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FRANCHISE DISCLOSURE DOCUMENT

American Poolplayers Association, Inc
A Missouri Corporation
1000 Lake Saint Louis Boulevard, Suite 325
Lake Saint Louis, MO 63367
(636) 625-8611
info@poolplayers com
www poolplayers com

THE GOVERNING BODY OF AMATEUR POOL®

The franchise offered is for the operation of an amateur pool league

The total investment necessary to begin operation of an American Poolplayers Association, Inc franchise is estimated to be between $20,070 55 - $28,090 55 This includes the initial franchise fee, which is based upon the population within the franchise's territory ($10,000 plus $500 for every 50,000 people in the territory over 400,000 people) which is paid to us You should consult ITEMS **5**, **6** and **7** in this disclosure document for further explanation regarding your total investment

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 document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor, or an affiliate in connection with the proposed franchise sale **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you To discuss availability of disclosures in different formats, contact Amy Huitt, 1000 Lake St Louis Blvd , Suite 325, Lake St Louis, MO 63367, 636-625-8611 x5040, ahuitt@poolplayers com

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

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

There may also be laws on franchising in your state Ask your state agencies about them
Date of Issuance March 20, 2017

STATE COVER PAGE

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

Call the state 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 ARBITRATION, ONLY IN THE ST LOUIS, MISSOURI METROPOLITAN AREA OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO ARBITRATE WITH US IN MISSOURI THAN IN YOUR OWN STATE

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

3 THE FRANCHISE AGREEMENT PROVIDES THAT YOUR FRANCHISE MAY BE TERMINATED OR YOUR TERRITORY REDUCED IF YOU DO NOT ACTIVELY MARKET PLAYER PARTICIPATION THROUGHOUT YOUR TERRITORY AND MEET CERTAIN TEAM PARTICIPATION REQUIREMENTS IN YOUR LEAGUE

4 THE FRANCHISE AGREEMENT PROVIDES THAT YOU AND YOUR SPOUSE (IF YOU ARE AN INDIVIDUAL) AND YOUR OWNERS AND THEIR SPOUSES (IF YOU ARE A PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY) MUST GUARANTY PERFORMANCE OF ALL OBLIGATIONS UNDER THE PARTNERSHIP, INCLUDING DEBTS OWED BY THE FRANCHISE TO US, WHETHER OR NOT THEY ARE INVOLVED IN THE OPERATION OF THE FRANCHISED LEAGUE AND THEY MUST SIGN A GUARANTY AND ASSUMPTION AGREEMENT THESE OBLIGATIONS MAY PLACE YOU OR YOUR OWNERS' PERSONAL ASSETS AT RISK.

5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We do not use the services of any franchise broker or referral sources to assist us in selling our franchise You should be sure to do your own investigation of the franchise

Effective Date See the next page for state effective dates

STATE EFFECTIVE DATES

The following states require that the 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

Wisconsin	Pending
California	Pending
Virginia	Pending
Washington	Pending
Minnesota	Pending
Rhode Island	Pending
South Dakota	Pending
Illinois	Pending
Michigan	Pending
Indiana	Pending
North Dakota	Pending
New York	Pending
Maryland	Pending
Hawaii	Pending

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

American Poolplayers Association, Inc (referred to as "we," "us" or "APA") is a Missouri corporation, incorporated on March 9, 1981 We do business as the American Poolplayers Association and APA Our principal business address is 1000 Lake Saint Louis Boulevard, Suite 325, Lake Saint Louis, Missouri 63367 In Missouri, our agent for service of process is Reneé Lyle, whose principal business address is 1000 Lake St Louis Blvd, Suite 325, Lake Saint Louis, Missouri 63367 Our agents for service of process in other states are disclosed in Exhibit B We do not use a franchise broker or sales agency for the sale of franchises

Since 1981, we have developed an international amateur pool league operation We consider APA to be the "Governing Body of Amateur Pool" in the United States Central to our pool league operation are local pool leagues operated by franchisees (also referred to as "League Operators") under our league system (the "System") Local APA leagues conduct pool matches at host locations—often pubs, taverns and billiards rooms ("Host Locations")—within a defined territory

We have offered franchised local pool league businesses under our System since 1982 As of December 31, 2016 we have 299 local league franchises in 48 states across the country and the District of Columbia, and intend to franchise additional local pool leagues in the future We have not offered franchises in any other line of business

The distinguishing characteristics of our System include our uniform rules for league play, ***The Equalizer***® scoring and handicapping system which allows players of all abilities to compete, our annual Championship Tournaments, our confidential and proprietary computer software (the "Software Program"), our uniform standards, specifications, policies, procedures, guidelines, rules, methods and know-how for league operation, management and promotion of league play and participation ("System Standards"), and our training and on-going assistance In addition, the System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of ownership, including our American Poolplayers Association and APA marks, as are designated now or in the future for use with the System (the "APA Marks") The System and APA Marks may be changed, improved and further developed by us

In addition to our business of franchising local leagues, we are also a membership organization in which all players in the local leagues under our System become members of our association of amateur pool players ("Members") We provide various benefits to our Members, which currently include *The American Poolplayer* magazine, an annual membership kit, discount programs and other benefits that might be offered We also might offer merchandise for sale, such as pool cues and apparel, to League Operators, Members and Host Locations

Furthermore, our business includes conducting amateur tournaments We currently hold four championship tournaments These include the APA World Pool Championships and the APA Poolplayer Championships (collectively the "Championship Tournaments") for players and teams who qualify from the local franchised leagues or regional tournaments The Championship Tournaments are currently being held at the Westgate Las Vegas Resort & Casino in Las Vegas, Nevada ***The Equalizer***® scoring and handicapping system is applied to matches conducted in the local franchised leagues and as part of the National Championships ***The Equalizer***® system allows Members with different playing abilities to compete In addition to the Championship Tournaments, in 1994, as the Governing Body of Amateur Pool, we introduced the U S Amateur Championship®, a scratch pool tournament open to the finest Member and non-Member amateur players The U S Amateur Championship® has most recently been held in Tampa, Florida Finally,

In 2014 we began offering and administering the Junior Championship, a handicapped pool tournament open to Junior Members who are under the age of eighteen (18) years old The Junior Championship has most recently been held in Davenport, Iowa

Further, we might, from time to time, acquire international, national, or regional sponsors for league play, tournaments, events or other matters related to the operation of APA's amateur pool leagues International, national, or regional sponsorships arranged by APA may generate revenue for APA

We do not conduct other businesses As of the date of this disclosure document, APA operates five (5) "APA owned" pool leagues APA intends to operate four (4) of these leagues until they can be transferred to new franchisees Although we promote amateur pool playing throughout the nation and solicit Members for our association of pool players, we presently intend to own and operate only one "APA owned" local pool league on a continuing long-term basis, specifically the St Louis APA in Missouri Other than the St Louis APA, we might operate a franchise on a temporary basis as a result of the franchisee's death or disability or pending a transfer Neither APA, nor any affiliate, operate a franchise or have any plans to operate or franchise any pool league using any other trademark.

Our Predecessors and Affiliates

We have no predecessor or parent and have not offered or sold franchises in any other line of business

We are affiliated by common ownership with the Canadian Pool League, Inc (which does business as the Canadian Poolplayers Association or "CPA"), an Ontario corporation, to which we provide management services CPA has its principal place of business at 1000 Lake Saint Louis Blvd, Lake Saint Louis, Missouri 63367 CPA operates exclusively in Canada, where it has franchised local pool leagues since 1989 CPA uses APA's System under a license from us CPA has not offered or sold pool league franchises in the United States and does not offer or provide any products or services to APA franchisees In addition, since 2007, we have franchised a pool league in Japan, doing business as the Japanese Poolplayers Association or "JPA" The JPA currently operates in the Japanese prefectures of Aichi, Chiba, Fukuoka, Gifu, Hiroshima, Hyogo, Kanagawa, Kyoto, Osaka, Saga, Saitama and Tokyo

The Franchise Offered

We offer a franchise to operate a pool league within an assigned geographic territory (the "Territory") under our System (the "Franchised League") The franchise may be granted to an individual (a sole proprietor), partnership (such as a husband and wife) or a business entity (like a corporation or limited liability company) The Franchised League is subject to the terms and conditions of the Franchise Agreement (Exhibit C) The Franchise Agreement will grant you the right to use our System and APA Marks solely in relation to the operation of the Franchised League

The word "you" in this Disclosure Document refers to the owner of the franchise (whether an individual, corporation or partnership) Further, as described in ITEM 15, all of the obligations you have under the Franchise Agreement, including payments due us, must be guaranteed by your spouse if you are an individual, and by your owners (shareholders or partners) and their spouses if you are a corporation or partnership

You will operate league play in the formats we designate You must personally manage the Franchised League at all times during your ownership of the League You may not delegate any of your obligations to any other person without APA's prior written consent The basic formats for league play are matches of 8-Ball and 9-Ball played between two teams each made up of 5-to-8

Members These are the only formats you may use during the Conditional Term of the franchise [See ITEM **12**] After the Conditional Term you may also conduct play in other approved formats, such as ladies divisions, doubles divisions, junior divisions for players under age 18, and masters divisions 8-Ball league play is currently operated as the "APA 8-Ball League" 9-Ball play is currently operated as the "APA 9-Ball League" Collectively, they are known as the "APA Pool Leagues" The names used to refer to our events, or under which our leagues operate, might change from time to time

You will use our System in operating the Franchised League We will train you as a new franchisee, provide you with our League Operators Manual (the "Operations Manual") that thoroughly describes our System and provides our rules and guidance for operating your business, furnish to you our Software Program for league management, which includes ***The Equalizer***® scoring and handicapping system, provide ongoing guidance and assistance in operating your business, provide updates to our Manual to keep you current on additions and changes to our System, give you guidance in how to promote your Franchised League, and supply you with basic promotional materials, such as fliers and posters, as well as forms needed to operate the Franchised League In addition, we actively promote amateur pool league play in a number of ways, issue annual membership kits and materials to our Members, establish and update all rules governing league play, resolving disputes by acting as the highest authority regarding the application of our rules to league play, and conduct the Championship Tournaments annually

As an APA franchisee, your business will heavily involve marketing participation in the Franchised League to Host Locations and to potential Members Basic sales techniques are required to solicit Host Locations and players Ongoing marketing efforts will be required throughout your time as a franchisee In addition to marketing participation in the Franchised League, you will be responsible for administering play in the Franchised League Administration of the Franchised League includes scheduling, recording scores, computing skill levels (handicapping), distributing score sheets, conducting team meetings, making rulings and organizing and administering league and tournament play within your Territory Every player in the Franchised League must be a Member of APA and pay an annual membership fee to us, which they can pay to you and which you will be responsible for collecting on our behalf In addition, you will charge every team (or player) participating in the Franchised League a weekly service fee (the "Weekly Team Fee") for every league match, whether it is played or not The Weekly Team Fee you charge will be divided between (1) the "Basic Weekly Fee," which is your principal source of income from the Franchised League operations, and (2) the "Players Fund," which consists of funds dedicated to the purchase of awards and rewards for the teams and Members playing in the Franchised League The Franchised League operates essentially year-round with each League Year consisting of three sessions

Members come from a variety of sources including taverns, businesses, social and fraternal organizations and the like Interest in pool playing is developed in most areas Furthermore, Host Locations often assist in developing teams and generating interest among potential players as such efforts result in increased business for the Host Location ***The Equalizer***® scoring and handicapping system promotes broad interest and participation in league play by assuring that players of all abilities, both men and women, can compete and have the opportunity to advance to local and championship events League play is open to anyone over 18 years of age (unless certain local laws or Host Locations restrict persons under the age of 21 from entering establishments that serve alcohol in which case League play will be open to anyone over 21 years of age)

Competing amateur pool leagues in the United States are operated by the Valley National Eight Ball Association (VNEA), CueSports International (CSI) which runs the BCA Pool League and USA Pool League, the American Cuesports Alliance (ACS), North American Poolshooters Association (NAPA) and The Association of Pool (TAP) All of these are substantially smaller than the APA on a national basis, but might have, or develop, a significant presence in certain local areas Generally, most of your competition will be from small locally administered leagues Promoters of other sports and

recreational activities might also compete with you for potential players, and/or time and space at potential Host Locations You should investigate the competitive environment in your locale and research the availability of pool tables in your Territory

Industry Specific Regulations

We are not aware of any laws or regulations directly applicable to operating pool leagues Some state and local liquor laws restrict sponsorship of events in taverns and pubs by breweries and distilleries Liquor regulations might also restrict local sponsorships of teams or league play by liquor distributors, wholesalers or retailers, contributions of prizes and awards by liquor distributors, wholesalers or retailers, or Host Locations where Junior division play may be held Other states or local areas might have, or develop, such restrictions Some states and local areas might have restrictions on prizes and awards given to players Because of the wide variance of laws and regulations, we are not aware of all laws and regulations that could be applicable to your operation as a franchisee and cannot be responsible for the interpretation or enforcement of future laws or regulations or changes in the law or regulations applicable in your Territory You should consult an attorney regarding laws and regulations that might be applicable in your Territory

ITEM 2

BUSINESS EXPERIENCE

The following is the list of directors, principal officers and other individuals who have management responsibility relating to the sale or operations of our franchised local leagues Below each individual's name is that individual's business experience, principal position and employers during the past five years, as well as the starting date, ending date and location of each position held Unless otherwise indicated, the location of each person is at our principal office, located at 1000 Lake Saint Louis Blvd , Lake Saint Louis, Missouri 63367

Director/President· Reneé Lyle

Reneé Lyle has been the President of APA since April 1995 She was Director of Marketing and Field Operations from June 1988 to January 1994 and Vice President from January 1994 until April 1995 She first joined APA as an Assistant Field Director in June 1987 In February 1996, she became recognized as a Certified Franchise Executive after completing the multi-year franchise program offered by the International Franchise Association She is located at our principal office In 2017, Ms Lyle was elected the Board of Directors of the Women's Professional Billiards Association (WPBA) and elected as Secretary of the Board

Director/Treasurer Olendia Bell

Olendia Bell has been APA's Treasurer and Chief Financial Officer since June 1984 She is located at our principal office

Director/Secretary· Nancy Hubbart

Nancy Hubbart has been APA's Corporate Secretary since February 1985 and was the APA Office Manager from August 1983 through November 1991 She is located at our principal office

Vice-President Pamela Aston

Pamela Aston was a Franchise Support Representative from March 1988 until June 1990 and then served as Assistant Director of Franchisee Support from June 1990 until December 1993 She served as Director of Franchisee Support from January 1994 until April 1995 when she was

promoted to Vice-President In March 1999, she was recognized as a Certified Franchise Executive after completing the multi-year franchise program offered by the International Franchise Association She is located at our principal office

General Counsel. Paul Woody

Paul Woody has served as APA's General Counsel since July, 2015 From 2012 to 2015, Mr Woody was an attorney with Blitz, Bardgett & Deutsch, L C in St Louis, Missouri From 2011 until 2012, Mr Woody was a sole practitioner attorney operating as The Paul Woody Law Firm, LLC in St Charles, Missouri In Feburary, 2017, Mr Woody was also recognized as a Certified Franchise Executive after completing the multi-year franchise program offered by the International Franchise Association He is located in our principal office

Director and Chairman of the Board: Terry L Bell

Terry L Bell has served on the APA Board of Directors since 1981 Mr Bell served as President of APA from its founding in 1981 until February 1988 and as President and Chief Executive Officer from February 1988 until 1995 when Ms Lyle was promoted to President His business experience includes service as a military officer, owning and operating his own pocket billiard establishment, creating and operating his own pool league and being a nationally ranked professional player Mr Bell, and his late co-founder Larry Hubbart were elected to the Billiards Congress of America Billiards Hall of Fame for meritorious service and their contribution to the sport as founders of APA He is located at our principal office

Director Michael Bell

Michael Bell has served on the Board of Directors of APA since 1985 He is not an officer of APA and does not participate in the day-to-day management. He is located in Reston, Virginia

Brokers

APA does not use franchise brokers to market franchises We do not consider our franchisees to be franchise brokers, but we do have a program to reward existing franchisees for the referral of new franchisees Under the program, an existing franchisee may receive up to $1,000 if the new franchisee has played APA pool in their area within the last two years This amount may be split between existing franchisees if the new franchisee has played in more than one area within the last two years An additional $4,000 may be received by the existing franchisee(s) if the person referred reaches predetermined team growth goals within two years from the execution of their franchise agreement with APA No referral award is paid to a franchisee in connection with the sale of all or a portion of its own rights in the franchise territory This program may be withdrawn by APA, without notice

ITEM 3

LITIGATION

Canadian Pool League, Inc v John Croft and Kelly Croft, Court File No CV-15-528266, pending in the Ontario Superior Court of Justice, Ontario Canada, filed May 14, 2015 (the "Croft Action")

The Canadian Pool League, Inc d/b/a the Canadian Poolplayers Association ("CPA") is an affiliate with APA through common ownership In 2015, CPA brought the Croft Action against John Croft and Kelly Croft (collectively the "Crofts"), former CPA franchisees The Croft Action is based on several breaches of the parties' franchise agreement committed by the Crofts prior to the franchise agreement being terminated by CPA on April 4, 2014 The alleged breaches include, but are not

limited to, the Crofts' failure to remit royalties due to CPA, interest in leagues that competed with CPA, solicitation of CPA members for a competing pool league, and marketing of goods, services or events not related to CPA to CPA members After the Croft Action was filed, but before the Crofts answered the allegations stated in the Croft Action, the Crofts filed for bankruptcy The Ontario Superior Court of Justice in Bankruptcy and Insolvency automatically stayed all proceedings in the Croft Action until the bankruptcy court dismisses the bankruptcy action or issues the Crofts a discharge

John and Cynthia Devore v Jeffrey and Michelle Duda, et al, Docket No 000579, May Term, 2016, pending in the Court of Common Pleas of Philadelphia County, Pennsylvania, filed May 4, 2016 (the "Devore Action")

John Devore was a Member of APA who played in the Philadelphia APA, a franchise independently owned and operated by Jeffrey Duda In April 2015, Devore entered into a licensing agreement with a pool league that competes with APA Devore sued Duda, an individually that Devore wrongfully alleges is Duda's wife, and APA alleging that in June, 2015, Duda, or his wife, put a statement on Facebook that did not mention Devore, but that Devore alleges others would believe was about him Devore alleges that the statement was defamatory, and that as a result of the statement he was unable to recruit pool players to join his league, and thus lost his investment Devore named APA as a defendant, based on a one sentence conclusory allegation that Duda acted as an agent of APA APA had no involvement with the alleged post, and Devore has not alleged that APA had any involvement with the statement being posted Devore's Complaint stated claims for defamation and tortious interference with a contract Devore's wife, Cynthia Devore, state a claims for loss of consortium Together, the Devores are seeking damages of $50,000 00 or more

APA has filed pleadings with the Court denying any liability for the post. It is APA's position that Devore does not have a basis for naming APA as a defendant in the case, and that APA should be dismissed as a party The case is in its early stage, and the parties are conducting discovery

