss)				
to net cash provided by (used in) operations:				
Accumulated Depreciation	2,350	2,350		
Decrease (Increase) in operating assets:				
Accounts Receivable	(17,117)	27,322	(5,950)	(1,779)
Increase (Decrease) in operating liabilities:				
American Express Gold	(3,849)	28	(2,415)	2,415
Net cash provided by Operating Activities	190,556	99,281	4,222	(14,175)
INVESTING ACTIVITIES				
Capital Expenditure	0	(65,927)		
Net cash provided by Investing Activities	0	(65,927)	0	0
FINANCING ACTIVITIES				
Note Payable Repayments	(11,490)	(2,187)		
Note Payable Borrowings	0	61,101		
Capital Stock	1,000	0		
Additonal Paid-In Capital	146,499	123,967		
Retained Earnings	(9,667)	0		
Stockholder Distributions	(283,991)	(221,997)		(5,000)
Net cash provided by Financing Activities	(157,649)	(39,116)	0	(5,000)
Net cash increase for period	32,907	(5,762)	4,222	(19,175)
Cash at beginning of period	486	4,488	(1,760)	17,415
	$ 33,393	**$ (1,274)**	**$ 2,462**	**$ (1,760)**

See Independent Accountant's Audit Report

NOTES TO FINANCIAL STATEMENTS
AMAZING ATHLETES FRANCHISE SYSTEMS INC
AT December 31, 2015

1. Summary of Significant Accounting Policies

1.1. *Nature of Operations*—Amazing Athletes Franchise Systems, Inc. was established on January 17, 2013 as a Tennessee Corporation. As of December 31, 2012, the California Corporation was in the process of merging in to a Corporation established in Tennessee. As of the date of this Audit that merger was complete. The Franchisor was established primarily for the sale and nationwide management of franchises of a quality athletic program for children in preschools. The franchisees are located throughout the United States.

1.2. *Inventory Method* —The lower of cost or market using the first-in, first-out (FIFO) method will be used to value inventories. As of December 31, 2014 there were no inventories.

1.3. *Depreciation Method* —The straight-line method is used to compute depreciation expense.

1.4. Advertising Account – The advertising account is not audited per the standard franchise agreement. The monies received from the franchisees is deposited into a separate account and is accounted for in a separate electronic accounting system. The funds are not comingled.

2. Tax Status

2.1. S corporation tax status has been elected by all of the stockholders of the corporation. An S corporation is not a taxpaying entity. Any income or operating loss arising from the activities of the company is reported, after appropriate adjustments, on the personal income tax returns of the stockholders. Because the company is not a taxpaying entity, its financial statements are different from those of taxpaying entities. Specifically, on the income statement there is no provision for federal income tax expense that must be paid because income was earned during the year. In addition, the balance sheet does not present a liability for federal income taxes incurred but not yet paid as of the balance sheet date.

3. Long-Term Debt

3.1. There was a long term debt at December 31, 2014 for a 2014 Toyota Tundra.
3.2. The terms are sixty payments of $1093.51 annual rate of interest is 2.99%.

4. Marketable Equity Securities

4.1. There were no purchases or sales of marketable equity securities during 2013.

5. Operating Lease

5.1. The Facility Operating Leases existing at December 31, 2015 details is as follows;

5.1.1. Location 1227 Lakeview Dr Unit 2, 2a Franklin, TN 37067
5.1.2. Term 3 years starting August 16, 2015 ending August 16, 2018

5.1.3. Location 200 Watson View Dr. Franklin, TN 37067
5.1.4. Term 5 years starting January 1, 2013 ending December 31, 2020
5.1.5. Next 5 years payments for both commercial lease agreements

		Base Rent	**Common**	**Total**
5.1.7.4	2016	105,600.00	-0-	105,600.00
5.1.7.5	2017	90,400.00	-0-	90,400.00
5.1.7.6	2018	60,000.00	-0-	60,000.00
5.1.7.7	2019	60,000.00	-0-	60,000.00

5.2 There is a Transportation Equipment lease that started in June 2014. The lease is considered "operating leases" in accordance with FASB 13 in the year 2014.
The following are the lease amounts, of $1,089, for the term of the new lease. The term of the lease is 39 months.