Other than this action, no litigation is required to be disclosed in this Item

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this item

ITEM 5

INITIAL FEES

When you sign the Franchise Agreement, you must pay us an Initial Franchise Fee based upon the population within your assigned Territory The Initial Franchise Fee for a Territory having a population of 400,000 people (or fewer) is $10,000 If the Territory has a population over 400,000 people, the base fee of $10,000 is increased by $500 for each increment of 50,000 people, or portion thereof, over 400,000 residing in the Territory Population is determined by using the Population Estimates Program, Population Division, U S Bureau of the Census, released July 2016 (www census gov) or, when necessary, other online resources

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Initial Franchise Fee

Example Pima County, Arizona has a population of 982,154 The base fee is $10,000 Pima County's population exceeds the base population of 400,000 by 582,154 people There are 12 increments of 50,000 people in 582,154 (*Note* any amount above a 50,000 increment is calculated at the next highest increment) The Initial Franchise Fee is $16,000, calculated by adding $6,000 (12 x $500) to the $10,000 base fee

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After you have submitted your application, received and read this Disclosure Document for the required review period, successfully completed a Discovery Day at our offices, and been approved to acquire an APA Franchise, you must send us a $500 deposit (the "Deposit") The Deposit reserves your proposed Territory and a space for you at our next 6-day Training Seminar The Deposit is fully earned by us when paid and is not refundable under any circumstance (except as stated below) The Deposit will be applied to your Initial Franchise Fee if you satisfy the requirements to attend, and then successfully complete, Training Seminar I and we sign and accept your Franchise Agreement You must also sign a Confidentiality Agreement (Exhibit K) prohibiting unauthorized copying, use and disclosure of information regarding our proprietary System, including our Operations Manual and Training Program We will then send you an unsigned Franchise Agreement (with all blanks filled in) and a copy of our proprietary Operations Manual for your review Prior to the start of your scheduled training session, you must sign the Franchise Agreement and pay the balance of the Initial Franchise Fee The Franchise Agreement is not effective unless it is accepted and signed by us after your successful completion of Training Seminar I When paid, your Initial Franchise Fee is fully earned by us and is not refundable under any circumstance, except we will refund the Initial Franchise Fee paid by you (including the Deposit) only if, after you have, in our judgment, successfully completed the Training Program, we decide in our sole discretion not to accept and sign the Franchise Agreement with you, or if we terminate your participation in Training Seminar I early If we do not sign and accept the Franchise Agreement after your successful completion of Training Seminar I, or if we terminate your participation in Training Seminar I after you have arrived at the location of Training Seminar I but before you have completed it, we will also refund reasonable out-of-pocket expenses (transportation, lodging and meals) actually incurred by you in attending Training Seminar I We will not refund, nor be liable for, any other damages, costs or expenses, including loss of profits, income or employment or any other actual, consequential, special or reliance damages We do not give refunds of the Initial Franchise Fee or your Deposit under any other circumstances

APA and the APA Franchise System are members of the International Franchise Association ("IFA") and participate in the IFA's VetFran Program ("VetFran Program") As a participant in this program, we will discount 25% of initial franchise fees to veterans of the United States Armed Forces who otherwise meet the requirements of the VetFran Program The applicant/Franchisee must document that he/she is eligible to benefit from the VetFran Program (e g honorable discharge) For more information about the VetFran Program, go to www vetfran com

You will be subject to any change in VetFran Program rules and regulations without notice, since APA has no control over the terms of the VetFran Program APA reserves the right to withdraw from the VetFran Program at any time without notice to APA Franchisees If APA does withdraw from the VetFran Program, no VetFran franchise then in existence will be terminated or otherwise affected because of APA's withdrawal

ITEM 6

OTHER FEES

(Column 1) ***Type of fee*** *(Note 1)*	*(Column 2)* ***Amount*** *(Note 11)*	*(Column 3)* ***Due date***	*(column 4)* ***Remarks***
Weekly Royalty	Standard Team 8-Ball The greater of $2 50 per team or 20% of the Basic Weekly Fee charged each team weekly Other Formats 20% of the Basic Weekly Fee charged each team weekly (Note 2)	Weekly - Due after each week's league play and delinquent if not received by the 12th day	The royalty is payable to us for all matches for which you collect payment (Note 3)
Player Membership Fees	The Annual APA Membership Fee is currently $25 per player per year	Annually or on the date of the player first participating in your league each year	All players must be APA Members If any player, who wishes to play in your Franchised League, has not paid their Membership Fee for the year in which they wish to play, you are responsible for collecting and paying us the required membership fees for all players If you allow a player to play without paying their Membership Fee, you will be required to pay to APA their Membership Fee whether or not it is collected by you
Royalty on Merchandise with APA Marks (Note 4)	You must pay us 5% of the purchase price of merchandise bearing any APA Mark purchased for resale from a vendor other than an APA Licensed Supplier, if you choose to purchase such merchandise (Note 4)	Payable 10 days after receipt of the merchandise	
Software Upgrade Fee	We reserve the right to charge from time to time (but no more often than once during a three year period) a software upgrade fee to all franchisees for new versions, major	Due on the due date stated in the invoice	Software Upgrade Fees to be borne by franchisees are limited to 50% of the total cost of the new version, major

(Column 1) ***Type of fee*** *(Note 1)*	*(Column 2)* ***Amount*** *(Note 11)*	*(Column 3)* ***Due date***	*(column 4)* ***Remarks***
	enhancements or upgrades to the Software Program used to operate your league		addition or enhancement
Software Support and Maintenance Fee (Note 5)	$242 per year (Subject to change annually No increase will exceed 10% annually, without approval of the League Operator Advisory Board)	Annually Currently due January 1 and delinquent if not paid by January 15	Support and Maintenance of the Software Program First 12 months of operations included in Initial Franchise Fee for newly granted franchises (Note 5)
Advertising (Note 6)	As assessed by the advertising plan approved by area franchisees Maximum - 5% of gross revenue (Note 7)	Payable upon the plan going into effect unless otherwise provided in the plan	Any plan must be approved by two-thirds (2/3) of the votes cast by franchisees in the plan's area Corporate owned outlets are not eligible to vote on advertising plans
Audit (Note 8)	If an audit reveals that you have understated amounts due to APA by more than 2% you must pay the full amount owed, plus, interest at 1 5% per month, applicable late fees and the costs of the audit	Within 14 days after notice of audit results	
Late Fee (Memberships)	Unpaid membership fees plus $5 per unpaid member and interest of 1 5% per month (or such lesser amount allowed by law)	Upon your obligation being delinquent	These fees are subject to increase by a change to the Operations Manual
Late Fee (Royalties)	Past due Royalties or other payment plus $20 per late payment and interest of 1 5% per month (or such lesser amount allowed by law) Late fees may be assessed again with respect to a delinquent amount if such amount is not paid on or before the due date of the next weekly royalty payment	Upon your obligation being delinquent	These fees are subject to increase by a change to the Operations Manual
Late Fee (Scoring teams	$20	Late fee is charged if 20 or more	These fees are subject to increase by a

(Column 1) ***Type of fee*** *(Note 1)*	*(Column 2)* ***Amount*** *(Note 11)*	*(Column 3)* ***Due date***	*(column 4)* ***Remarks***
scheduled)		matches are unscored (for leagues less than 300 teams) or 10% of the matches are unscored (for leagues over 300 teams) in the Software Program by the Wednesday following each League Week	change to the Operations Manual
Late Fee (Local Singles Qualifier Boards)	$24 for each local singles qualifier board submitted 30 or more days after the board was played, $20 additional for each board submitted 60 or more days after it was played	Upon your obligation being delinquent	These fees are subject to increase by a change to the Operations Manual
Late Fee (World Qualifier paperwork)	$250 per slot for submitting paperwork packets for each team advancing from your World Qualifier ("WQ") late	Fee incurred upon the packets being late, however not due until billed in July Packets are late if not received by the APA Tournament Department within 10 days of completion of your WQ (5 days if your WQ is held the third weekend of June)	In addition to these fees you may face a possible loss of team eligibility and possible loss of a tournament slot the following year if packets not submitted timely These fees are subject to increase by a change to the Operations Manual
Late Fee (Skill Level Reevaluation Forms)	$10 per day ($100 maximum)	Charged if skill level reevaluation forms are not returned to APA's Tournament Department by due date in March, July and December	These fees are subject to increase by a change to the Operations Manual
Late Fee (Showdown Series entries and setup)	$100 for each 8-ball doubles team, 9-ball doubles team, wheelchair entry, and jack-and-jill team entered late, $150 for each masters team entered late, and $200 for each ladies	Fee is charged if (a) team's entry form for a Showdown Series event is not received by the	These fees are subject to increase by a change to the Operations Manual

(Column 1) ***Type of fee*** *(Note 1)*	*(Column 2)* ***Amount*** *(Note 11)*	*(Column 3)* ***Due date***	*(column 4)* ***Remarks***
	team entered late	APA Tournament Dept by the due date or (b) the team is not set up in the Software Program by the due date	
Unearned Slot Premium	$100-$450	Unearned Slot Premium is due at the time you pay your tournament registration	Leagues that do not have a sufficient number of teams participating to earn a slot at the APA World Pool Championships may be awarded, in our sole discretion, an unearned slot at that tournament The premium charged for an unearned slot varies within the range stated
Extension of Conditional Term (Note 9)	$250	Upon any grant of an extension of the Conditional Term of your Franchise Agreement	We have no obligation to extend the Conditional Term, but if one is granted this fee applies
Franchise Transfer Fee	$1,500	At time of transfer of your franchise	No charge if transfer is to a corporation or limited liability company 100% owned by you This fee is subject to increase by a change to the Operations Manual
3 Days of Required Additional Training during First Year	Your expenses in attending such training	As incurred, but approximately 6 to 9 months after the start of the operation of your franchise	There is no additional training fee for this session
Other Additional Training	Your expenses in attending any additional training you, or your employees, choose to	As incurred	

(Column 1) ***Type of fee*** *(Note 1)*	*(Column 2)* ***Amount*** *(Note 11)*	*(Column 3)* ***Due date***	*(column 4)* ***Remarks***
	participate in, or are required by us to attend, and any training fee we might set (which will be fair and reasonable)		
Additional Assistance Beyond What Is Outlined In The Operations Manual and Franchise Agreement	Our expenses plus reasonable charge for our services	As incurred	
Operations Manual Replacement Fee	$500	Prior to us sending you the new Operations Manual	Payable for replacement of your Operator's Manual if it is lost or misplaced
Costs and Attorneys Fees	Will vary under the circumstances	As incurred	Payable by you if you are the non-prevailing party in any litigation or arbitration resulting from a dispute arising from a dispute arising out of, or related to, the Franchise Agreement

(Column 1) ***Type of fee*** *(Note 1)*	*(Column 2)* ***Amount*** *(Note 11)*	*(Column 3)* ***Due date***	*(column 4)* ***Remarks***
Indemnification	Will vary under the circumstances	As incurred	You reimburse us if we incur costs, including, attorneys' fees, or are held liable for claims arising from your operations APA indemnifies you from third party claims caused solely by conduct of APA adjudged to be wrongful or a breach of the Franchise Agreement
Insurance Premium (Note 10)	If you opt to purchase insurance through the Sihle Insurance Group, Inc , APA will collect your premium in one payment made annually The amount of the premium will vary year to year In 2017, the annual premium is $469 55	If collected by APA, each March	While APA requires each League to have a minimum amount of insurance, you are not required to purchase your Franchised League's insurance through the Sihle Insurance Group, Inc If you do, APA will collect your premium payment If you purchase your insurance through another source, you will be responsible for paying all premium directly to the insurer/broker whenever that premium is due

NOTES TO ITEM 6 - OTHER FEES

Note 1 All fees are required by APA and are non-refundable

Note 2 Our standard formats for weekly play are 5-person team 8-Ball and 9-Ball Other supplemental formats (not available during your Conditional Term) are described in the Operations Manual Designated formats may be changed by us Each player or team is required to pay you the Weekly Team Fee, or the individual player's portion thereof, for matches, played or unplayed, which you are responsible for collecting You are also responsible for disqualifying any player or team that fails to pay the Weekly Team Fee While we will recommend an amount to be charged as the Weekly Team Fee, you may charge any amount you believe is prudent for your local

market In addition to the royalty fee owed on the Basic Weekly Fee, you will also be required to pay a 20% royalty fee on any other fees, dues or monies received by you from players, teams, Host Locations, or team or local sponsors, except that you do not have to pay royalties on (a) a Players Fund, which consists of additional dues or fees collected from players to fund trophies, tournament travel for teams advancing to Championship Tournaments, banquets, prizes, or similar awards or rewards for player/team participation and accomplishments achieved while playing in your league during the league year, (b) amounts for awards and prizes or in-kind awards or prizes received from Host Locations or team sponsors, and (c) amounts received from local sponsors, local advertising revenue secured by you or amounts received from Host Locations in exchange for conducting tournaments in their facilities Amounts collected for a Players Fund or from Host Locations or team sponsors and any in-kind awards and prizes must be separately accounted for, held in trust by you, and entirely returned to the players in the form of prizes, awards, tournament travel or awards ceremonies The amount charged and collected into your Players Fund for the league year should be closely related to your expected expenses in trophies, tournament travel for advancing teams/players, and the other awards and rewards you provide for your teams and players for that league year If you collect excess funds in your Players Fund (beyond what is needed to pay for your awards and rewards program), it might be permissible for you to roll a reasonable amount of the excess, if justified, into your Players Fund for the next league year, as provided in our Operations Manual More commonly, the excess in your Players Fund, or received from Host Locations or team sponsors may be taken as income by you, provided you pay APA its 20% royalty on the excess taken as income If your state or locality imposes a sales or similar tax on the Weekly Team Fee, or the Basic Weekly Fee, you must collect that tax on APA's behalf and remit it to us

Note 3 You must pay the royalty based on all scheduled matches, played or unplayed, for which you collect payment If your state or locality imposes a sales or similar tax on the royalty fee, you must collect that tax on APA's behalf and remit it to us

Note 4 You may purchase and resell merchandise (e g , apparel, patches, pool cues, novelties) bearing the APA Marks ("APA Merchandise") that are offered by APA, a Sponsor or an APA licensed supplier (collectively an "APA Licensed Vendor") without payment of any royalty You have no obligation to make any such purchases or sell such merchandise If you purchase APA Merchandise for the purpose of resale from a vendor other than an APA Licensed Supplier pursuant to the rights granted you in the Franchise Agreement, you must pay us a royalty equal to five percent (5%) of your purchase price, which amount shall be due ten (10) days after receipt of the APA Merchandise No royalties are due for APA Merchandise purchased for distribution as Member incentives or giveaways

Note 5 To manage your Franchised League under our System, you must use our proprietary Software Program, which is highly confidential and a trade secret The Software Program is an integral part of our System and is necessary to provide uniform scoring and handicapping, safeguard against sandbagging, and otherwise administer your Franchised League and report on your operations within our System The Software Program might be further developed, enhanced and modified to continue to meet the development, and needs, of our System, and you must operate the Franchised League during the Term under our then current version of the Software Program The license to our System granted by the Franchise Agreement includes the loan of the Software Program, and training in operation and use of the Software Program The Software Support and Maintenance Fee pays for corrections made to the Software Program, and minor updates of the Software Program (collectively

"Maintenance") and continued telephone support to franchisees regarding operation of the Software Program The Software Support and Maintenance Fee is paid annually except that the telephone support and Maintenance are provided to new franchisees, purchasing previously unfranchised territory, at no additional charge during the first 12 months of your operations If you are a new franchisee, buying previously unfranchised territory, and your initial 12-month period ends before January 1, you will be required to pay a prorated portion Support and Maintenance Fee If you enter into a Franchise Agreement as a result of your franchise being transferred to you from another franchisee, a prorated portion of the Software Support and Maintenance Fee, based on when in the year your franchise is renewed or transferred to you, is due upon execution of the Franchise Agreement We reserve the right to charge software upgrade fees from time to time for any new or modified versions or upgrades The Software Program, including any updated versions or other modifications are provided "as is" We agree that increases in the Software Support and Maintenance Fee are limited to an increase of no more than ten percent (10%) per year, without approval of the League Operator Advisory Board Access to the Software Program must be limited so as to protect the confidentiality of the System and Software Program for the benefit of our franchisees and us Only designated APA personnel and third party contractors designated by APA are authorized to provide support and maintenance to the Software Program

Note 6 We might offer, from time to time, an advertising plan covering a geographic area (national, regional or local) selected by us in our discretion If the franchise you operate is within the plan's geographic area and the plan is approved by a vote of the franchisees within the area (see Note 7), you will be obligated to contribute to the advertising plan Every franchisee within the plan's area is entitled to cast votes based on the number of persons residing in the franchisee's Territory A franchisee in a Territory of less than 200,000 people may cast one vote, a franchisee with a Territory of 200,000 - 499,999 people has two votes, and a franchisee with a Territory of 500,000 people or more has three votes If two-thirds (2/3) of the eligible votes are cast in favor of the plan, the plan is approved We have the sole authority to manage and use the advertising funds, as we feel appropriate, in carrying out the approved plan We are not obligated to make any advertising expenditures in your Territory that are equal or proportionate to your contribution, nor are we obligated to ensure that you in particular benefit directly or in proportion to the amount of money you were assessed in the plan If you are assessed under such an advertising plan you may, upon reasonable notice, review the books and records kept by us in administering the plan

Note 7 Gross revenue means all Basic Weekly Fees charged or required to be paid to you by players and all other fees, dues, and moneys received by you in the operation of the league (except Membership Fees and money collected for a Players Fund) during any timeframe established under the advertising plan

Note 8 We may at any time, without notice, conduct an audit of your Franchised League's books, records operations and computer data to assure that all member dues and royalty fees are being reported and paid to us APA may determine the method of audit most appropriate, in our judgment, the information we review You may need to compile and send us copies of records that we request in connection with the audit You may need to complete and send us a report with the information that we request for our audit We may also, if we consider it appropriate, visit your office to review your books and records You are to cooperate with our staff in connection with an audit

Note 9 The Franchise Agreement grants an initial two-year Conditional Term Within the Conditional Term, you must meet certain performance requirements (See ITEM **12**) If you do not meet the performance requirements during the Conditional Term, the franchise expires APA has no obligation to extend a Conditional Term that is set to expire However, if, in its discretion, APA decides to extend a Conditional Term, the Franchise Agreement gives APA the authority to charge a $250 fee

Note 10 APA requires that you purchase and maintain, at all times during your ownership of a Franchised League, insurance with such minimum standards, coverage and limits as we require in the Operations Manual Such requirements may be changed or increased by us We do not require that you purchase the required insurance from any particular source We have, however, made arrangements with Sihle Insurance Group, Inc to offer insurance to APA and APA franchisees that meet our coverage requirements The cost of insurance set forth above is based on the premium currently being charged by Sihle Insurance Group, Inc to each franchisee who is participating in the insurance program For those franchisees that purchase the insurance offered through the Sihle Insurance Group, Inc, APA collects each franchisee's premium The Insurance Program is discussed further in ITEM **8**, below

Note 11 The fees listed in this Item are uniformly imposed on all our franchisees, except that late fees and franchise transfer fees may be waived, at our sole discretion, if we determine that the circumstances warrant

ITEM 7

ESTIMATED INITIAL INVESTMENT

Your Estimated Initial Investment (Note A)				
Type of Expenditure	Amount	Method of Payment	When Due	To whom payment is to be made
Initial Franchise Fee	Based on Population of Territory, $10,000-$14,000 (Note B)	Partial deposit with the remainder being paid as a lump sum	$500 deposit due at Discovery Day Remainder due at signing of Franchise Agreement	APA
Equipment/ Computer Software and Hardware	$2,380 - $4,600 (Note C)	Paid as equipment is acquired and services as required by the service	Before operations	Vendors unrelated to APA, chosen by you

Your Estimated Initial Investment (Note A)				
Type of Expenditure	Amount	Method of Payment	When Due	To whom payment is to be made
		provider		
Broadband Internet Access	$60 monthly (Note C)	As incurred	Before operations	Broadband Internet Service Provider chosen by you
Training Seminar I Expenses	$1,434 - $2,334 (Note D)	As incurred	At time of training	Air travel, car rental, hotels, restaurants
4 Days Additional Training during First Year	$867 - $1,767	As incurred	At the time of training, 6 to 9 months after the start of operation of your franchise	Air travel, car rental, hotels, restaurants
Real Estate & Improvements	$0 (Note E)	N/A	N/A	N/A
Initial Inventory	$0 (Note F)	N/A	N/A	N/A
Insurance	$469 55 (Note G)	Lump sum or in regular payments as required by your insurer	Before operations	To APA or to your chosen insurance company or insurance broker
Attorney/ Accountant fees	$1200 (Note H)	As incurred	As required under the fee arrangements you enter into with your attorney or accountant	The attorney and/or accountant of your choice
Additional Funds -3 months	$3,000 (Note I)	As incurred	As incurred	
Total Estimated Initial	$20,070 55 - $28,090 55			

Your Estimated Initial Investment (Note A)				
Type of Expenditure	Amount	Method of Payment	When Due	To whom payment is to be made
Investment	(Note J)			

NOTES TO ITEM 7 - INITIAL INVESTMENT

Note A None of the fees in this table are refundable unless otherwise specified We do not offer financing at this time for any of the above listed payments

Note B The estimate shown is for a newly franchised Territory with a population of 400,000 people (or fewer) to 800,000 people The initial fee is based on $10,000 plus $500 for every 50,000 people, or portion thereof, over 400,000 in population in the Territory See ITEM **5** For example, if the population of the Territory is (a) 500,000 people, the initial fee would be $11,000, (b) 800,000 people, the initial fee would be $14,000 Territories with a population of 300,000 to 800,000 are a typical range of size of Territories granted by us though Territories can have more than 800,000 and less than 400,000 people The $500 deposit you are required to make to reserve your Territory and your place at the next available Training Seminar I will be fully applied to your Initial Franchise Fee if you successfully complete Training Seminar I Your Initial Franchise Fee is non-refundable unless you timely and successfully complete the training program and, thereafter, we decide not to accept your application and do not sign the Franchise Agreement

Note C You are required to use APA's confidential and proprietary Software Program in operating the Franchised League The Software Program is loaned to you, partially in exchange for your payment of the Initial Franchise Fee To use the Software Program in your operations, you must have a computer system as described in ITEM **8** The estimated cost of a computer system meeting the requirements from a typical computer vendor is $1,800 to $3,000 You must acquire and maintain Broadband Internet access (such as cable, DSL or other high-speed broadband connection, but not internet provided by satellite) The cost of Broadband Internet access will vary depending on your location and the services available to you, however, we estimate that the cost of such access should be around $60 per month, or $720 per year We provide you a local league website and email address to use, currently free of charge You will need to purchase Microsoft Word for word processing and Microsoft Excel, which you can purchase individually or as part of Microsoft Office The cost of these programs will likely be between $250 and $350 You will also need to purchase an antivirus program and anti-malware program (or a program that combines both services) for your computer system The cost of that software is estimated to be $30 to $50 per year In terms of financial software you can keep the financial records of your franchised business using a spreadsheet program, like Microsoft Excel We suggest, however, that you purchase and use a basic business financial software package, such as QuickBooks Such programs will likely cost between $200 and $350 We do not receive compensation from Microsoft or any third-party software provider of the software or equipment that we require or recommend You will need a color scanner You will also need a telephone answering/ voice mail system for the landline or cellular phone you use for league operations We believe the scanner and answering/ voice mail system can be purchased for $300 to $600 Furthermore, basic office furnishings, such as a filing cabinet, desk and desk chair are also necessary Depending on the size and characteristics of your Territory, APA may, in our judgment, require you to purchase and use a GPS device Suitable GPS devices cost $150 to $250

Note D You must pay a $500 deposit to reserve your Territory and your place at our next available training program If you fail to attend, without cancelling 7 days before the program and rescheduling for the next regularly scheduled program, your deposit is forfeited If you successfully complete Training Seminar I and we accept your application and sign the Franchise Agreement, your $500 deposit is fully applied to your Initial Franchise Fee You are responsible for all travel, lodging and meals costs associated with attending Training Seminar I and Training Seminar II The Training Program is conducted in the metropolitan St Louis, Missouri area, so the closer you are to the site, the lower your travel expenses will be The cost of air travel will vary greatly depending upon your location and how far in advance you book any flight, and could range between $300 - $1,200 (or more) round-trip Training Seminar I lasts for 6 days Training Seminar II lasts for 4 days Car rental prices will also vary, but can be expected to be around $60 per day Lodging rates near the training site are approximately $75 per night You should expect meals to average $54 per day A travel agent is available on request to assist you in making arrangements or to help you estimate costs from your location Expenses incurred to attend the Training Program are non-refundable except that the costs you incur to attend Training Seminar I will be reimbursed if, and only if you timely and successfully complete the training program, and, thereafter, we decide not to accept your application and do not sign the Franchise Agreement Only in this event will we reimburse you for your actual travel expenses (transportation, lodging and meals) for which you have receipts We will not in any event or circumstances reimburse you or be liable for any loss of profits, business, opportunity, time or wages or any other consequential, incidental, reliance or special damages of any kind

Note E A separate office is often not necessary Most franchisees, at least initially, work out of their homes

Note F Reasonable quantities of promotional materials (posters, brochures, etc), scoresheets, and other forms necessary to get started are supplied to you as part of the Initial Franchise Fee

Note G APA requires that you purchase and maintain, at all times during the franchise, insurance with such minimum standards, coverage and limits as we require in the Operations Manual Such requirements may be changed or increased by us We do not require that you purchase the required insurance from any particular source We have, however, made arrangements with Sihle Insurance Group, Inc to offer to APA franchisees insurance that meets our coverage requirements The cost of insurance set forth above is based on the annual premium currently being charged by Sihle Insurance Group, Inc to each franchisee who is participating in the insurance program The Insurance Program is discussed further in ITEM **8**, below

Note H APA recommends that you retain an attorney and/or accountant registered in the state where your franchise will be located to advise you on how to structure the ownership of your Franchised League, to advise you regarding compliance with any applicable laws or regulations, and to advise you regarding your tax obligations APA estimates that the initial costs for retaining these types of professionals is $1,200 00, however rates vary considerably between professionals and even geographic regions The amounts you pay to your attorney and/or accountant of choice will depend upon the specific rates charged by those professionals

Note I You will need additional funds to support ongoing expenses in operating your Franchised League (such as automotive expenses and telephone service) to the extent these costs are not covered by league revenue New businesses often generate negative

cash flow Most APA franchisees start operations with no salaried employees and work out of their homes to reduce their out-of-pocket expenses and need for working capital Therefore, our estimate of additional funds does not include wages or compensation for you or any employee, nor rent or cost of an office Initial operations will heavily involve calling and traveling to numerous potential Host Locations and organizations to develop interest in the Franchised League We estimate that the Additional Funds stated in the Table will be sufficient to cover your ongoing out-of-pocket expenses of the Franchised League (such as automotive expenses, telephone service, your business license, stationery and business cards, beyond the 1000 that are provided to you at Training Seminar I as one of the services paid for by your Initial Franchise Fee) for the start-up phase of your business, which we calculate to be 3 months This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during this start-up phase or after Typically, it takes 45 days to start active league play Revenue from this franchise depends entirely on developing and growing active league play -- no teams, no revenue, few teams, little revenue Development of the local league you operate will vary depending on factors such as your effort, your ability, the season, the size of your market and the competition you face Accordingly, your revenue from league activity could continue to be minimal well beyond the 3 month estimated start-up phase

Note J The estimate shown is for a franchised Territory with a population of between 400,000 people (or fewer) and 800,000 people Please note that a significant portion of your initial investment is the initial fee, which is based on the population within your Territory A franchisee with a larger Territory population will pay a larger initial fee as determined by the formula described in Note B (above) and in ITEM 5 For example If the Territory's population is 500,000 persons, the initial fee would be $11,000, resulting in an estimated Initial Investment in the range of $21,070 55 to 25,090 55 If the Territory's population is 800,000 persons, the initial investment would be $14,000, resulting in an estimated Initial Investment in the range of $24,070 55 to $28,090 55 We have relied on our 30 years of experience in pool league operations to compile these estimates However, you should review these figures carefully with a business advisor and/or investigate how much the expenses referenced in this Item will cost you based on the location where your franchise would be located, before making any decision to purchase the franchise

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Computer System

You must purchase a personal computer, printer and related equipment to run the Software Program and administer the Franchised League You are required to have Broadband Internet access We provide you a local league website and email address to use, currently free of charge Your computer, printer and related equipment must meet certain specifications in order to operate the Software Program We strongly recommend that you purchase a computer system capable of being upgraded to better meet your future needs Because of the rapid changes in computer technology, a computer meeting only the following requirements might not be suitable to operate future versions of the Software Program, functions that might become required for league operations, or other software that you might wish to use in your business The following describes the recommended specifications

Equipment	Recommended Specifications
Computer	Windows-Based Machine
Processor	Dual Core or higher
Monitor	LCD Monitor (1024 X 768 resolution)
Keyboard	Enhanced 101 keyboard
Hard Drive	120 Gigabytes or higher
RAM	4 Gigabyte or higher
Optical Drive	DVD-Burner
Operating System	Windows 7 or higher
Printer	HP Laser Jet or Inkjet
Broadband Internet Access	Required Must be high speed, DSL, Cable, or T1 Satellite Internet and Wireless not recommended/not supported
Internet Browser	Google Chrome
Electronic Mail Account	Required
Firewall and Anti-Virus Protection	Required
Accounting Software	Quick Books (recommended)
Scanner	Color, Letter or legal size scanning bed, 600 dpi (minimum)

A number of brands of personal computer systems meet the recommended specifications and are widely available at stores that sell personal computers and equipment We recommend Microsoft Windows 7, or higher as the operating system of your computer We do not currently sell or lease computer hardware or receive revenue from franchisee purchases of computer hardware, and do not expect to in the future We set our specifications based on the operating features and characteristics needed to run the Software Program and, in our judgment, for efficient operation of the local league and the System APA is responsible for the support of the Software Program but we recommend that you have locally available support for any other hardware/software issues that are not related to the Software Program You will need to purchase an HP Laser Jet or Inkjet printer and a color scanner There are several different versions of HP all-in-one printers that combine color printing with fax, scanning and photocopying functions We estimate your computer system will cost approximately $2,380 to $4,350 (about 17% to 43% of your total purchases, excluding your Initial Franchise Fee, in establishing your business)

You must have a local league telephone We recommend that part of your local league telephone system include a cell phone, preferably a smart phone with a data package You must have a telephone answering system - which may be your cell voicemail and/or a landline with an answering machine

Insurance Requirement

APA requires that you purchase and maintain, at all times during the franchise, insurance with such minimum standards, coverage and limits as we require in the Operations Manual Such requirements may be changed or increased by us We do not require that you purchase the required insurance from any particular source Through our broker, Sihle Insurance Group, Inc we have, however, made arrangements with American Specialty Insurance & Risk Services, Inc ("American Specialty") to offer insurance to APA franchisees that meets our coverage requirements (the "Insurance Program") The annual premium currently being charged by American Specialty to each franchisee participating in the Insurance Program is $469 55 You may participate in this Insurance Program if you choose The coverage, premium, and other terms and conditions on which American Specialty might offer insurance to APA franchisees might be changed by American Specialty We cannot promise that the Insurance Program will continue, that American Specialty will continue to offer insurance to franchisees, that insurance with the same coverage, premium, terms and conditions will be offered by American Specialty, or that we will be able to enter into a similar arrangement with any other insurance carrier to provide insurance to franchisees or to provide insurance with similar coverage, premiums, terms and conditions We estimate that the annual premium for insurance should be less than 5% of your total annual operating expenses, however your total expenses might vary substantially depending on a number of factors, including the size of the league you operate and the level of other expenses you choose to incur in operating the league APA does not receive any payment or rebate as a result
of franchisees purchasing insurance from American Specialty

Sponsorships

We might, from time to time, acquire international, national, or regional sponsors to sponsor league play, tournaments, events, and/or other aspects of the System A sponsor will typically authorize you to use its name and trademarks subject to restrictions that the sponsor might require as a condition to sponsorship For example, a sponsor might require that it be named the "title sponsor" of an event, that it have the right to reject other co-sponsors, that we and/or you to use the sponsor's product, or that it have the authority to prohibit us and you from using products of, or accepting sponsorship from, the sponsor's competitors You must abide by the sponsor's rules Such sponsorships might expire, terminate or change New sponsors might also be added Sponsors may add or change their rules We do not promise the continued sponsorship of any sponsor Current sponsors and rules are described in our Operations Manual and we will provide you with written updates if sponsors or their rules change Although you may solicit individuals or entities to be local sponsors of your local league play or events ("Local Sponsors"), we must approve of all proposed Local Sponsors and we have the right to reject any Local Sponsor who, in our judgment, would conflict with an international, national or regional sponsor or reflects negatively on our goodwill, trade names, service marks, trademarks, or league system Sponsorships are arranged by us with the Sponsor at no charge to our franchisees Franchisees are not required by any current Sponsorship Agreement to lease or purchase any product or service offered by a Sponsor However, Franchisees can, at their option, purchase pool cues and cue cases bearing the APA logo at wholesale prices from Cuestix, Inc , the supplier of the official cues and cases of APA and a sponsor of the Championship Tournaments APA's sponsorship agreement with Cuestix prohibits APA or any APA League Operator from ordering, purchasing, selling or distributing any cue or cue case with the APA logo other than those manufactured by Cuestix APA has named Billiard Exchange, Inc d/b/a PoolDawg ("PoolDawg") as an Official Sponsor of APA and the host and operator of the Official APA Online Store, the preferred outlet of APA Branded Billiards Products You are not required to purchase items from the PoolDawg website or the APA Online Store, however APA's licensing agreement with PoolDawg gives APA the right to approve of the prices assigned to APA Branded Billiards Products offered for sale by PoolDawg in order to ensure value to you and APA Members At this time, APA does not receive any revenue from a franchisee purchasing or leasing a

Sponsor's product or service beyond what revenue it receives when an APA Member purchases a Sponsor's product or service

Merchandise

Franchisees are not required to purchase or sell any league-related merchandise, such as wearing apparel, pool cues, cue cases and other items We do offer merchandise bearing APA's Marks and logos associated with APA for sale to Members and Franchisees We authorize suppliers to sell APA Merchandise provided they become an APA Licensed Vendor, meaning they have a written license from us and meet certain quality specifications The amount of royalties we receive from such arrangements, and the quality specifications required, depend on the nature of the merchandise Many franchisees find it desirable to market our league related merchandise because it promotes loyalty and league identity among Members Franchisees may purchase this merchandise for resale to Members in their local league or to be given away as incentives to the Members in their local leagues If you purchase APA merchandise from a vendor other than from an APA Licensed Vendor for the purpose of reselling that merchandise to the Members of your local league, you must pay a royalty to APA equal to five percent (5%) of the price you pay to purchase the APA Merchandise However, as stated above, pursuant to the terms of APA's sponsorship agreement with Cuestix, Inc , you may not order cue sticks or cue cases bearing the APA logo from any source other than Cuestix, Inc No royalties are due on any APA merchandise purchased for you to use as give-aways to the Members of your local league We might, in the future, offer programs to franchisees to promote the marketing of merchandise to members
During the year ending December 31, 2016, we received $51,673 04 in revenue from the sale of APA Merchandise, representing 0 31% of our total revenue of $16,550,283 for that year

You have no obligation to purchase or lease any items from designated sources We have no supply or distributor restrictions on any items or services discussed in this Item 8 except for cues and cases bearing the APA logo as stated earlier We do not provide any material benefits to you based on your use of designated or approved sources or your purchase of particular products or services There are no approved suppliers in which any of our officers own an interest

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Article/Section in Franchise Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Not applicable	Not applicable
(b) Pre-opening purchases and leases	Section 10 4	Item **8**
(c) Site development and other pre-opening requirements	No site obligations Other pre-opening obligations 9 1, 12 1, 13 1, 13 3 and 17 1	Items **6**, **7** and **11**
(d) Initial and ongoing training	Sections 9 1 and 9 2	Item **11**
(e) Opening	Not applicable	Not applicable

Obligation	Article/Section in Franchise Agreement	Disclosure Document Item
(f) Fees	Articles 5 and 6	Items **5** and **6**
(g) Compliance with standards and policies/ Operating Manual	Sections 1 2, 3 3, 3 4, 7 2, 10 1 – 10 5, 10 11, 11 3, 14 7, 14 8,	Item **11**
(h) Trademarks and proprietary information	Articles 10, 11 and 14, also Sections 6 4, 7 1 - 7 3	Items **13** and **14**
(i) Restrictions on products/services offered	Sections 4 4, 6 4, 7 1 - 7 3 and 7 6	Item **16**
(j) Warranty and customer service requirements	Sections 3 3, 8 1 and 20 2(b)(19)	Item **15**
(k) Territorial development and sales quotas	Sections 3 2, 4 2 - 4 3, 12 1, 20 2(a), and 20 2(b)(10)	Item **12**
(l) Ongoing product/service purchases	Sections 10 4 - 10 6, and 17 1	Item **8**
(m) Maintenance, appearance and remodeling requirements	No obligation	No obligation
(n) Insurance	Article 17	Items **7** and **8**
(o) Advertising	Article 12	Items **6** and **11**
(p) Indemnification	Sections 15 4 and 16 3	Item **6**
(q) Franchisee owner participation/management/staffing	Section 13 2	Item **15**
(r) Records/reports	Section 16 1, 24 3	Item **6**
(s) Inspections/audits	Section 16 2	Item **6**
(t) Transfer	Article 19	Item **17**
(u) Renewal	Article 18	Item **17**
(v) Post-termination obligations	Article 14 and 21	Item **17**
(w) Non-competition covenants	Article 14	Item **17**
(x) Dispute resolution	Article 23	Item **17**
(y) Owners/shareholders and their spouses guarantee franchisee's obligations	Section 13 3 and Exhibits F, G, and H	Item **15**

ITEM 10

FINANCING

We do not generally offer financing, at this time, nor do we guarantee any notes, leases or obligations In two cases, in 2016, APA sold territory that APA controlled as a result of the termination of a prior franchise agreement APA allowed the new franchisees to pay a portion of the amounts they owed to APA for the purchase of the territory in installments subject to the terms of promissory notes The decisions to allow these new franchisees to pay the purchase prices in installments were based on unique and extenuating circumstances specific to those transactions