		Cadillac Escalade	**Total Lease Equip Cost**
5.2.1.3	2016	13,068.00	13,068.00
5.2.1.4	2017	8,712.00	8,712.00

6. Stockholders' Equity

6.1. The summary of changes in the Company's stockholders' equity is as follows:

	Common Stock Shares	*Par Value*	*Add'l Paid-In Capital*	*Unappropriated Retained Earnings*	*Unrealized Losses Marketable Equity Securities*	*Total*
Balances 12/31/14	1,000	$1,000	$123,967	$-112,192	$ -0-	$12,775
Additional Stock issued	500	$1,000				$1,000
Stockholder Distribution and Contribution 2014 posted this year			$157,903	$-283,991		$-126,088
Net income for 2014				$209,172		$209,172

Adjustment for Advertising Account				$11,391		$11,391
Prior Year Tax adjustment				$-7,907		$-7,907
Balances 12/31/15	1,500	$2,000	$281,870	$-183,528	-0-	$100,343
	Common Stock Shares	*Par Value*	*Add'l Paid-In Capital*	*Unappropriated Retained Earnings*	*Unrealized Losses ME Securities*	*Total*
Appropriation of retained earnings				$-0-		-0-
Balances 12/31/15	1,500	$2,000	$281,870	$-183,528	$-0-	$100,343

7. Analysis of Retained Earnings

7.1. For financial reporting purposes, appropriated and unappropriated retained earnings ($99,109) represent the cumulative earnings of the corporation less distributions paid to date. For tax purposes, it is necessary to identify the components of retained earnings, due to the possible tax consequences of future distributions that may be made. An analysis of retained earnings for the year is summarized as follows:

	Accumulated Adjustments Account	*Accumulated Earnings & Profits*	*Other Adjustments Account*	*Total*
Balances 12/31/14	$(-0-)	$937,956	$(930,211)	$7,745
Taxable income 2015	-0-	$162,683		$162,683
Tax-exempt income				
Nondeductible items		$(6,840)	$(142)	$(6,982)
Adjustments to account for the net affect from the Undaudited Advertising Account	$-0-	$-0-	($-0-)	($-0-)

Balances 12/31/15	$-0-	$1,093,799	$(930,353)	$163,446
Appropriated retained Earnings				-0-
Unappropriated retained Earnings				$163,446

7.2. Based on tax regulations and an election made by the corporation, dividends are assumed to be distributed from the Accumulated Adjustments Account, Accumulated Earnings & Profits, and the Other Adjustments Account, in that order. Generally, only distributions from Accumulated Earnings & Profits would be taxable to stockholders.

8. Reconciliation of Net Income and Taxable Income

Net income per income statement		$209,172
Plus: Net income and expense from Advertising Account **		12,587
Deduct: Difference between book and Tax Return		-56,608
Taxable income per tax return		$162,683
Allocation of taxable income to stockholders:		
Glen Henderson (50% interest)	$81,342	
Jenee Henderson (50% interest)	$81,341	
Taxable income per tax return		$162,683

** - The Corporation franchise agreement signed by all Franchisees indicates the account and transactions are not subject to audit.

9. Note 9. Related Party Transaction

9.1. There is a material related party transaction to disclose at December 31, 2015.
9.2. The charge for “Management fee” (per income statement) was made to a wholly owned Corporation. The Corporation is owned 100% by Glen Henderson. The Corporation named Total Sports, Inc. is a Wyoming corporation created 3/12/14.

10. Note 10. Appropriated Retained Earnings

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11.1. There were no material subsequent events to disclose as of the date of the report.

12. Note 12. Concentration of Credit Risk

Amazing Athletes Franchise System Inc
Financial Statements
December 31, 2014
By
CDR CPA, Inc

CDR CPA, INC.

Christopher D. Reeder CPA

CPA
America Counts on CPAs℠

41856 IVY STREET SUITE 101 * MAILING: P.O BOX 930 MURRIETA, CA 92564 * (951) 698-0830 * FAX (951) 698-0730

Independent Auditor's Report

Board of Directors and Stockholders
Amazing Atheletes Franchise Systems, Inc

We have audited the accompanying balance sheet of Amazing Atheletes Franchise Systems, Inc as of December 31, 2014 and 2013, and the related statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the entity's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amazing Atheletes Franchise Systems, Inc as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Christopher D. Reeder
CDR CPA, Inc.