In each of those instances, the new franchisees paid APA a down payment and issued APA a promissory note for the unpaid portion of the purchase price The principal amounts of the notes were $5,488 72 and $31,587 37 Both promissory notes required the new franchisees to pay

interest at a rate of 5 5%, 2% above the then prime lending rate (the latest of the two notes was signed on February 15, 2016) Per the promissory notes, the new franchisees have between forty-two (42) and seventy-eight (78) weeks to pay all amounts owed APA did not take a security interest in any property to secure either note

In addition, on February 22, 2016, APA lent money to a franchisee who, at that time, owned one franchise, but who borrowed money from APA to purchase a second franchise in anticipation of selling the first franchise The franchise being purchased was sold by the prior owner after personal issues unexpectedly rendered the prior owner unable to continue operating the franchise APA needed someone to step in and continue operating the franchise immediately, on short notice, and therefore took the extraordinary step of lending the purchaser money to use as a down payment on the second franchise in order to ensure the sale could be completed The purchasing franchisee gave APA a promissory note for the principal amount of $20,000 to be paid within 52 weeks, or upon the sale of the franchisee's initial franchise The interest rate on the note was 2% above the then prime lending rate of 3 5%, or 5 5% APA took a security interest in both of the franchisee's franchises
No one, other than the franchisees, guaranteed any of the notes referenced above, though if similar arrangements are made in the future with married franchisees, APA will require a franchisee's spouse to guaranty the note if the spouse is not a franchisee The notes allowed the franchisees to prepay the notes without penalty Per the terms of the notes, if the new franchisees default on a note APA has the right to accelerate his/her/their obligation to pay the entire amount due at the time of default, and the franchisees would be liable for any court costs or reasonable attorneys' fees incurred by APA in collecting on the debt

No agent or affiliate of APA offers direct or indirect financing, guarantees any notes, leases or obligations, has any practice or intent to sell, assign or discount to a third party all or part of any financing arrangement, or receives any direct or indirect payments or other consideration from any person for the placement of financing with a lender

ITEM 11

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

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

Pre-Opening Obligations

Before you open your business, we will provide the following assistance and services to you

(1) We will determine and assign your Territory (Franchise Agreement Section 3 1)

(2) We will provide you with training at Discovery Days and our Training Seminar I in the St Louis, Missouri metropolitan area, as described below (Franchise Agreement Section 9 1)

(3) We will supply to you at no charge a sufficient number of sales aides, such as posters, brochures and the like, based on the size of your Territory, and a reasonable estimate of the population in your Territory (Franchise Agreement Section 9 4)

(4) We will loan to you access to our confidential, proprietary Software Program, through which ***The Equalizer***® handicapping and scoring system is administered and which facilitates the record keeping, management, and operation of your Franchised League (Franchise Agreement Section 10 4)

(5) We will loan to you our confidential and proprietary Operations Manual describing all aspects of your Franchised League's operation, including mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by us, which you are obligated to follow under the Franchise Agreement (The Operations Manual's Table of Contents is shown as Exhibit L) We regularly update the Manual and have the right to change the requirements and specifications Updates to the Manual, and potentially, the Operations Manual itself, may be posted on our online, private, Resource Library or at another online location The Operations Manual will be loaned to you for your review before you purchase the franchise upon you signing a Confidentiality Agreement (Exhibit K) (Franchise Agreement Section 10 3)

(6) We will provide you with our proprietary Official Team Manual containing the structure, and rules for the conduct of league play and higher level tournaments (Franchise Agreement Sections 8 2 and 9 5)

Post-Opening Obligations

During your operation of the Franchised League, we will provide the following assistance and services to you

(1) We will continually provide you, as we deem appropriate, with advice and written materials to help you in the various phases of your operation of the Franchised League, including required and suggested management procedures, marketing techniques, methods for the efficient operation and administration of the league, and developments in our System and APA Marks (Franchise Agreement Section 9 3)

(2) We will continue to develop and update our Operations Manual and Official Team Manual as we deem necessary (Franchise Agreement Sections 8 2 and 10 3)

(3) We will provide membership reports and other membership information periodically or upon request (Franchise Agreement Section 9 5)

(4) We will provide membership programs and benefits, as we consider appropriate (Franchise Agreement Section 8 2)

(5) We will conduct, as we consider appropriate, championship tournaments, including, but not limited to an 8-Ball Team Championship Tournament, a 9-Ball Team Championship Tournament and a Singles Championship Tournament Each tournament's awards, entry fees, dates and location are set by us as each tournament is scheduled Currently we hold championship tournaments annually (Franchise Agreement Sections 8 2 and 9 5)

(6) We will continue to develop new promotional materials as we consider appropriate and will make these materials available to you (Franchise Agreement Section 9 4)

(7) We will provide support or maintenance of our Software Program, or obtain an authorized vendor to provide such services (Franchise Agreement Section 10 6)

(8) We will assist you with establishing a proper amount for your Weekly Team Fee by recommending an amount that we believe will be appropriate for your local market However, you are not required to follow our recommendation (Franchise Agreement Section 6 2),

(9) We will defend any suit or proceeding against you based on a claim that use of the Software Program, as specified in the Franchise Agreement, constitutes an infringement of a

U S patent or copyright or misappropriation of a trade secret (provided you give us prompt written notice of the claim and the authority, information and assistance needed for the defense or resolution of the claim) and will replace, modify or procure the right to continue using the Software Program if a final, non-appealable judgment is entered that use of the Software Program constitutes an infringement or misappropriation (Franchise Agreement Section 10 7)

(10) We will defend you against any claim by a third party based upon your use of the APA Marks, provided the claim does not arise out of your unauthorized use or misuse of the APA Marks (Franchise Agreement Section 11 6)

(11) We will notify you if we receive notice from a taxing authority that any taxes are due on amounts you collect on our behalf (Franchise Agreement Section 6 6(a))

(12) We will indemnify you against any third party claims made against you arising solely out of conduct that is adjudged to be wrongful or a breach of your franchise agreement (Franchise Agreement Section 15 3(b))

(13) If you die, we will, upon request, appoint an interim Manager for your league at our expense for 90 days (and thereafter upon payment of our reasonable fees and expenses) (Franchise Agreement Section 16 3)

Our Training Program

Training for new League Operators is in five parts (1) Discovery Day and Pre-Training, (2) Training Seminar I, a comprehensive training program over 6 days at our headquarters facility that you must successfully complete prior to opening your pool league business, (3) Field Training, in-market training where our representative will work with you in developing your marketing strategy, making sales presentations, and effectively organizing your office, (4) mandatory Webinar Series, which is a series of webinars on league-specific topics, and (5) Training Seminar II, follow-up training held at our headquarters facility approximately 6 months after you began league operations The following table summarizes the training you will receive

TRAINING PROGRAM			
(Column 1) Subject	(Column 2) Hours of Classroom Training	(Column 3) Hours of On-the-Job Training	(Column 4) Location
Pre-Training at Discovery Day	18	0	Lake Saint Louis, MO
Training Seminar I			
APA Programs, and Franchised League Operation	11 5	0	Lake Saint Louis, MO
League Administration, Scorekeeping/Handicapping, and Using the Software Program	14	0	Lake Saint Louis, MO
Accounting, and Reporting	3 5	0	Lake Saint Louis, MO

TRAINING PROGRAM			
(Column 1) Subject	(Column 2) Hours of Classroom Training	(Column 3) Hours of On-the-Job Training	(Column 4) Location
Sales and Marketing	17 5	0	Lake Saint Louis, MO
Field Training			
In-Market Sales and Marketing, Office Organization	0	21	Franchised Location
Webinar Series			
Training Webinar Series	0	8	Franchised Location
Training Seminar II			
Follow-up Training League Administration, Sales and Marketing	16	0	Lake Saint Louis, MO

Pre-Training at Discovery Day

Before you are approved to become a new franchisee, you (or your owners, if you are a partnership, corporation or limited liability company) must attend Discovery Day and Pre-Training During Discovery Day and Pre-Training you will receive some initial training on topics including, but not limited to, this Agreement, operations, customer service, setting goals and priorities, and relationship management You will also participate in an interactive demonstration of league match play

Training Seminar I

Prior to the opening of your Franchised League, you (or your managing owner if you are a corporation, limited liability company or partnership) must attend and complete, to our satisfaction, Training Seminar ***I***, the initial training program for new franchisees If your spouse will be active in operating the Franchised League, your spouse may attend training We do not charge you or your spouse (or your managing owner or such owner's spouse if you are a corporation, limited liability company or partnership) for this Training Seminar ***I*** if you both attend prior to opening your Franchised League A non-refundable $500 deposit, which will be applied to your Initial Franchise Fee, is required before Training Seminar ***I*** You are responsible for the costs of attending Training Seminar ***I***, including costs associated with transportation, lodging, meals and wages If any other person attends Training Seminar ***I*** or if your spouse attends Training Seminar ***I*** after you have begun operating your Franchised League, you must pay our then current fee for each attendee Additionally, new management personnel of the Franchised League you operate may, at our option, be required to attend Training Seminar ***I*** If so, you must pay APA's then current fee for that management personnel's training We also offer additional training seminars, as we consider appropriate, at which your attendance is optional unless we otherwise require it You will be responsible for the costs of attending any additional training seminar, including any charges by APA These training seminars will be at such times and places as we might designate (Franchise Agreement Section 9 1)

Training Seminar *I* is approximately 6 days in duration, consisting of classroom instruction and hands-on training with our Software Program The instructional materials used at training include our Operations Manual, the Nexus Basic Training Manual, and a workbook covering the topics of classroom instruction and related handouts We require you to sign your Franchise Agreement before you can complete Training Seminar *I* Training Seminar *I* is held on an as-needed basis (generally, at least six times a year) at our headquarters facility in Lake Saint Louis, Missouri

Field Training

Within the first 2 to 8 weeks after you begin operations, an APA training representative will arrange to visit you in your Territory Field Training is normally conducted over a 3 day period Field Training is focused on helping you plan your strategy for developing league activity within your Territory, and make effective sales calls at potential Host Locations within your Territory The APA training representative will also assist with effective organization of your office and the implementation of administration procedures as needed We do not charge you for Field Training We pay all travel-related costs of the APA training representative to provide Field Training to you at your location

Webinar Series

The Webinar Series will begin around two weeks after Training Seminar *I* The Webinar Series is a weekly series of webinars that will address different aspects of operating your Franchised League There is no cost to you to attend the Webinar Series Attendance is mandatory Dates for, and information on, the Webinar Series will be provided during Training Seminar *I*

Training Seminar II

About 6 months following the opening of your Franchised League, you (or your managing owner if you are a corporation, limited liability company or partnership) must attend, and complete to our satisfaction, a follow-up training program referred to as Training Seminar *II* Training Seminar *II* consists of 4 additional days of training We do not charge you or your spouse (or your managing owner or such owner's spouse if you are a corporation, limited liability company or partnership) for Training Seminar *II* if you both attend the same training session, however, you are responsible for the costs of transportation, lodging, meals and wages you incur to attend Training Seminar II If any other person attends Training Seminar *II*, or if your spouse separately attends a different session of Training Seminar *II*, you must pay our then current fee for each such additional person or your spouse The training program is held on an as-needed basis, generally, at least 4-5 times a year, at our headquarters facility in Lake Saint Louis, Missouri

Our Training Instructors

Traci Tufts Traci Tufts is APA's Director of Learning and Performance Ms Tufts will participate in, and oversee, the training of new APA franchisees during Training Seminars I and II Ms Tufts has a Bachelor's Degree in Special Education and was certified as a Certified Franchise Executive after completing the multi-year franchise executive certification program offered by the International Franchise Association Ms Tufts has over 18 years of experience with APA in training new League Operators and in working in league operation and administration, including proper player handicapping

Laura Hitz Laura Hitz is APA's Learning Manager Ms Hitz coordinates and implements training for new APA Franchisees during Training Seminar 1 Ms Hitz has a Bachelor's Degree in Education and is certified as a Certified Franchise Executive after completing the multi-year franchise executive certification program offered by the International Franchise Association Ms Hitz has over 25 years of experience with APA and over 7 years of experience training new League

Operators and working in league operation and administration, including proper player handicapping

Other Training Staff Ms Tufts will be assisted in Training Seminars I and II by approximately 10 other APA staff members each with at least 5 years prior educational or on-the-job work experience in the specific subject matters on which they provide training The staff members who assist in training are numerous and may change based on their availability Typically the APA staff that will assist Ms Tufts includes Reneé Lyle, and Pam Aston whose experience with APA is summarized in ITEM 1

Marc Lancaster Marc Lancaster handles the Field Training of new League Operators and other League Operators as designated Mr Lancaster has been an APA Franchisee of the Raleigh, Durham, Chapel Hill APA since 2003 and a partner in APA Memphis since 2010 He has been nominated for League Operator of the Year 8 times, earned a Growth Achievement award 6 times, and been a President's Club Award recipient and has earned multiple Administrative and Helping Hands Awards

Training of League Employees

Occasionally, League Operators choose, or are required, to have employees attend all, or a portion of, our Training Program Any training provided by us to any of your employees will be limited to training or guiding the employees regarding our System and the delivery of services to our Members in a manner that reflects our System Standards You are, and will remain, the sole employer of your employees during all training programs, and you are solely responsible for all employment decisions and actions related to your employees If you decide to employ an individual, or individuals, to assist you in operating the League, you must ensure that your employees receive adequate training

Advertising Program

We have engaged in national advertising at our cost, as we consider appropriate, but are not obligated to do so and are not currently doing so Franchisees are expected to market their Franchised League in their Territory You may use brochures and materials we provide you You may also develop and use your own advertising materials under the rules described in our Operations Manual, including the rules regarding proper use of the APA Marks and limitations set by Sponsors for use of their trademarks and name Generally, your own advertising may be conducted only within your Territory

We do not currently have an advertising fund or program for participation by franchisees We might, however, offer a program to franchisees for advertising on a national, regional or local basis If we do so, we will propose an advertising plan to franchisees within a geographic area (Franchise Agreement Section 12 2) A proposed plan might include print, radio or television advertising developed by our in-house marketing department or a national or regional advertising agency, as stated in any plan Any plan will be funded by franchisees within the plan's area and will specify a uniform formula for determining the contribution of these franchisees The proposed plan will state any compensation we, or any affiliate, will receive for goods or services provided under the plan

Any advertising plan we might propose will go into effect only if approved by a two-thirds vote of the franchisees within the plan's geographic area If you are within the area covered by the plan, and are in a Regular or Renewal Term, you will be assessed for a portion of the cost of the advertising program based on the cost allocation formula of the approved plan In voting on approval of any submitted advertising plan, the number of votes each franchisee may cast depends on the population of the franchisee's Territory A franchisee with a Territory of less than 200,000

in total population is entitled to one (1) vote, a franchisee with a Territory of between 200,000 and 499,999 in total population is entitled to two (2) votes, and a franchisee with a Territory of over 500,000 in total population is entitled to three (3) votes

We would have the sole authority to administer and manage the advertising program and any advertising funds collected under that program We are not obligated to administer the fund or make expenditures for you which are equivalent or proportionate to your contribution, or to ensure that you benefit directly or according to your proportion of money given (pro rata) from the placement of advertising We would only be obligated to spend the funds in accordance with the approved plan If you are assessed under such an advertising plan, you may obtain an unaudited financial statement of the advertising fund upon request We are not obligated to audit this fund You would also be permitted to review our financial books and records concerning administration of the advertising fund upon reasonable notice We do not currently have an advertising council of franchisees or an advertising cooperative We will not use any franchisee funded advertising program to promote the sale of new franchises

Computer Software and System

You must use our proprietary Software Program, to manage the Franchised League under our System The Software Program may be further developed, enhanced and modified to continue to meet the developments and needs of our System Your obligation to use our then current version of the Software Program (which currently includes our software application Nexus and our tournament administration software, TMS) during the Term and to pay an annual Software Support and Maintenance Fee after your initial 12 months of operation is described in Note 5 to ITEM **6** of this Disclosure The annual Software Support and Maintenance Fee is currently $242 Among other things, you will use the Software Program to deliver electronic data to us regarding play and players in your League The Software Program does not otherwise allow us to independently access other information on your computer Also, as described in ITEM **7**, you must obtain a computer system (computer hardware, printer, operating software and related equipment) necessary to operate the Software Program in accordance with our System requirements A computer system meeting our current specifications should cost between $2,380 and $4,600 Our System requirements might change because of the addition of new or expanded functionality to our Software Program In such event you might be required to upgrade your computer system to meet the new System requirements We have agreed to consider the cost of any new System requirements in an attempt to keep the cost to you reasonable, however, other than our agreement to consider the cost, there is no obligation to limit the costs to a specific amount or percentage increase With respect to use of electronic media, including the internet, there are no separate restrictions with respect to its use Actions that you are permitted to take under your Franchise Agreement with us may be taken by using electronic media if you deem it appropriate

Start Up of Your League

Typically it takes 30-60 days after signing the Franchise Agreement to start league play, and you must start play within 90 days The time that it will take you to begin league operations will depend on the effort you put into marketing participation in your league among potential players and Host Locations, the degree of interest in pool playing in your market and existing competition

ITEM 12

TERRITORY

You will be assigned a specific Territory, usually delineated by county lines, but potentially delineated by other types of boundaries such as constructed improvements like public roads, which

you and APA believe you will be capable of servicing We will provide you with a map of your Territory and include the map as part of your Franchise Agreement. Unless APA otherwise agrees, you (or your managing owner, if you are a corporation, limited liability company or partnership) must permanently reside in the Territory (or in the Territory assigned to you under any other franchise agreement between you and APA) Your office may be anywhere within the Territory

APA will not operate any "APA owned" pool leagues within your Territory, although we promote amateur pool playing and solicit members for our association of pool players, throughout the nation Further, we presently intend to own and operate only one "APA owned" local pool league on a continual, long-term basis, specifically the St. Louis APA We might operate your franchise on your death or disability pending transfer If the Franchise Agreement is terminated or expires, we might operate the franchise until it can be transferred Neither we, nor any affiliate, operate a franchise, or have any plans to operate, or franchise, any pool league using any other trademark.

The assigned Territory will be exclusive, and we will not license any other person to operate a pool league using our trademarks within your Territory, **except** as follows

1 The Territory granted to you is subject to any pre-existing Out of Area Agreement ("OAA") that allows a neighboring League Operator the right to develop and operate teams within one or more Host Locations or geographic area in the Territory If the Territory granted to you is subject to an OAA and the grant occurs during a League Year, APA has the authority, in its sole judgment and discretion, to decide that the teams being operated by the neighboring League Operator within the Territory will continue to play in the neighboring League Operator's league until the conclusion of the Spring Session and the neighboring League Operator's World Qualifier, and not be transferred to you until the start of the next League Year Any applicable OAA will be disclosed to you in the Addendum to the Franchise Agreement

2 We may solicit, enter agreements with, or develop programs for, national or regional organizations (such as the American Legion, Knights of Columbus, regional or national employers, a union, a chain of national or regional bowling centers, etc) to organize and operate league play, tournaments or other events involving an organization's members through such an organization's local chapters, locations, or units under a "National Account Program" The terms of the Program developed with one National Account may vary considerably from the Program developed for another National Account We seek to develop National Account Programs that enhance the APA brand and foster interest in APA pool play Typically, a National Account Program will be aimed at creating an opportunity for you, our local League Operator, to gain new or additional business from the activities of the National Account's chapters or outlets in your local market What role and compensation may be available to you, if any, from any National Account Program, will depend on the specific terms of a given National Account Program A National Account Program with, for example, the American Legion, could result in a competing amateur pool league organized and managed by a local American Legion Post within your Territory A National Account Program may permit the national or regional organization and its local outlets to use our trademarks

If a National Account has chapters or outlets within your Territory, the National Account Program may allow you the opportunity to earn compensation from APA-related league play, tournaments, and events that you service, or for management or administration that you provide for the National Account's locations within your franchised Territory If a National Account has chapters or outlets in your Territory, you must maintain good relations with and be responsive to the National Account and its local outlets and staff You are to support and promote the National Account's APA-related activities at National Account chapters, locations and outlets within the Territory You must also honor and comply with the terms and conditions of a National Account Program and our guidelines for carrying out the program If you do not service the National Account locations within your Territory, or if your performance or relationship with the National Account is unsatisfactory in our

judgment, APA may have such services performed by others, including the staff of APA, another APA franchisee, or the National Account

APA-related pool play conducted under a National Account Program might be promoted using trade names or trademarks identified with a particular regional or national association through which pool playing is organized and publicized Otherwise, we have not established, nor do we plan to establish, any pool league or other organized competitive pool playing (either franchised or directly owned), within your Territory under any different trademarks

3 The continuation of your rights in the Territory granted by your Franchise Agreement, depends upon you satisfying certain obligations

a Conditional Term Obligations Your initial Franchise Agreement with APA, will be for a two-year Conditional Term During this Conditional Term you must promptly begin marketing the Franchised League to potential players and locations for league play throughout your Territory in accordance with our guidelines League play in your Franchised League may be established in our standard 5-8 person team 8-Ball League and 9-Ball League formats during the Conditional Term You may not use other formats for league play during the Conditional Term, without our approval League play must begin within 90 days after the Franchise Agreement becomes effective Prior to the expiration of the Conditional Term, you must satisfy a Team Count Growth Requirement as set forth in your Franchise Agreement ("Team Count Growth Requirement") If at the end of the Conditional Term, you have not fully satisfied the Team Count Growth Requirement, the Franchise Agreement expires and your rights in the Territory granted thereunder terminate To satisfy the Team Count Growth Requirement, you must have a specific number of Standard Format Teams participating in regular league play prior to the end of the Conditional Term The term "Standard Format Teams" means teams of 5 to 8 players playing our standard weekly 5-match 8-Ball or 9-Ball team formats for a full session schedule of ten (10) or more weeks and paying the standard weekly team fees established by you for the Franchised League Teams playing for free or at a discounted promotional weekly team fee will not be counted as Standard Format Teams Additionally, your the number of Standard Format Teams participating in your Franchised League must equal or exceed one-half of the Team Count Growth Requirement stated in the Addendum by the end of one (1) year after the Effective Date of the Franchise Agreement (the "Interim Team Count Growth Requirement") If you do not satisfy the Interim Team Count Growth Requirement, APA will have the right to terminate the Agreement If you do not meet the Team Count Growth Requirement by the end of the Conditional Term, or are not otherwise in compliance with this Agreement, the Agreement will automatically expire Further, to satisfy the Conditional Term Obligations you must make all player membership and royalty payments when due to APA and comply with all other terms and conditions of the Franchise Agreement If you default on these obligations during the Conditional Term, APA may, at its sole option, terminate your Franchise Agreement or alter the boundaries of your Territory to reduce the size of your Territory

We have no obligation to extend the Conditional Term when the term expires, and if we do extend it, in our discretion, we may set any requirements or conditions we believe appropriate, including a reduction of your Territory Further, you must pay APA a $250 administration fee at the time of any extension of the Conditional Term

b Obligation to Continuously and Actively Market Your League The continuation of your rights in the Territory granted by your Franchise Agreement depends upon you actively recruiting new players/members, soliciting new Host Locations for league play and marketing pool playing in your Territory in accordance with our guidelines If you do not actively and continuously market your APA league, the size of your league might become

stagnate and the number of potential pool players who have the opportunity to play under our unique System may be reduced If your market shows limited, or no, growth in teams participating, or if the number of teams participating declines, we may require you to follow certain guidelines to increase the number of teams participating and to ensure that you are actively marketing APA league play If you do not actively and continuously market your local league, your Franchise Agreement may be terminated or, at our sole option, the scope of your Territory may be reduced

c ***Obligation to Maintain 70% of Highest Team Participation*** If the number of teams participating in your league during any session other than a Summer Session falls below 70% of the highest number of teams you have had participating in the Franchised League at any time during your ownership of the Franchised League, we may, at our sole option, terminate your Franchise Agreement or reduce the scope of your Territory by eliminating portions of your Territory that we believe you are not adequately serving For the purpose of determining satisfaction of this obligation, team count is equal to the number of Standard Format Teams participating in our standard 8-Ball and 9-Ball 5-match format. If your League's team count falls below 70%, this default may only be cured by building additional Standard Format Teams that participate in our standard 8-Ball and 9-Ball 5-match format

You may not solicit or conduct league play outside of your assigned Territory (subject to a very limited exception involving contiguous territory and the consent of the franchisee of that territory) If you do so without our consent, and the consent of your neighboring League Operator, if any, we may require that you pay reparations to any neighboring franchisee whose Territory was affected by your activities outside of your assigned Territory (or to APA, if the territory is not assigned), and we may terminate your Franchise Agreement You may apply for a franchise covering additional, available territory in your vicinity and we may grant you the right to operate in that Territory, in our discretion, but you have no right or option to acquire any additional territory Your rights to your Territory are unaffected by increases in that Territory's population

ITEM 13

TRADEMARKS

In the Franchise Agreement, we grant you the non-exclusive right to use APA Marks or current and future trademarks, service marks, trade names, slogans, and logos authorized by us or by a sponsor (collectively "Marks") in promoting and operating your Franchised League The primary APA Marks are

Mark	Registration Status	Reg No
APA and hand-cue-ball design	Registered - 1/31/95 Principal Register, U S Patent and Trademark Office	Reg No 1,877,079
THE EQUALIZER®	Registered - 1/23/96 Principal Register, U S Patent and Trademark Office	Reg No 1,950,550
APA AMERICAN POOLPLAYERS ASSOCIATION and hand-cue-ball design	Registered - 8/8/95 Principal Register, U S Patent and Trademark Office	Reg No 1,910,580
APA Pool League and pool table design	Registered – 10/24/00 Principal Register, U S Patent and Trademark Office	Reg No 2,397,675

Mark	Registration Status	Reg No
EVERYONE CAN PLAY ANYONE CAN WIN	Registered - 7/11/00 Principal Register, U S Patent and Trademark Office	Reg No 2,366,503
US AMATEUR CHAMPIONSHIP and pool table design	Registered - 1/21/03 Principal Register, U S Patent and Trademark Office	Reg No 2,677,634
HAVE FUN MEET PEOPLE PLAY POOL	Registered - 3/23/04 Principal Register, U S Patent and Trademark Office	Reg No 2,825,309

We own and claim trademark rights over several other related APA Marks These other APA Marks are described in our Operations Manual and you may also use them in your Franchised League as authorized in the Franchise Agreement and the Operations Manual We have no "intent to use" applications on file with the U S Patent and Trademark Office We presently plan to make all required filings to maintain the registrations (i e , affidavits of use/renewals) on all federally registered primary APA Marks that are in active use at the time such filings are due

In addition, through sponsorship agreements we have, or might have in the future (directly or through an affiliate) with other companies or organizations, franchisees might have the right, and potentially, the obligation, to use certain Marks in their franchised local league operations

Any agreement or relationship with a sponsor might terminate or not be renewed, and the names under which our local leagues are operated might change from time to time We do not promise or guarantee that any sponsorship will continue in the future, or that we will replace any previous sponsor with a new sponsorship agreement If a sponsorship agreement terminates, you must discontinue use of the Sponsor's Marks, if any You agree to this risk in signing the Franchise Agreement Other than the Franchise Agreement, there are no agreements currently in effect, which significantly limit our rights to use, or license the use of, the Marks in a manner material to you

You must comply with our rules, including rules required by sponsors, relating to your use the authorized Marks Our rules are described in the Operations Manual We may add, change or discontinue Marks or the rules that apply to your use of the Marks, at any time, in our discretion, and we will provide you written updates advising you of the changes You must comply with such changes You may use the Marks, as authorized by our rules, in conducting and promoting your local league You must use, and prominently display, the Marks on business materials and in the manner we designate You may not use any other mark, trade name, symbol, or logo in your business other than the Marks we designate from time to time We will supply, or make available, business and promotional materials using the authorized Marks Sponsors might also need to agree to your use of Marks covered by a sponsorship agreement You may not change or modify the Marks in any way

We grant you the right to create your own materials and merchandise that include the Marks for your use solely in connection with your Franchised League and to purchase such materials from either a vendor that we have authorized, or from a third party supplier of your choice that is reasonably acceptable to us This right does not apply to a Sponsor's Marks Although we do not have to pre-approve such materials or merchandise that you create, if you purchase them from a third party supplier you must send us samples for our review, and you must discontinue use of such materials or merchandise if we object to them You will owe us a royalty on the purchase price of materials and merchandise that are purchased from suppliers other than one of those approved by APA, if you purchase the materials for the purpose of resale

You cannot use the Marks as part of a corporate name You must obtain such fictitious or assumed business name registrations as we might require You must identify yourself as the owner of the Franchised League on all checks, invoices, receipts, contracts and other documents that bear any of the Marks, and on all such materials your name must be followed by the phrase "An independent franchisee of American Poolplayers Association, Inc " or such other phrase as we might direct from time to time You may not use the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us You must use the Marks as depicted by us Except for your right to purchase goods from a third party supplier as described above, you may not use or authorize anyone to use the Marks on any merchandise unless we give you prior written permission

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeals Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the Marks

You must immediately notify us of any information that you acquire concerning any use by others of names or marks which are the same as, or confusingly similar to, any of our Marks We will evaluate the situation and take action if we believe it is appropriate, in our discretion We are not obligated by the Franchise Agreement to take action You may not take such action on your own You must also immediately notify us of any claim or challenge to your use of any of our Marks We will defend you against any such claim or challenge (provided the claim does not arise out of your unauthorized use or misuse of a Mark) We have the sole right to defend or settle the claim as we see fit, and you may not defend or settle the case on your own

You do not own the Marks Your usage of the Marks and any goodwill you establish is for our exclusive benefit You must modify or discontinue the use of a Mark if we modify or discontinue it If we require you to modify or discontinue use of a Mark, we might reimburse you for your tangible costs of compliance (for example, changing signs), but, we will not be liable, and will not reimburse you, for any loss of business, profits, costs, expenses, or actual, special, consequential or reliance damages You may not dispute our ownership, title, right or interest in our name or Marks, trade secrets, methods, procedures and advertising techniques which are part of our business, or contest our sole right to register, use or license others to use such names and Marks, trade secrets, methods, procedures and techniques You must stop using the Marks immediately if your franchise is terminated

There are no infringing uses actually known to us that could materially affect your use of the Marks or other commercial symbols in any state in which a franchise business is to be located

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise We claim copyright protection in our Operations Manual, Official Team Manual, the Software Program, and other business and promotional materials The Official Team Manual has been registered with the Registrar of Copyrights The other materials have not been registered All of these materials are considered proprietary, confidential and our property and may be used by you only as provided in the Franchise Agreement and our Operations Manual There are no currently effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials There are no agreements in effect which significantly limit our right to use or license APA's confidential, proprietary and copyrighted materials

We do not actually know of any infringement that could materially affect your use of the copyrighted materials in any state You must immediately notify us of any infringement of, or challenge to, our copyrighted materials We have the sole right and discretion to take whatever action we think appropriate, and we may bring, defend or settle any claim We are not required by the Franchise Agreement to protect or defend copyrights You may not assert any infringement claim on your own If we decide to modify or discontinue the use of any manual or other material for any reason, you must also do so, and we will have no obligation to reimburse you for any cost of complying with this obligation other than to reimburse you for the delivery cost of returning the manual to us We will not, under any circumstances, reimburse you, or be liable to you, for any lost business, lost profits, actual, special, consequential or reliance damages, and costs and expenses (except as specifically stated above) that result from any infringement, claim, or the change or discontinuance of any material

We will disclose to you certain confidential and proprietary information, all of which we consider to be our trade secrets ("Proprietary Information"), to help you operate your local league Our Proprietary Information includes our manuals, software programs, scoring and handicapping system, membership lists, and our methods, procedures, standards, plans, and know-how for operating and promoting the league and conducting league play You must keep our Proprietary Information confidential and may not disclose it or make it available to any other person The Proprietary Information belongs to us and you may not keep it or use it after the expiration or termination of your franchise You may not use the information for any other purpose or benefit other than operating the Franchised League

You may not contest, at any time, our ownership, title, right or interest in our copyrights and Proprietary Information nor our sole right to register, use or license others to use such copyrights and Proprietary Information

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you are an individual, you must be the manager of your local league, responsible for the day-to-day activities of the local league (the "Manager") If you are a husband and wife, one or both spouses must be designated as the Manager(s) If you are a partnership, one general partner must be designated as the Manager If you are a corporation or limited liability company, the majority owner must be designated the Manager, unless the ownership is divided so that no one owns more than 50% of the stock or interest, in which case one of the two largest owners must be designated as the Manager(s)

The Manager must personally manage the franchised business and assure compliance with the Franchise Agreement and our high standards The Manager's responsibilities include, without limitation, organizing and administering league play and the business, growing the Franchised League, maintaining player scores and handicaps, assuring fees are collected and all amounts due are timely and completely paid, records are maintained, and soliciting and maintaining relations with Members, teams and Host Locations Because Members, Sponsors and Host Locations are so important to the success of APA and the System, and therefore to your local league, you must maintain good relations with Members, Sponsors and Host Locations Your obligations include accurately keeping, and reporting, the results of league play and player handicaps and enforcing the rules of play set by APA

The Manager may not delegate any of their authority or obligations under the Franchise Agreement unless we give prior written consent to the delegation of management functions to another person We are not required to give our consent In our sole discretion we may refuse consent or give

consent pursuant to conditions we believe appropriate Generally, you must successfully complete the Conditional Term of the franchise and have at least 100 teams regularly participating in local league play before we will consider consenting

The Manager must permanently reside within the assigned Territory at all times (or within a Territory assigned under another franchise agreement between you and APA) You (your owners, officers, directors, supervisory employees, agents and their respective spouses, and your Manager and his or her spouse, cannot have any ownership interest in, be employed by, or be affiliated in any capacity with, any of our competitors (although you may own less than 5% of any publicly held company regardless of whether it is a competitor) The Manager must successfully complete our training program

If you are a corporation, limited liability company or partnership, each shareholder, member or partner must personally guaranty your obligations under the Franchise Agreement and be bound by and personally liable for breach of all provisions of the Franchise Agreement, including the provisions on confidentiality and non-competition Your spouse, if you are an individual, and the spouses of your shareholders, members or partners, if you are a corporation, limited liability company or partnership, must also guaranty your obligations under, and be bound by the provisions of, the Franchise Agreement No partnership, limited liability company or corporation owning a franchise may engage in any business other than that granted by the Franchise Agreement

ITEM 16

RESTRICTIONS ON WHAT YOU MAY SELL

League play must be conducted under our System, including our designated formats for league play and our scoring and handicapping system You may only use our basic 5-8 person team 8-Ball and 9-Ball formats during the Conditional Term of the franchise We may add, change or discontinue required or authorized formats in our sole discretion Additionally, all players participating in league play must be Members of APA and pay an annual membership fee, which may be submitted to you and which, in such circumstances, you are responsible for collecting and submitting to us Furthermore, under sponsorship agreements we have, or might enter into, a sponsor might be designated as the "title sponsor" of league play, tournaments or other events or an official "product sponsor" of our leagues These sponsorship agreements might restrict you from using products or equipment of the sponsor's competitors or receiving local sponsorship from a competitor of the sponsor

You may not own, operate or manage a bar, pool room or other Host Location within your Territory without APA's prior written approval Some people might think that there is a natural fit or "synergy" between owning an APA pool league and owning a pool room or bar with pool tables History has time and time again proven this to be incorrect There are two major reasons why we prohibit a League Operator's ownership or management of a location (1) Running a bar or pool room takes up an incredible amount of time that is better spent building teams and building relationships with your Host Locations, and (2) when you own or operate a bar or pool room, you and your APA League will be perceived by Host Locations in your area as a competitor rather than as a no-cost benefit to their business You will be perceived as favoring your bar or pool room over other locations, or as favoring the teams that play out of your location, no matter how "fair" you think you're being

You have no obligation to purchase or lease any items from designated sources other than the Software Program listed in ITEM **8** We do from time to time offer league-related products bearing APA logos or Marks, to Members and others You may purchase these products for resale to our

Members playing in the local league you operate Such products include, for example, t-shirts, caps, clothing, pool cues and accessories, and novelty items You are not required to purchase any such products as a condition to continuation of the Franchise Agreement Subject to payment of a royalty on your purchase price and compliance with the Operations Manual, you may purchase and sell merchandise that bears APA Marks in connection with the operation of your franchise You may not otherwise make or sell any merchandise that bears APA Marks, or a sponsor's marks, unless they are received from APA, a sponsor or an APA licensed supplier (from whom APA may receive a royalty)

You may not promote any non-APA business or enterprise to our Members and may not solicit, market or sell to Members any goods or services that are not directly related to your APA franchise, without our written permission

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or other Agreement	Summary
a Length of the franchise term	Article 4	Two year Conditional Term Your franchise extends for an additional 5 year Regular Term only if you meet certain requirements during the Conditional Term
b Renewal or Extension	Articles 4 and 18	In addition to the extension noted in the Summary of Item 17(a), 10-year renewals are granted if you meet certain requirements
c Requirements for franchise to renew or extend	Article 18	"Renewal" means extension of the term of your franchise upon execution by you and us of the then current form of Franchise Agreement Renewal requires written notice from you at least 6 months (but no sooner than 9 months) before term expiration, certification of compliance with all obligations under Franchise Agreement, execution of the then current form of Franchise Agreement, compliance with then current qualifications and training requirements, execution of a release Our then current franchise agreement at time of renewal may have materially different terms and conditions than the Franchise Agreement being renewed