April 4, 2015

Amazing Athletes Franchise System Inc
BALANCE SHEET
As of December 31, 2014 and 2013

ASSETS

	2014	2013
CURRENT ASSETS		
Cash in Banks	$ (1,274)	$ 4,488
Accounts Receivable	$ 13,392	$ 40,714
Total Current Assets	12,118	45,202
PROPERTY AND EQUIPMENT		
Furniture & Fixtures	5,131	0
Transportation Equipment	60,796	0
Less: Accumulated Depreciation	(2,350)	0
Net Property and Equipment	63,577	0
TOTAL ASSETS	$ 75,695	$ 45,202

LIABILITIES AND SHAREHOLDERS' EQUITY

	2014	2013
CURRENT LIABILITIES		
Credit Cards Payable	$ 4,005	$ 3,977
Total Current Liabilities	4,005	3,977
LONG-TERM LIABILITIES		
NP - Vehicle	58,914	0
Total Long-Term Liabilities	58,914	0
Total Liabilities	62,919	3,977
STOCKHOLDERS' EQUITY		
Capital Stock	1,000	1,000
Paid in Excess	123,967	0
Stockholder Distributions	(226,319)	(246,326)
Retained Earnings	114,128	286,551
Total Stockholders' Equity	12,776	41,225
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 75,695	$ 45,202

See Independent Accountant's Audit Report

Amazing Athletes Franchise System Inc
STATEMENT OF INCOME AND RETAINED EARNINGS
For the Twelve Months Ended Ended December 31, 2014 and 2013

	2014	2013
Sales		
Franchise Sales	$ 697,101	$ 730,887
Less: Returns & Allowances	0	0
Total Sales	697,101	730,887
Gross Profit	697,101	730,887
Operating Expenses		
Advertising & Promotion	6,233	15,076
Accounting	8,385	0
Automobile Expense	30,335	37,432
Bank Service Charges	4,605	1,960
Computer & Internet	1,907	366
Consulting Exp / Outside Serv	57,323	89,013
Conference Exp	1,480	0
Depreciation Expense	2,350	0
Dues and Subscriptions	8,629	3,055
Gifts	1,961	2,095
Insurance	320	6,315
Interest Expense	306	0
Management Fee	150,000	0
Meals and Entertainment	15,282	16,085
Merchant Fees	0	13,290
Miscellaneous	24,605	(1,018)
Office Supplies	8,831	11,871
Payroll - Officer Salary	94,000	72,603
Payroll Office	47,500	34,717
Postage and Delivery	0	3,626
Legal & Prof	13,773	25,331
Rent	87,788	71,759
Repairs and Maintenance	2,551	2,259
Reconciliation Descrepancies	301	0
Telephone	5,477	5,529
Travel Expense	29,445	24,439
Utilities	962	1,629
Payroll Taxes	7,320	3,271
Payroll Service Fee	495	2,819
State Taxes	14,663	814
Uniforms	693	0
Total Operation Expenses	627,520	444,334
Operating Income (Loss)	69,581	286,551

Amazing Athletes Franchise System Inc
STATEMENT OF INCOME AND RETAINED EARNINGS
For the Twelve Months Ended Ended December 31, 2014 and 2013

Other Income (Expense)		
Total Other Income (Expense)	0	0
Net Income (Loss)	69,581	286,551
Stockholder Distribution	-226,320	-246,328
Retained Earning Beginning	44,548	0
Retained Earnings Ended December 31	$ (112,192)	$ 40,223

Amazing Athletes Franchise System Inc
STATEMENT OF CASH FLOWS
For the Twelve Months Ended December 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	$ 69,581	$ 286,553
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation and Amortization	2,350	0
Losses (Gains) on sales of Fixed Assets	0	0
Decrease (Increase) in Operating Assets:		
Accounts Receivable	27,322	(40,714)
Other	0	3,280
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	28	3,977
Accrued Liabilities	0	(908)
Total Adjustments	29,700	(34,365)
Net Cash Provided By (Used in) Operating Activities	99,281	252,188
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(65,927)	0
Proceeds From Sale of Fixed Assets	0	0
Net Cash Provided By (Used In) Investing Activities	(65,927)	0
CASH FLOWS FROM FINANCING ACTIVITIES		
Notes Payable Borrowings	61,101	0
Notes Payable Repayments	(2,187)	0
Dividends Paid	(221,997)	(304,549)
Additional Paid in Capital	123,967	0
Proceeds From Sale of Stock	0	1,000
Net Cash Provided By (Used In) Financing Activities	(39,116)	(303,549)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,762)	(51,361)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,488	58,220
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ (1,274)	$ 4,488

See Independent Accountant's Audit Report

NOTES TO FINANCIAL STATEMENTS
AMAZING ATHLETES FRANCHISE SYSTEMS INC
AT December 31, 2013

1. Summary of Significant Accounting Policies

1.1. *Nature of Operations*—Amazing Athletes Franchise Systems, Inc. was established on January 17, 2013 as a Tennessee Corporation. As of December 31, 2012, the California Corporation was in the process of merging in to a Corporation established in Tennessee. As of the date of this Audit that merger was complete. The Franchisor was established primarily for the sale and nationwide management of franchises of a quality athletic program for children in preschools. The franchisees are located throughout the United States.