Provision	Section in Franchise or other Agreement	Summary
d Termination by franchisee	Section 20 1	During Conditional Term by giving 60 days written notice During regular term, by giving 120 days written notice No reason or justification is required
e Termination by franchisor without cause	Not Applicable	We may not terminate you without cause
f Termination by franchisor with cause	Section 20 2	We can terminate for listed defaults or reasons and for failing to meet growth requirements
g "Cause" defined – curable defaults	Section 20 2	The Franchise Agreement does not define "cause" but your Franchise Agreement can be terminated if you do not cure certain defaults You must immediately cure any improper activities you engage in outside your Territory You have 10 days to cure non-payment of amounts due us, the first understatement of amounts due us and the first failure within a consecutive 24-month period to submit membership fees and applications You have 90 days to cure a failure to maintain 70% team participation You have 24 hours to cure the giving of a no account or insufficient funds If you default under any other agreement with APA, you have the time to cure (if any) allowed in such agreement You have 30 days to cure any failure to obtain confidentiality and non-competition agreements from persons that later join your business and to cure all other defaults (except non-curable defaults summarized in 17 h below)
h "Cause" Defined – non curable defaults	Section 20 2	Your Franchise Agreement can be terminated if you commit the following non-curable defaults material misrepresentations or omissions in application, abandonment of franchise, repeated defaults even if cured, trademark misuse, unauthorized use or disclosure of confidential information, unapproved transfers, insolvency, bankruptcy, assignment for benefit of creditors, receivership, failure to satisfy judgment, failure to properly use player funds, criminal misconduct or fraud, failure to comply with non-competition obligations, failure to comply with conditional term

Provision	Section in Franchise or other Agreement	Summary
		obligations, failure to provide customer service within standards (subject to your receipt of a prior customer service default), failure to properly apply or enforce the APA handicapping system (subject to your receipt of a prior handicapping default)
i Franchisee's obligations on termination/ non-renewal	Articles 14 and 21	Cease operating franchised business, cease use of Proprietary Information and Marks and return all manuals, software and materials to us, delete electronic copies of all manuals, software or materials in your possession or control, provide us with all membership and player performance records, revoke assumed or fictitious name registration, transfer telephone numbers, websites and social media accounts associated with the Franchised League, complete de-identification, pay outstanding amounts to us, deliver control of Players Funds, cooperate with APA to affect the termination, comply with non-competition, confidentiality and all continuing obligations
j Assignment of contract by franchisor	Section 19 1	No restriction on our right to assign
k. "Transfer" by franchisee-defined	Section 19 2 - 19 3	Includes any transfer of the Franchise Agreement or assets, any encumbrance of the franchise, any change in control or ownership
l Franchisor approval of transfer by franchisee	Section 19 2 - 19 5	We must approve all transfers of an ownership interest in the franchise This includes, without limitation, a sale or transfer of your Franchised League, a portion of your Territory, or an ownership interest (such as stock or a partnership interest) if your franchise is held by an entity

Provision	Section in Franchise or other Agreement	Summary
m Conditions for franchisor approval of transfer	Section 19 4 - 19 5	Provide APA with written notice of the proposed transfer, and its terms, full compliance with all obligations, including payments owed us, proposed transferee applies, qualifies and is approved to be a franchisee by us, payment of transfer fee, sign general releases, demonstrate that the full balance of the Players Fund will be transferred to the transferee, escrow deposit (if we require), new franchisee successfully completes training, new franchisee signs then current Franchise Agreement, compliance with all ownership restrictions and, as applicable, partners, shareholders and spouses guaranty obligations and are bound
n Franchisor's right of first refusal to acquire franchisee's business	Not applicable	
o Franchisor's option to purchase franchisees business	Not applicable	
p Death or disability of franchisee	Section 19 6	Family member may apply for franchise, but must meet our conditions and be approved Franchise must be transferred to an approved buyer under regular transfer rules within 90 days (or 180 days if interim manager is requested) We might temporarily operate your franchise on your death or disability or pending a transfer
q Non-competition covenants during the term of the franchise	Section 14 3	No involvement in any competing business anywhere (but may own less than 5% of a publicly held company) Binding on all franchisees, their spouses, their owners (proprietor, partners, members, and shareholders) and the owners' spouses, the manager and managerial and supervisory employees
r Non-competition covenants after the franchise is terminated or expires	Section 14 4	No involvement for 2 years in any pool league within your assigned Territory and any adjacent county, or with a national or regional licensor or operator of pool leagues (but may own less than 5% of a publicly held company) Binding on all franchisees, their spouses, their owners (proprietor, partners, members, and shareholders) and the owners' spouses, the

Provision	Section in Franchise or other Agreement	Summary
		manager and managerial and supervisory employees
s Modification of agreement	Section 22 2 and 24 7	No unwritten modifications generally, but Operations Manual subject to change
t Integration/merger clause	Section 24 7	Only the terms of the franchise agreement are binding (subject to state law) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable
u Dispute resolution by arbitration or mediation	Article 23	Three step process of (1) negotiation, (2) non-binding mediation in the St Louis, Missouri metropolitan area under AAA rules and (3) binding arbitration in St. Louis, Missouri metropolitan area, under AAA or IFA rules
v Choice of forum	Section 23 9	Mediation, arbitration and any permitted litigation must be in St. Louis, Missouri metropolitan area (subject to state law)
w Choice of law	Section 23 8	U S Arbitration Act exclusively applies to arbitration provision, and Missouri law applies to all other provisions (unless prohibited by laws of state where your franchise is located)

ITEM 18

PUBLIC FIGURES

We do not currently use a public figure in the name or symbol of the franchise nor to endorse or recommend the franchise to prospective franchisees, and as such, we do not provide any compensation or benefit to a public figure for doing so No public figures are involved in the actual management or control of the APA

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document Financial performance information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet you are considering buying, or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Reneé Lyle, President, American Poolplayers Association, Inc, 1000 Lake Saint Louis Boulevard, Suite 325, Lake Saint Louis, Missouri 63367, (636) 625-8611, the Federal Trade Commission, and the appropriate state regulatory agencies

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No 1

Systemwide Outlet Summary
For years 2014-2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	291	294	+3
	2015	294	299	+5
	2016	299	299	0
Company Owned	2014	8	9	+1
	2015	9	6	-3
	2016	6	5	-1
Total Outlets	2014	299	303	+4
	2015	303	305	+3
	2016	305	304	-2

Table No 2

Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For years 2014 to 2016

State+	Year	Number of Transfers
AL	2014	2
	2015	0
	2016	0

State+	Year	Number of Transfers
AR	2014	0
	2015	1[1]
	2016	1
CO	2014	0
	2015	2
	2016	0
FL	2014	4
	2015	3
	2016	2
GA	2014	1
	2015	0
	2016	3[5]
IL	2014	2
	2015	2[1]
	2016	3[6]
IN	2014	1
	2015	1
	2016	3
KS	2014	1
	2015	1
	2016	0
KY	2014	0
	2015	0
	2016	1
LA	2014	0
	2015	1
	2016	1

State[+]	Year	Number of Transfers
MA	2014	0
	2015	1[2]
	2016	0
MI	2014	2
	2015	0
	2016	1
MN	2014	1
	2015	0
	2016	0
MO	2014	0
	2015	3[13]
	2016	1
NC	2014	1
	2015	2
	2016	2[7]
NE	2014	1
	2015	2
	2016	0
NH	2014	0
	2015	0
	2016	1[8]
NJ	2014	1
	2015	0
	2016	0
NY	2014	1
	2015	1

State+	Year	Number of Transfers
	2016	1
OH	2014	1
	2015	0
	2016	5[9]
OK	2014	1
	2015	0
	2016	1
OR	2014	1
	2015	1
	2016	1
PA	2014	1
	2015	1
	2016	1
SD	2014	1
	2015	0
	2016	0
TN	2014	0
	2015	0
	2016	1[10]
TX	2014	2
	2015	3
	2016	3
VA	2014	0
	2015	1[4]
	2016	1
Total	2014	25
	2015	30

State+	Year	Number of Transfers
	2016	33

+No applicable transfers occurred during 2014-2016 in states not listed in this chart
[1] These numbers reflect the following transaction prior franchisees owned territory that included portions of AR, IL and MO During 2015, the prior franchisees sold their Arkansas territory and their Missouri territory to one new franchisee, sold the Illinois territory to a second new franchisee
[2] Existing franchisee in state of MA transferred a portion of territory to a new franchisee
[3] Included in this number is a transfer in which an existing franchisee in the state of MO transferred a portion of territory to a new franchisee
[4] Existing franchisee in state of VA transferred a portion of territory to a new franchisee
[5] Included in this number is one corporate-owned outlet that was sold to a new franchisee in the state of GA
[6] Included in this number is a transfer in which an existing franchisee in the state of IL transferred a portions of territory to two separate new franchisees
[7] Included in this number is a transfer in which an existing franchisee in the state of NC transferred a portion of territory to a new franchisee
[8] Existing franchisee in the state of NH transferred a portion of territory to a new franchisee
[9] Included in this number is a transfer in which an existing franchisee in the state of OH transferred a portion of territory to a new franchisee
[10] Existing franchisee in the state of TN transferred a portion of territory to a new franchisee

Table No 3

Status of Franchise Outlets
For years 2014-2016

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
AK	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
AL	2014	5	1	0	0	1	0	5
	2015	5	0	0	0	0	0	5
	2016	5	0	0	0	0	0	5
AZ	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
AR	2014	5	0	0	0	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2015	5	0	0	0	0	0	5
	2016	5	0	0	0	0	0	5
CA	2014	16	3	1	0	0	0	18
	2015	18	0	0	0	0	0	18
	2016	18	0	0	0	0	1	16
CO	2014	8	0	0	0	0	1	7
	2015	7	0	0	0	0	0	7
	2016	7	0	1	0	0	0	6
CT	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
DE	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
DC	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
FL	2014	21	0	0	0	0	0	21
	2015	21	0	0	0	0	0	21
	2016	21	0	0	0	0	0	21
GA	2014	11	0	0	0	0	1	10
	2015	10	0	1	0	1	0	9
	2016	9	1	0	0	0	0	10
HI	2014	2	0	0	0	1	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
ID	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
IL	2014	22	1	0	0	0	0	23
	2015	23	0	0	0	0	0	23
	2016	23	2	1	0	1	0	24
IN	2014	11	2	0	0	0	1	12
	2015	12	0	0	0	0	0	12
	2016	12	0	0	0	0	0	12
IA	2014	3	0	1	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
KS	2014	4	0	0	0	0	0	4
	2015	4	0	1	0	0	0	3
	2016	3	0	0	0	0	0	3
KY	2014	5	0	0	0	0	0	5
	2015	5	0	0	0	0	0	5
	2016	5	0	0	0	0	0	5
LA	2014	7	0	0	0	0	1	6
	2015	6	0	0	0	0	0	6
	2016	6	0	0	0	0	0	6
ME	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
MD	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2016	2	0	0	0	0	0	2
MA	2014	5	0	0	0	0	0	5
	2015	5	0	0	0	0	0	4[1]
	2016	4[1]	0	0	0	0	0	4[1]
MI	2014	10	0	0	0	1	0	9
	2015	9	0	0	0	0	0	9
	2016	9	0	0	0	0	0	8[2]
MN	2014	2	1	0	0	0	0	3
	2015	3	1	1	0	0	0	3
	2016	3	0	0	0	0	0	3
MS	2014	3	0	0	0	0	0	3
	2015	3	1	0	0	0	0	4
	2016	4	0	0	0	0	0	4
MO	2014	9	0	0	0	0	0	9
	2015	9	2	0	0	0	0	11
	2016	11	0	0	0	0	0	11
MT	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
NE	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
NV	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
NH	2014	3	0	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
NJ	2014	9	1	0	0	0	0	10
	2015	10	0	0	0	0	0	10
	2016	10	0	0	0	0	1	9
NM	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
NY	2014	14	0	0	0	0	0	14
	2015	14	0	0	0	0	0	14
	2016	14	0	0	0	0	0	14
NC	2014	7	0	0	0	0	0	7
	2015	7	1	0	0	0	0	8
	2016	8	2	0	0	0	0	10
OH	2014	11	3	1	0	1	0	12
	2015	12	0	0	0	0	0	12
	2016	12	1	0	0	0	0	12
OK	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
OR	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
PA	2014	16	0	0	0	0	0	16
	2015	16	1	1	0	1	0	16
	2016	16	0	0	0	0	0	16

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
PR	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
RI	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
SC	2014	6	0	0	0	0	0	6
	2015	6	0	0	0	0	0	6
	2016	6	0	0	0	0	0	6
SD	2014	1	1	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
TN	2014	5	0	0	0	0	0	5
	2015	5	0	0	0	0	0	5
	2016	5	2	0	0	0	0	7
TX	2014	25	4	1	0	1	0	27
	2015	27	1	0	0	0	0	28
	2016	28	0	0	0	0	1	27
UT	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
VT	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
VA	2014	8	0	0	0	0	1	7
	2015	7	1	0	0	0	0	8

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2016	8	0	0	0	0	0	8
WA	2014	4	1	0	0	0	0	5
	2015	5	0	0	0	0	0	5
	2016	5	0	0	0	0	0	5
WI	2014	2	0	1	0	0	0	1
	2015	1	1	0	0	0	0	2
	2016	2	0	0	0	0	0	2
WV	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
WY	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Total	2014	291	18	5	0	5	5	294
	2015	294	9	5	0	3	0	298
	2016	299	8	2	0	1	3	299

[1] – The difference between the number of outlets in MA at the start of 2015 and at the end of 2015 is the result of a prior franchisee selling his two franchises to a new franchisee who combined them into a single franchise Therefore the number of franchises decreased by one even though no franchise was terminated, closed, reacquired or not renewed
[2] – Existing franchisee in Michigan owned two separate franchises and opted to combine both franchises into one

The actual number of Franchisees as of the date of this disclosure document is 262 The number of franchises, in each state, as shown in the Franchise Status Summary table, totals more than 262 because some franchisees operate more than one franchise Numbers for 2014 are as of December 31, 2014, numbers for 2015 are as of December 31, 2015 and numbers for 2016 are as of December 31, 2016

Exhibit O lists the names, addresses and telephone numbers of our current franchisees (Part I) and those former franchisees that left our system during the past year (Part II) In the case of a corporation, the manager actually operating the local pool league (together with home telephone) is listed with the franchise business address in Part I If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system

Table No 4

Status of Company-Owned Outlets
For years 2014-2016

State+	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
AL	2014	0	0	1	0	0	1
	2015	1	0	0	1	0	0
	2016	0	0	0	0	0	0
CA	2014	0	0	0	0	0	0
	2015	0	0	1	1	0	0
	2016	0	0	0	0	0	0
FL	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	1	0	0	1
GA	2014	0	0	0	0	0	0
	2015	0	0	1	0	0	1
	2016	1	0	0	0	0	1
HI	2014	0	0	1	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	1	0	0
IL	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	1	0	0	1
KS	2014	1	0	0	1	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
MI	2014	0	0	1	0	0	1
	2015	1	0	0	0	0	1

State+	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
	2016	1	0	0	0	0	1
MO	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
NC	2014	1	0	0	0	0	1
	2015	1	0	0	0	1	0
	2016	0	0	0	0	0	0
OH	2014	2	0	1	0	2	1
	2015	1	0	0	1	0	0
	2016	0	0	0	0	0	0
PA	2014	0	0	0	0	0	0
	2015	0	0	1	0	0	1
	2016	1	0	0	0	1	0
TX	2014	1	0	1	0	0	2
	2015	2	0	0	0	1	1
	2016	1	0	0	1	0	0
WA	2014	1	0	0	0	1	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
WY	2014	1	0	0	0	0	1
	2015	1	0	0	0	1	0
	2016	0	0	0	0	0	0
Totals	2014	8	0	5	0	4	9
	2015	9	0	3	3	3	6
	2016	6	0	1	2	2	5

+ No applicable transfers occurred during 2014-2016 in states not listed in this chart

Table No 5

Projected New Franchised Outlets
As of December 31, 2016

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Arizona	0	1	0
California	0	1	0
North Carolina	0	1	0
Texas	0	3	0
Wisconsin	0	1	0
Totals	0	7	0

We estimate that we will grant approximately 7 franchises nationwide during the one (1) year period following the date of this disclosure document Because we do not target any particular states or regions and because franchise inquiries are received randomly, we cannot predict the placement of future franchises by state

All current and former franchisees have signed provisions restricting their ability to speak openly about their experiences with the System with respect to the confidential and proprietary aspects of our System (such as the workings of ***The Equalizer***® Handicapping System) You may wish to speak with current and former franchisees, but be aware that such franchisees will not be able to communicate all information about us with you

Franchisee Organizations

The League Operators Advisory Board ("LOAB") is a franchisee organization created, sponsored and endorsed by APA The LOAB is an advisory board of League Operators Each League Operator on the LOAB represents and is elected by a geographic region of the franchisee network LOAB meets periodically with APA's management team to review plans and discuss mutual problems and concerns The purpose of the LOAB is to promote candid and open communication between the Franchisee network and APA management We also strive to make all Franchisees an integral part of our strategic planning for growth and development of the APA System Finally, the LOAB can be instrumental in addressing and resolving concerns of general interest before they develop into major issues The LOAB serves in an advisory capacity and does not have the authority to directly modify APA policies APA management, however, heavily weighs the recommendations of the LOAB when formulating plans, programs and policies that affect the entire network The League Operators currently serving on LOAB is as follows

League Operators Advisory Board (LOAB)				
Region	League Operator	Term Ends	Telephone No	Email
Great Lakes	Jim Cavender	Fall 2017	517-416-0745	jlcapa@yahoo com
Mid Atlantic	Walter Jarrett	Fall 2019	610-703-7065	apabluemtn@yahoo com
Mid South	Preston Granger	Fall 2018	337-407-2267	lgranger@apaleagues com

Midwest	Meghan Howell	Fall 2019	563-320-4527	quadcitiesapa@ apaleagues com
Mountain	Kevin Leivonen	Fall 2018	303-862-0466	northerncolorado@ apaleagues com
Northeast	Ryan McAleer	Fall 2019	845-883-5557	rmcaleer@ hudsonvalleyapa com
Southeast	Matt Miley	Fall 2019	850-450-4610	westfloridaapa@gmail com
Western	Taz Brooker	Fall 2017	805-388-2036	Taz@SouthCoastAPA com
Canada	Gord Fessenden	Fall 2018	226-218-4555	guelphcpa@rogers com

You can contact the League Operator member of the LOAB that represents the region where your Territory is situated, as well as any other members of the Board, at the above telephone numbers and email addresses

The following independent franchisee organization has asked to be included in this disclosure document Some of our franchisees are members of F O A, Inc, an independent franchisee association incorporated as a not-for-profit corporation under the laws of the State of Missouri You may contact this association through its president

Jim Cavender, President
6103 Brooklyn Rd
Jackson, MI 49201
Telephone 517-416-0745
Email jlcapa@yahoo com

ITEM 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit N are our audited fiscal year-end financial statements for 2016, 2015, 2014

ITEM 22

CONTRACTS

The following contracts are attached to this disclosure document in the following order

Exhibit	*Document*
C	Franchise Agreement
D	State Addendum (if applicable)
E	APA Addendum
F	Franchisee Ownership Schedule
G	Guaranty & Assumption Agreement of Franchisee's Owners/Spouses
H	Confidentiality and Non-Competition Agreement
I	Software License Agreement
J	Authorization Agreement for Direct Payments
K	Confidentiality Agreement
M	Franchisee Release upon Renewal or Transfer

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this disclosure document are attached as Exhibit Q Please return one copy to us and retain the other for your records

List of State Agencies

CALIFORNIA

California Corporations Commissioner
Department of Business Oversight
One Sansome Street, Suite 600
San Francisco, CA 94104
(415) 972-8559