1.2. *Inventory Method* —The lower of cost or market using the first-in, first-out (FIFO) method will be used to value inventories. As of December 31, 2014 there were no inventories.

1.3. *Depreciation Method* —The straight-line method will be used to compute depreciation expense.

2. Tax Status

2.1. S corporation tax status has been elected by all of the stockholders of the corporation. An S corporation is not a taxpaying entity. Any income or operating loss arising from the activities of the company is reported, after appropriate adjustments, on the personal income tax returns of the stockholders. Because the company is not a taxpaying entity, its financial statements are different from those of taxpaying entities. Specifically, on the income statement there is no provision for federal income tax expense that must be paid because income was earned during the year. In addition, the balance sheet does not present a liability for income taxes incurred but not yet paid as of the balance sheet date.

3. Long-Term Debt

3.1. There was a long term debt at December 31, 2014 for a 2014 Toyota Tundra.
3.2. The terms are sixty payments of $1093.51 annual rate of interest is 2.99%.

4. Marketable Equity Securities

4.1. There were no purchases or sales of marketable equity securities during 2013.

5. Operating Lease

5.1. The Facility Operating Leases existing at December 31, 2014 details is as follows;
- 5.1.1. Location 2233 Faraday Ave Suite A, Carlsbad, CA 92008
- 5.1.2. Term 4 years starting November 1, 2011 ending October 31, 2015
- 5.1.3. Base rent monthly plus common area monthly for the following periods
- 5.1.4. There is a clause to extend the terms 24 months beyond 10/31/2015, however base rent and common area rate have not been determined as yet.

5.1.5. Location 200 Watson View Dr. Franklin, TN 37067
5.1.6. Term 5 years starting January 1, 2013 ending December 31, 2020
5.1.7. Next 5 years payments for both commercial lease agreements

2233 Faraday Ave Suite A, Carlsbad, CA 92008

		Base Rent	Common	Total
5.1.7.1.	2014	26,274.36	1,452.96	27,727.32
5.1.7.2.	2015	22,399.80	1,210.80	23,610.60
5.1.7.3.	2016	-0-	-0-	-0-
200 Watson View Dr. Franklin, TN 37067				
5.1.7.4	2014	5,000.00	-0-	5,000.00
5.1.7.5	2015	5,000.00	-0-	5,000.00
5.1.7.6	2016	5,000.00	-0-	5,000.00
5.1.7.7	2017	5,000.00	-0-	5,000.00

5.2 There were two transportation equipment leases existing for part of the year in 2014, a BMW X5 and Infiniti QX56 SUV.
The BMW X5 was replaced by a purchase of a Toyota Tundra on 10/31/2014. The first payment on the purchase was scheduled to be 12/15/2014. The Toyota has been capitalized in FA and Long Term Debt disclosed in Note 3 above.
The Infiniti QX56 SUV was replaced by a Cadillac Escalade in June 2014. The Cadillac is consider operating leases in accordance with FASB 13 in the year 2014. The following are the lease amounts, of $1,089, for the term of the new lease. The term of the lease for the Escalade is 39 months.

		Cadillac Escalade	Total Lease Equip Cost
5.2.1.3	2015	13,068.00	13,068.00
5.2.1.4	2016	13,068.00	13,068.00
5.2.1.5	2017	8,712.00	8,712.00

6. Stockholders' Equity

6.1. The summary of changes in the Company's stockholders' equity is as follows:

	Common Stock Shares	*Par Value*	*Add'l Paid-In Capital*	*Unappropriated Retained Earnings*	*Unrealized Losses Marketable Equity Securities*	*Total*
Balances 12/31/13	$5000	$1,000	$0	$40,223	$ -0-	$41,223

Additional Stock issued for new entity						
Stockholder Distribution 2014 posted this year			$123,967	$-226,319		$-102,352
Net income for 2014				$69,581		$69,581
Adjustment for Advertising Account				$4,323		$4,323
Other adjustments to close CA Corp and open TN Corp				$		$
Balances 12/31/14	5,000	$1,000	$123,967	$-112,192	-0-	$12,776
	Common Stock Shares	*Par Value*	*Add'l Paid-In Capital*	*Unappropriated Retained Earnings*	*Unrealized Losses ME Securities*	*Total*
Appropriation of retained earnings				$-0-		-0-
Balances 12/31/14	5,000	$1,000	$123,967	$-112,192	$-0-	$12,776

7. Analysis of Retained Earnings

7.1. For financial reporting purposes, appropriated and unappropriated retained earnings ($12,776) represent the cumulative earnings of the corporation less distributions paid to date. For tax purposes, it is necessary to identify the components of retained earnings, due to the possible tax consequences of future distributions that may be made. An analysis of retained earnings for the year is summarized as follows:

	Accumulated Adjustments Account	*Accumulated Earnings & Profits*	*Other Adjustments Account*	*Total*
Balances 12/31/13	$(17)	$861,130	$(855,589)	$-12,749
Taxable income 2014	-0-	$76,826		$239,395
Tax-exempt income				
Nondeductible items			$(8,055)	$(8,055)
Adjustments to account for the net affect from the Undaudited Advertising Account	$17	$-0-	($66,567)	($66,567)
Balances 12/31/14	$-0-	$937,956	$(930,211)	$7,745
Appropriated retained Earnings				-0-
Unappropriated retained Earnings				$7,745

7.2. Based on tax regulations and an election made by the corporation, dividends are assumed to be distributed from the Accumulated Adjustments Account, Accumulated Earnings & Profits, and the Other Adjustments Account, in that order. Generally, only distributions from Accumulated Earnings & Profits would be taxable to stockholders.

8. Reconciliation of Net Income and Taxable Income

Net income per income statement		$69,581
Plus: Net income and expense from Advertising Account **		(809)
Add: Non Deductible items		8,055
Taxable income per tax return		$76,827
Allocation of taxable income to stockholders:		
Glen Henderson (50% interest)	$38,413	
Jenee Henderson (50% interest)	$38,414	
Taxable income per tax return		$76,827

** - The Corporation franchise agreement signed by all Franchisees indicates the account and transactions are not subject to audit.

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9.1. There is a material related party transaction to disclose at December 31, 2014.
9.2. The charge for "Management fee" (per income statement) was made to a wholly owned, by Glen Henderson, Corporation. The Corporation is Total Sports, Inc. a Wyoming corporation created 3/12/14.

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10.1. There were no appropriated Retained Earnings at December 31, 2014.

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11.1. There were no material subsequent events to disclose as of the date of the report.

12. Note 12. Concentration of Credit Risk

12.1. As of December 31, 2014 there was no material concentration of credit risk.

EXHIBIT J
RECEIPTS

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RECEIPT
AMAZING ATHLETES FRANCHISE SYSTEMS, INC

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully.

If Amazing Athletes Franchise Systems, Inc., offers you a franchise, we must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment to us or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island law require 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 and Oregon require 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 Amazing Athletes Franchise Systems, Inc., 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 to the New York State Department of Law, 120 Broadway, 23rd floor, New York, N.Y. 10271, and the appropriate state agency identified on Exhibit A.

Date of Issuance: March 28, 2017

The Franchisor is Amazing Athletes Franchise Systems, Inc. 200 Watson Drive, Franklin, Tennessee 37067. Phone (888) 228-3942.

The franchise seller for this offering is _____, 200 Watson Drive, Franklin, Tennessee 37067 , (888) 228-3942.

Amazing Athletes Franchise System, Inc., authorizes the respective state agencies identified in Exhibit A to receive services of process for it in the particular state.

I have received these disclosure documents dated March 28, 2017 that included the following Exhibits:

Exhibit A.	List of State Agencies/Agents for Service of Process
Exhibit B.	Franchise Agreement
Exhibit C.	Table of Contents
Exhibit D.	Current Franchisees
Exhibit E.	Franchisees that have left the System
Exhibit F.	Trademark Specific Franchisee Associations and Independent Franchisee Associations
Exhibit G.	State Specific Addenda
Exhibit H	Application
Exhibit I.	Financial Statements
Exhibit J.	Receipt

_____ _____

Date Prospective Franchisee

You should return 1 copy of the signed receipt by signing, dating and mailing to Amazing Athletes at 200 Watson Drive, Franklin, Tennessee 37067. Keep a copy for your records.

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