FLORIDA

Florida Department of Agriculture
& Consumer Services
PO Office Box 6700
Tallahassee, FL 32314-6700
(850) 488-2221

HAWAII

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

ILLINOIS

Office of the Attorney General
State of Illinois
500 South Second Street
Springfield, IL 62706
(217) 782-1090

INDIANA

Securities Commissioner
Securities Division
302 West Washington Street, Room E111
Indianapolis, IN 46204
(317) 232-6681

MARYLAND

Office of the Attorney General
Securities Division
200 Saint Paul Place
Baltimore, MD 21202-2020
(410) 576-7039

MICHIGAN

Department of Attorney General
Consumer Protection Division
PO Box 30213
Lansing, MI 48909
(877) 765-8388

MINNESOTA

Commerce Analyst Supervisor
Minnesota Department of Commerce
133 East 7th Street
St Paul, MN 55101
(651) 296-6328

NEW YORK

New York Division of Economic Justice
Investor Protection Bureau
120 Broadway, 23rd Floor
New York, NY 10271
(212) 416-8236

NORTH DAKOTA

Securities Department
State Capitol - 5th Floor
600 East Boulevard
Bismarck, ND 58505-0510
(701) 328-2910

RHODE ISLAND

Senior Securities Examiner
Department of Business Regulation
SECURITIES DIVISION
1511 Pontiac Avenue
John O Pastore Complex – Building 69-1
Cranston, RI 02920
(401) 462-9500

SOUTH DAKOTA

SD Department of Labor and Regulation
Division of Securities
124 S Euclid, Suite 104
Pierre, SD 57501
(605) 773-4823

TEXAS

Statutory Document Section
1019 Brazos Street
Austin, TX 78701
(512) 475-0775

VIRGINIA

Division of Securities and Retail Franchising
1300 East Main St 9th Floor
Richmond, VA 23219
(804) 371-9206

WASHINGTON

Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501
(360) 902-8760

WISCONSIN

Securities Examiner
Office of the Commissioner of Securities
345 W Washington Avenue, 4th Floor
Madison, WI 53703
(608) 266-1064

Agents for Service of Process

CALIFORNIA

Department of Business Oversight
One Sansome Street, Suite 600
San Francisco, CA 94104

FLORIDA

CT Corporation
1200 South Pine Island Road
Plantation, FL 33324

HAWAII

Department of Commerce and Consumer Affairs
Business Registration Division
Commissioner of Securities
King Kalakaua Building
335 Merchant Street, Room 205
Honolulu, HI 96813

ILLINOIS

Office of the Attorney General
State of Illinois
500 South Second Street
Springfield, IL 62706

INDIANA

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, IN 46204

MARYLAND

Maryland Securities Commissioner
Division of Securities
200 St Paul Place
Baltimore, MD 21202-2020

MICHIGAN

Department of Attorney General
Consumer Protection Division
PO Box 30213
Lansing, MI 48909

MINNESOTA

Minnesota Department of Commerce
133 East 7th Street
St Paul, MN 55101

NEW YORK

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

NORTH DAKOTA

North Dakota Securities Commissioner
600 East Boulevard, 5th Floor
Bismarck, ND 58505-0510

RHODE ISLAND

Department of Business Regulation
SECURITIES DIVISION
1511 Pontiac Avenue
John O Pastore Complex – Building 69-1
Cranston, RI 02920

SOUTH DAKOTA

SD Department of Labor and Regulation
Division of Securities
124 S Euclid, Suite 104
Pierre, SD 57501

TEXAS

CT Corporation
1999 Bryan Street
Suite 900
Dallas, TX 75201

VIRGINIA

Clerk of the State Corporation Commission
1300 East Main Street, 9th Floor
Richmond, VA 23219

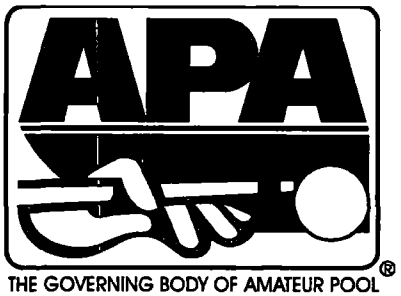
WASHINGTON

Director of Dept of Financial Institutions
Securities Division
150 Israel Rd SW
Tumwater, WA 98501

WISCONSIN

Commissioner of Securities
Franchise Investment Division
345 W Washington Avenue, 4th Floor
Madison, WI 53703

EXHIBIT C



AMERICAN POOLPLAYERS ASSOCIATION, INC.

FRANCHISE AGREEMENT

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D	State Addendum (if applicable)
E	APA Addendum
F	Franchisee Ownership Schedule
G	Guaranty & Assumption Agreement of Franchisee's Owners/Spouses
H	Confidentiality and Non-Competition Agreement
I	Software License Agreement
J	Authorization Agreement for Direct Payments

AMERICAN POOLPLAYERS ASSOCIATION, INC

FRANCHISE AGREEMENT

This Franchise Agreement is entered into between the AMERICAN POOLPLAYERS ASSOCIATION, INC, a Missouri corporation (referred to as "we", "us" or "APA"), and _____, a _____ (referred to as "you" or "franchisee") and is effective the date designated by you and APA herein upon it being accepted and signed by APA (the "Effective Date") If no effective date is designated herein, the Effective Date shall be the day that APA accepts and signs this Agreement. An "Index of Defined Words and Phrases" is included as Section 24 11 of this Agreement.

The box with the "X" below indicates that the description to the right of the "X" is applicable to this Agreement. You must initial next to the X. If no box contains a "X," or if it is not clear which box has been marked with an "X," then you and us will agree that the box describing the Agreement as a Conditional Term Franchise Agreement is applicable	
	This is a Conditional Term Franchise Agreement between us and you with a Term more fully described in this Agreement and in the Addendum to this Agreement.
	This is Initial Regular Term Franchise Agreement between us and you with a Term more fully described in this Agreement and in the Addendum to this Agreement.
	This is a Successor Regular Term Franchise Agreement between us and you with a Term more fully described in this Agreement and in the Addendum to this Agreement.

ARTICLE 1
ACKNOWLEDGMENTS

1 1 Development of System In signing this Franchise Agreement (the "Agreement"), you acknowledge that APA, through substantial effort, experience and expense, has developed a quality, uniform system for establishing, operating and developing local amateur pool leagues (the "System") You acknowledge that the distinguishing characteristics of the System include (a) APA's uniform standards, specifications, policies, procedures, guidelines, rules, and methods for league operation, management, marketing and promotion, including those set forth in the Operations Manual (as that term is defined below) (collectively, the "System Standards"), (b) our proprietary software programs and/or application(s) for management of your franchise and pool league operations (the "Software Program"), (c) ***The Equalizer***® scoring and handicapping system that allows players of all abilities to compete, (d) our national championship tournaments, (e) the Training Programs described in Article 9 below, and (f) on-going assistance In addition, the System is identified by certain trademarks, service marks, trade names, logos, emblems, slogans and indicia of ownership, including our American Poolplayers Association and APA marks, as are designated now or in the future by APA for use with the System (the "Marks")

1 2 Review of Document You acknowledge that you (a) have read this Agreement and APA's Franchise Disclosure Document, (b) have conducted your own independent review, analysis and investigation of this business opportunity and have made your own decision to make

this investment, (c) understand your investment in the APA franchise involves business risk, (d) accept the terms and conditions of this Agreement as reasonable and necessary to maintain the uniform, high standards of APA's System and to protect and preserve the goodwill of the Marks, (e) recognize that, like any other business, the nature of the System may evolve and change over time, and (f) understand and agree to all of the terms and conditions of this Agreement. You acknowledge that APA (including our officers, employees, agents and representatives) has not made any claims, statements, estimates or representations of earnings, sales, profits or the prospects or chances of success, and that you are not relying on any representation or information of earnings, sales, profits or the prospects or chances of success in making this investment.

1 3 Rights Created Under Agreement You further acknowledge that the rights and duties created by this Agreement are personal to you and your owners, and that APA's determination to grant this franchise is in reliance, in part, on the individual and collective character, skill, aptitude, business ability and financial capacity of you and your owners, and entrance into, and completion of, the documents attached as Exhibits to this Agreement The phrase "your owners" as used in this Agreement means you and your spouse (if you are an individual or sole proprietorship or if you and your spouse own the Franchised League jointly) and means your general and limited partners, shareholders or members and their spouses (if you are a partnership, corporation or limited liability company) You acknowledge that all statements made and all materials submitted to us by you and your owners in connection with your application for and purchase of this franchise are accurate and complete and that you and your owners have disclosed all material information Should we accept and sign this Agreement, we will do so in reliance on the representations of you and your owners in applying for the franchise, as well as the acknowledgments made by you in this Agreement, and your agreement to actively operate and manage this franchise in accordance with the terms and conditions of this Agreement

ARTICLE 2
GRANT OF FRANCHISE AND LICENSE

2 1 Franchise Granted Upon APA accepting and signing this Agreement, APA grants you and you accept the right and license to establish and operate an APA local amateur pool league business (the "Franchised League") under APA's System and Marks, as they may be further developed or changed from time to time, within your assigned Territory upon the terms and conditions of this Agreement. This Agreement becomes effective only if and when it is accepted and signed by APA Any changes or modifications to this Agreement, if required by the laws of your State, are set forth in the State Addendum to this Agreement (Exhibit D)

ARTICLE 3
TERRITORY

3 1 Your Territory The franchise granted to you is to operate the Franchised League only within a specified geographic territory (the "Territory") Your Territory is identified in the APA Addendum (Exhibit E) to this Agreement. APA will not operate any APA-owned amateur pool league or grant a franchise or license to operate a local amateur pool league to any other person within your Territory while this Agreement is in effect, except as provided in Sections 3 3 and 3 5

3 2 Coverage of Territory You acknowledge to APA that you have made an independent investigation of your Territory, that you believe the Territory presents opportunity for development of pool league play, and that you are capable of fully and effectively serving the Territory You understand your income is derived from developing and increasing active league play in your Territory and, therefore, the success of the Franchised League is largely dependent on your efforts in promoting and marketing league play and maintaining player satisfaction with your management of the Franchised League throughout your Territory You acknowledge that APA's approval or selection of the Territory or any information provided by APA regarding the Territory is not a representation or warranty by APA, expressed or implied, of the suitability or prospects of the Territory for successful development of an APA pool league You agree to fully serve your Territory by active and continuous marketing and management of play in the Franchised League throughout your Territory

3 3 National Accounts APA has the right to solicit, license, enter agreements with, or develop programs for national or regional organizations, employers, or chains ("National Accounts") to conduct APA league or tournament play or other APA events through various chapters, locations or outlets of the organization or chain, as we consider appropriate and beneficial to our overall franchised pool league System (a "National Account Program") National Accounts may include, without limitation, a union, fraternal or service organization (like the VFW, American Legion, or Moose Lodge), bowling centers or other multi-location employers or businesses (like Brunswick) Programs agreed or developed with different National Accounts may vary considerably You acknowledge that APA has a unique relationship with and a strong protectable interest in its National Accounts, and interference with APA's relationship with any National Account could irreparably harm APA and our network of franchised leagues

You agree to abide by, be subject to, and not dispute, APA's Agreement or Program with a National Account, including without limitation, complying with such terms, conditions, restrictions and requirements as the National Account Program may provide or APA may specify, from time to time, to carry out the National Account Program You recognize that National Account chapters, locations and outlets within the Territory conducting activities under a National Account Program may limit your rights in the Territory

A National Account Program might allow you the opportunity to earn compensation from APA-related league play, tournaments, and events that you service or for management or administration that you provide for the National Account's locations within your franchised Territory You agree to maintain good relations with and to be responsive to our National Accounts and their local representatives, and that you will not do anything that would be damaging to APA's relationship with any National Account. You agree to support and promote the National Account's APA-related activities at National Account chapters, locations and outlets within the Territory If you do not service the National Account locations within your Territory or if your performance or relationship with the National Account is unsatisfactory, in our judgment, APA may, at its option, have such services performed by others, including without limitation, the staff of APA, another APA franchisee, or the National Account

You acknowledge that any National Account Agreement or Program may expire, terminate or change, with little or no prior notice to you Loss of a National Account may result in loss of business from chapters, outlets and locations of the National Account within your Territory You acknowledge that APA does not promise or guarantee continuation of any National Account

Program, that APA is not obligated to enter, develop or continue any National Account Program, and that you accept the risk of loss associated with the potential loss of any National Account Program You agree APA will not be liable for any damages, loss, cost or expense of any kind relating to any National Account Program or APA-related activities of any National Account chapters, outlets or locations within the Territory, or relating to the loss, termination, expiration, or change of any National Account Program (or any related trademarks or marketing materials), including actual, special, consequential, incidental or reliance damages You acknowledge that you are not relying on the continuation of any National Account Program in purchasing an APA franchise Loss of any National Account Program will not excuse you from performing your obligations under this Agreement

3 4 Marketing, Other League Activity and Local APA Specialty Tournaments Outside of Territory Prohibited Except in Limited Circumstances You may not directly solicit prospective players or establish host locations or conduct league play outside the boundaries of your Territory regardless of whether the area outside of your Territory is the territory of another APA franchisee or is unassigned territory, except on the following conditions

(a) If the contiguous area is unassigned territory (i e an area not within the territory of another franchisee), you must obtain the prior written approval of APA in an "Out of Area Agreement" APA may withhold approval in its discretion If it grants approval, it may do so on such conditions, limitations, and terms as APA considers appropriate

(b) If the contiguous area is within the territory of another franchisee, you must reach a written "Out of Area Agreement" with the neighboring franchisee, and obtain APA's prior written approval of the Out of Area Agreement APA may withhold approval in its discretion If it grants approval, it may do so on such conditions, limitations, and terms as APA considers appropriate

(c) Your right to solicit players or conduct league play in an area contiguous with, and outside of your Territory, shall terminate immediately (i) in an assigned or unassigned contiguous area if you or your owners Transfer (as that term is defined in Section 19 2(b) below) an Interest in this franchise (except for assignment to a wholly-owned corporation or limited liability company as provided in Section 19 8 hereof) or this Agreement expires or is terminated, (ii) in an unassigned contiguous area, if the territory containing your out of area activity becomes assigned to another franchisee, or (iii) in an assigned territory, the other franchisee transfers their franchise (except for assignment to a wholly-owned corporation or limited liability company as provided in Section 19 8 hereof) or their franchise agreement expires or is terminated

In addition, if you conduct any activities in violation of this section, you agree to (a) turn over any league activity developed outside of your Territory to the APA franchisee who serves or is assigned that area as their territory, or to APA if the area has not been assigned to another franchisee, and (b) pay all basic weekly fees (after royalties) received from activity outside of your Territory to the APA franchisee serving that area or to APA if the area has not been assigned to another franchisee

You may not (a) conduct any local APA specialty tournament in or solicit players for such tournament from any assigned territory without the prior written consent of APA, and the APA franchisee servicing that territory or (b) conduct any local APA specialty tournament in or solicit players for such tournament from any unassigned territory without the prior written permission of APA APA recognizes that media advertising may incidentally reach outside your Territory because radio, television and newspaper media in your Territory may have a somewhat wider broadcast or circulation area, and your use of such normal channels of media advertising serving your Territory will not violate this provision, provided your advertising is targeted to players within and not outside your Territory

3 5 Territory Subject to Pre Existing Out of Area Agreement The Territory granted to you is subject to any pre-existing Out of Area Agreement allowing a neighboring franchisee the right to develop and operate teams within one or more host locations or geographic area If the Territory is granted to you during an ongoing League Year, the teams being operated by the neighboring franchisee within the Territory might continue to play in the neighboring franchisee's league until the teams finish the League Year in which you sign the Agreement and might not be transferred to you until the start of the next Summer Session, in APA's judgment and discretion Further, any such teams qualifying for the neighboring franchisee's Local Team Championship Tournament may be allowed to participate in the neighboring franchisee's World Qualifier even after they have begun playing in your Franchised League Any Out of Area Agreement applicable to the Territory granted to you will be disclosed to you in the Addendum to the Franchise Agreement.

3 6 No Right or Option to Expand Territory or Acquire Another Territory If any area outside your Territory has not been assigned to any other APA franchisee, you may apply for a franchise to serve that area You have no right or option, however, to purchase a franchise covering another territory and APA may deny your application for a franchise over another territory in its discretion for any reason APA generally believes it is best for a franchisee to concentrate on fully developing their assigned Territory, rather than possibly being spread too thin by also trying to cover additional territory Further, APA does not believe it is desirable to subdivide a potential territory that could be assigned to and developed by another franchisee If you wish to apply for a franchise over another territory, you must comply with APA's then current requirements and procedures for obtaining a new franchise (including signing APA's then current franchise agreement and paying the required franchise fee for that territory) and be accepted by APA, in its sole discretion, for the new franchise

ARTICLE 4
TERM

4 1 Term of Your Franchise Agreement The "Term" of this Agreement is the length of time this Agreement will be in effect if it is not earlier terminated by us or you, as provided in the Agreement Unless indicated otherwise in the Addendum and/or in this Agreement, the Term of this Agreement is identified on page 1 of this Agreement and the Addendum to this Agreement. This Agreement may be for (a) a Conditional Term of two (2) years, subject to the terms and conditions of Section 4 2 if it is a Conditional Term Franchise Agreement, (b) a Regular Term of up to five (5) years, if it is Initial Regular Term Franchise Agreement or (c) a Regular Term of ten (10) years if it is a Successor Regular Franchise Agreement entered into as a result of a timely renewal of a previously existing Initial or Successor Regular Term Agreement (hereinafter the phrase "Regular

Term" refers to the terms both Initial Regular Term Franchise Agreements and Successor Regular Term Franchise Agreements Section 4 2 does not apply to an Initial Regular Term Franchise Agreement or a Successor Regular Term Franchise Agreement.

4 2 The Conditional Term If this is identified as a Conditional Term Franchise Agreement on page 1 and in the Addendum, the franchise is granted to you for an initial term of two (2) years, or whatever period of time is specified in the Addendum (the "Conditional Term") from the Effective Date stated on page 1 of this Agreement In addition to the other terms and conditions of this Agreement, the following terms are applicable to a Conditional Term Franchise Agreement

a Obligation to Begin Marketing and Start APA League Play Upon APA granting this franchise by accepting and signing this Agreement, you must promptly begin marketing the Franchised League to potential players and host locations throughout your Territory in accordance with the System If your Territory does not have existing APA League play, you must begin APA League play within ninety (90) days after this franchise is granted

b Team Count Requirements Prior to the expiration of the Conditional Term, you must satisfy a Team Count Growth Requirement To satisfy the Team Count Growth Requirement, you must have a specific number of Standard Format Teams (as defined in subsection c below) participating in regular league play prior to the end of the Conditional Term (the number of Standard Format Teams you have participating in regular league play will be referred to as "Team Count") The Team Count you must have by the end of the Conditional Term is identified in the Addendum to this Agreement, and will be referred to herein as the "Team Count Growth Requirement." Additionally, unless the Addendum indicates that you must reach other Team Count requirements by specific dates during the Conditional Term, your Team Count must equal or exceed one-half of that needed to satisfy the Team Count Growth Requirement by the end of one (1) year after the Effective Date of this Agreement (the "Interim Team Count Growth Requirement") If you do not satisfy the Interim Team Count Growth Requirement, APA will have the right to terminate the Agreement If you do not meet the Team Count Growth Requirement by the end of the Conditional Term, or are not otherwise in compliance with this Agreement, the Agreement will automatically expire, unless the Conditional Term is extended as provided in subsection f, below

c Meaning of Standard Format Teams The term "Standard Format Teams" means teams of 5 to 8 players playing our standard weekly 5-match 8-Ball or 9-Ball team formats for a full session schedule of ten (10) or more weeks and paying the standard weekly team fees established by you for the Franchised League Teams playing for free or at a discounted promotional weekly team fee will not be counted as Standard Format Teams for the purpose of determining whether you satisfied your obligations under this Agreement, including, but not limited to the Team Count Growth Requirement or Interim Team Count Growth Requirements referenced in the immediately prior subsection

d Available Formats during the Conditional Term League play in the Franchised League may be established in both our standard 5-match, 5 to 8 person roster 8-

Ball League and 9-Ball League formats during the Conditional Term You may not use other formats for league play during the Conditional Term without APA's prior written consent

e Eligibility for a Initial Regular Term Franchise Agreement Upon Meeting Your Team Count Requirement Subject to the provisions of this subsection, upon meeting the Team Count Growth Requirement during the Conditional Term, you will be eligible to enter into APA's then-current Initial Regular Term Franchise Agreement for a Term of five (5) years To be eligible to enter into an Initial Regular Term Franchise Agreement, you must be in compliance with all terms and conditions of this Agreement, and APA must verify your satisfaction of the Team Count Growth Requirement. You must notify APA in writing within the Conditional Term that you have met the requirement APA is not obligated to monitor the number of teams participating in the Franchised League, nor notify you that you have met the Team Count Growth Requirement

f Extension of the Conditional Term You have no right or option to extend or renew the Conditional Term APA may, in our sole discretion, grant any request by you for an extension of the Conditional Term for such time and upon such terms, conditions and requirements, as APA considers appropriate The other terms of this Agreement shall be applicable during any extension of the Conditional Term You agree that if extended this Franchise Agreement will automatically expire if you do not meet the terms, conditions and requirements of this Agreement and any additional terms, conditions and requirements set by APA during any extended Conditional Term To seek an extension of the Conditional Term, you must make a written request for an extension of the Conditional Term at least 90 days before the expiration of the Conditional Term APA will give you written notice of its decision regarding your request and the terms, conditions, requirements and duration of any extension APA, in its discretion, may decide to grant within fifteen (15) days after we receive your request and we receive all information relating to your request that we ask for If an extension is granted, you must pay APA Two Hundred Fifty Dollars ($250 00) or the then current administration fee as stated in the Operations Manual, before the start of the extension period

4 3 Initial Regular Term Franchise Agreement If this is a Regular Term Franchise Agreement granted after you became eligible for a Regular Term Franchise by satisfying the conditions stated in Section 4 2 above placed on you in a prior Conditional Term Franchise Agreement, the Term of this Agreement will be five (5) years from the date you satisfied those conditions and became eligible to enter into a Regular Term Franchise Agreement. If this is a Regular Term Franchise Agreement entered into pursuant to a Transfer (as that term is defined in Section 19 2(b) below) to you of a Regular Term Franchise Agreement, the Term of this Agreement will be stated in the Addendum to this Agreement (Exhibit E) consistent with Section 19 5(c) of this Agreement Any additional conditions described in the Addendum and APA's consent to the transfer will apply

4 4 Successor Regular Term Franchise Agreement. If this is a Regular Term Franchise Agreement entered into as a result of you exercising your right to renew a prior Initial Regular Term Franchise Agreement or Successor Regular Term Franchise Agreement, the Term will be for ten (10) years from the Effective Date of this Agreement.

ARTICLE 5
INITIAL FRANCHISE FEE

5 1 Fees Due Upon Execution Of This Agreement Sections 5 2 and 5 3 below, relating to whether you are required to pay an Initial Franchise Fee, only apply if, through this Agreement, we are granting you a franchise license to you to operate an APA League in an unassigned Territory You are not required to pay an Initial Franchise Fee if this Agreement licenses you to operate the Franchised League following a Transfer of the Franchised League to you by a prior franchisee approved by APA, if this Agreement is an Initial Regular Term Franchise Agreement granted to you following your satisfaction of the obligations stated in a Conditional Term Franchise Agreement, or if this Agreement constitutes a renewal of a prior Regular Term Franchise Agreement

5 2 Initial Franchise Fee You must pay us the Initial Franchise Fee stated in the Addendum if, through this Agreement, we are granting a franchise license to you to operate an APA League in an unassigned Territory ("Initial Franchise Fee") The Initial Franchise Fee is due at, or prior to, the time that you sign this Agreement. You agree that the Initial Franchise Fee (including the portion of the Initial Franchise Fee that you paid as an initial deposit) is not refundable in whole or in part for any reason (except as specifically provided in Section 5 4, below) and shall be deemed fully earned by APA when paid You must sign this Agreement and pay the Initial Franchise Fee to APA prior to attending APA's Training Seminar I for new franchisees

5 3 VetFran Program The APA Franchise System is a member of the International Franchise Association ("IFA") and participates in the IFA's VetFran Program As a participant in this program, veterans of the United States Armed Forces who otherwise meet the requirements of the VetFran program are entitled to a 25% discount in any Initial Franchise Fee they owe to APA To receive the discount, you must provide sufficient documentation to establish that you are eligible to benefit from the VetFran program, including, but not limited to, documents showing that you were a member of the United States Armed Forces and that you received an honorable discharge from the armed forces The VetFran Program and its rules and regulations are subject to change or discontinuation by IFA APA reserves the right to withdraw from the VetFran program at any time without notice to APA franchisees If APA does withdraw from the VetFran program, no VetFran franchise then in existence will be terminated or otherwise affected because of APA's withdrawal

5 4 Exception - Refund if APA Does Not Accept This Agreement If APA, in its sole discretion, declines to accept and sign this Agreement after you, or your managing owner or owners, have, in APA's judgment successfully completed the Training Seminar I, or if we terminate your participation in the Training Seminar I early, APA will refund your Initial Franchise Fee and reimburse you for any travel, lodging and meal expenses you actually incurred to attend the Training Seminar I, and only those expenses You hereby agree that this shall be your exclusive remedy in the event APA does not accept and sign this Agreement and you hereby waive any claim for any other damages, costs or expenses, including loss of profits, income or employment or any other actual, consequential, special or reliance damages You acknowledge and agree that APA does not give refunds of the Initial Franchise Fee (including your initial deposit) under any circumstances other than those set forth in this Section 5 4

ARTICLE 6
ROYALTIES AND FEES

6 1 Annual Membership Fees All players participating in APA's Franchised Leagues must be members of APA (the "APA Members") and pay APA a membership fee each year (the "Annual Membership Fee") The amount of APA's Annual Membership Fee is set forth in the Operations Manual (currently Twenty-Five Dollars ($25 00)), is set by APA and may be changed by APA from time to time You are responsible for insuring that all players participating in the Franchised League are current APA Members by complying with the applicable provisions of the Operations Manual If any player playing, or wishing to play, in the Franchised League does not have a current, paid, APA Membership, you must collect and remit to APA the player's Annual Membership Fee If any player participates in the Franchised League, but does not pay his or her Annual Membership Fee, you must pay to APA the player's Annual Membership Fee, even if you fail to collect the fee from the player It is your responsibility to insure that all players participating in the Franchised League complete their membership applications, are eligible for APA membership, and participate under APA rules

6 2 Weekly Royalties All players or teams participating in the Franchised League must pay a fee for each weekly match that they are scheduled to play (the "Basic Weekly Fee") APA will recommend an amount that you may charge as the Basic Weekly Fee for each format of play that you offer through the Franchised League, but you are not obligated to follow this recommendation and you may charge whatever amount as your Basic Weekly Fee that you believe is prudent for your local market. You are responsible for 1) collecting the Basic Weekly Fee for all scheduled play in the Franchised League, 2) for paying royalties to APA thereon, 3) and for disqualifying any player or team that fails to pay the Basic Weekly Fee Consistent with the standards set forth in the Operations Manual, you are also responsible for disqualifying teams that fail to pay past-due Basic Weekly Fees in a timely manner If you fail to collect Basic Weekly Fees that are due, that failure shall constitute a default of your obligations under this Agreement. The amount of the royalty you owe is as follows

(a) Standard 8-Ball 5-Person Format Each week you must pay to APA the following royalty fee for scheduled team matches, played or unplayed, in APA's standard 5-8 player team 8-Ball format for which you collect payment The greater of (i) Two Dollars and Fifty Cents ($2 50) per team participating in matches or (ii) twenty percent (20%) of the Basic Weekly Fee charged teams

(b) Standard 9-Ball 5-Person Format and Other Formats Each week you must pay to APA the following royalty fee for scheduled matches, played or unplayed, in APA's standard 5-8 player team 9-Ball format or any other format authorized by APA for league play for which you collect payment Twenty percent (20%) of the Basic Weekly Fee charged teams or players (if the format involves play between individual APA Members)

You must pay the royalties to APA after each week's league play, and payment of APA's royalties are delinquent if not received within twelve (12) days after each week's play

6 3 Royalties on Other Receipts You must pay a royalty fee to APA of twenty percent (20%) of any other fees, dues or other payments made to you by any players, teams, host locations, or team sponsors, except that you do not have to pay royalties on (a) the additional dues or fees collected from players for awards, banquets, prizes, travel, trophies, or other forms of player "payback" (a "Players Fund"), (b) any amounts for awards and prizes or in-kind awards or prizes from host locations or team sponsors, and (c) any amounts received from Local Sponsors, local advertising revenue secured by you or amounts received from host locations in exchange for conducting tournaments in their facilities Amounts collected for a Players Fund (whether from players or from host locations or team sponsors or as in-kind awards and prizes) must be separately accounted for, held in trust by you, and entirely returned to the players in the form of prizes, awards, tournament travel or awards ceremonies Royalties on all fees, dues or other payments owed pursuant to this Section are due on the fourth day after you receive the funds and delinquent if not received by APA within twelve (12) days of your receipt of the funds

6 4 Annual Software Support and Maintenance Fee, Fees for Upgrades and Enhancements to the Software Program We charge all franchisees an annual fee for support and maintenance of the Software Program (the "Software Support and Maintenance Fee") except in the circumstances stated in this Section 6 4 The Software Support and Maintenance Fee covers telephone support for the then current version of the Software Program and any corrections and any minor updates that are made to the Software Program in our discretion Currently, franchisees are charged the Software Support and Maintenance Fee in January of each year, although APA can change when it charges the Software Support and Maintenance Fee, in its discretion, as long as the Software Support and Maintenance Fee is not charged more than once in a calendar year If, through this Agreement, we are granting a franchise license to you to operate an APA League in an unassigned Territory, and you were not operating an APA League in any other Territory immediately prior to entering into this Agreement, the Software Support and Maintenance Fee owed for the first 12 months of this Agreements term is included in the Initial Franchise Fee Twelve months after the Effective Date of this Agreement, you will be responsible for paying a prorated portion of the Software Support and Maintenance Fee for the portion of the second year of this Agreement that occurs before the next January In the January of the second year of this Agreement, you will be obligated to pay the Software Support and Maintenance Fee for that calendar year and to pay the Software Support and Maintenance Fee annually thereafter If, through this Agreement, we are granting you a franchise license to operate the Franchised League as the result of an APA-approved Transfer of the Franchised League to you , you must pay the Software Support and Maintenance Fee upon the first January following the Effective Date of this Agreement for that calendar year, and you will be obligated to pay the Software Support and Maintenance Fee annually thereafter

APA may increase the Software Support and Maintenance Fee annually from time to time No such increase will exceed ten percent (10%), without approval of the League Operator Advisory Board The Software Support and Maintenance Fee does not go towards the costs of any major enhancements, upgrades or new versions of, or substitutes for, the Software Program You acknowledge that under the authority granted in the Software License Agreement and subject to the prior approval of the League Operator Advisory Board, that in addition to the Software Support and Maintenance Fee, APA may charge a reasonable license fee for new versions, major enhancements or upgrades of the Software Program You will not be required to pay a license fee for the new versions, major enhancements or upgrades more frequently than once every three years The aggregate amount of license fees charged to all APA franchisees for any new version,

major enhancement or upgrade of the software, shall not exceed 50% of APA's actual cost of such new version, major enhancement or upgrade

6 5 Royalties on Merchandise and APA Merchandise You may purchase and resell merchandise (e g , apparel, patches, pool cues, novelties) bearing the APA Marks ("APA Merchandise") that are offered by APA, a Sponsor or by an APA licensed supplier (collectively an "APA Licensed Supplier") without payment of any additional royalty You have no obligation to make any such purchases or sell such merchandise If you purchase APA Merchandise, for the purpose of resale, from a vendor other than an APA Licensed Supplier pursuant to the rights granted you in Section 11 2, you shall pay us five percent (5%) of your purchase price, which amount shall be due ten (10) days after receipt of the APA Merchandise No royalties are due for APA Merchandise purchased from a vendor other than an APA Licensed Supplier for distribution as Member incentives or giveaways

6 6 Other Payments to APA In addition to all other payments required to be paid to APA by this Agreement, you shall pay to APA (or its subsidiaries, affiliates or designees, as applicable) promptly when due, the following

(a) Any sales, use, service, occupation, excise, gross receipts, income, property or other taxes on amounts that you collect on APA's behalf, but only after written notification to you or APA from a state, local, county, municipal or other taxing authority that such tax must be collected You and APA each agree to notify the other if either receives notice from a taxing authority that any such taxes are due

(b) All amounts advanced by APA or which APA shall pay, or for which APA shall become obligated to pay, on behalf of you for any reason whatsoever

(c) All amounts for goods or services purchased by you from APA, or its subsidiaries, affiliates or designees

6 7 Application of Payments If you are past-due in paying any obligation to APA or any APA Affiliate (as that term is defined in Section 24 4) under any provision of this Agreement or any other agreement, APA shall have the right to apply any payment received from you to the oldest obligation due, first to interest and then to principal, whether under this Agreement or otherwise, notwithstanding any contrary designation or instruction by you as to its application Any amounts owed by APA, or any APA Affiliate, to you may be applied, credited, or set off by APA, in its discretion, against any debt you owe to APA, or any APA Affiliate

6 8 Interest and Late Fees

(a) If you fail to submit the Annual Membership Fee for any player participating in the Franchised League to APA when due, in addition to the player's Annual Membership Fee, you must pay APA Five Dollars ($5 00) per unpaid player, or the then current administrative late fee applied to unpaid Annual Membership Fees, as set forth in the Operations Manual for each such player

(b) If you are delinquent in submitting weekly royalties for league play to APA or other royalties due APA, in addition to the amount of the royalties, you must pay APA Twenty Dollars ($20 00) or the then current administrative fee as set forth in the Operations Manual for each delinquent royalty payment

(c) In addition, all fees, royalties, and other payments owed APA will bear interest after their due date at the rate of one and one-half percent (1 5%) per month compounded monthly or such lesser amount allowed by law

(d) Unless otherwise specified, a payment is delinquent if not paid when due

ARTICLE 7
SPONSORS

7 1 APA Sponsors APA (directly or through an affiliate) may, from time to time, enter into agreements ("Sponsorship Agreements") with national or regional sponsors ("Sponsors") under such terms, conditions and restrictions as agreed between the Sponsor and APA, in our sole discretion Under such a Sponsorship Agreement, the Sponsor may lend or license to APA its name, trademarks, logos and goodwill ("Sponsor Marks") for use in the System and may provide other support to APA and the System A Sponsorship Agreement, may, for instance, provide that the Sponsor's product is the "official product" of the APA, or that the Sponsor is the "title sponsor" of APA local league play, a tournament, or other event All Sponsorship Agreements and the goodwill resulting from association of Sponsors and Sponsor Marks with the System and franchised leagues inure to the exclusive benefit of APA

7 2 Sponsor's Rules Binding You agree to abide by and be subject to all Sponsorship Agreements entered by APA, including all terms, conditions, restrictions and requirements of such agreements or set by APA or the Sponsor under such Sponsorship Agreements You understand, for instance, that Sponsors may have the right to reject co-sponsors, and restrict you, APA and APA's franchisees from using products of or accepting sponsorship from the Sponsor's competitors Sponsors may also place conditions, limitations or restrictions on use by APA and franchisees of Sponsors Marks and promotional, advertising and other business materials associated with the sponsorship ("Sponsor Materials") You agree that during the Term of this Agreement and thereafter you will not dispute the ownership and rights of Sponsors in Sponsor Marks or Sponsor Materials

7 3 Termination of Sponsorship You acknowledge that APA's agreements with Sponsors may expire or terminate, Sponsors may change, or a Sponsor may modify, discontinue or substitute the Sponsor Marks and Sponsor Materials loaned to the System, with little or no prior notice to you You agree that APA does not promise or guarantee the continued sponsorship of any Sponsor and APA has no obligation to enter or continue any Sponsorship Agreement The loss of a Sponsor (by termination, expiration or otherwise) will result in loss of APA's and your rights to use the Sponsor Marks and Sponsor Materials and the loss of the goodwill that may have become associated with APA and its franchised leagues through the sponsorship You acknowledge this potential loss, agree to accept that risk, and agree that APA will not be liable for any damages, loss, cost or expense of any kind sustained by you as the result of any loss, termination, expiration, or

change of any Sponsorship Agreement, Sponsor Marks or Sponsor Materials, including actual, special, consequential, incidental or reliance damages You acknowledge that you are not relying on the continuation of any Sponsorship Agreement or the benefit of any Sponsor Marks or Sponsor Materials in purchasing an APA franchise Loss of any Sponsorship Agreement will not excuse you from performing your obligations under this Agreement

7 4 Cooperative Agreements Other than Sponsorship Agreements, APA may enter into agreements with other associations, organizations or persons (such as, for example, without limitation, the Women's Professional Billiards Association) to lend their endorsement or support to APA and the System ("Cooperative Agreements") Such Cooperative Agreements may terminate, expire or change with little or no prior notice to you and, if so, the benefits and goodwill resulting from such endorsements and affiliation would be lost You acknowledge this potential loss, agree to accept that risk, and agree that APA will not be liable for any damages, loss, cost or expense of any kind sustained by you as the result of any loss, termination, expiration, or change of any Cooperative Agreement, including actual, special, consequential, incidental or reliance damages Loss of any Cooperative Agreement will not excuse you from performing your obligations under this Agreement

7 5 Relations with APA Sponsors You acknowledge that APA has a unique relationship with and a strong protectable interest in APA Sponsors, and that interference with that relationship could irreparably harm APA and the franchised leagues You agree to support and promote Sponsor activities and to maintain good relations with APA Sponsors and their local representatives and that you will not do anything that would be damaging to APA's relationship with any Sponsor

7 6 APA Approval of Local Sponsors You may solicit local businesses to sponsor the Franchise League ("Local Sponsors") You must notify APA, in writing, of proposed Local Sponsors, and receive written approval from APA of any proposed Local Sponsor, prior to entering into any binding agreement with a Local Sponsor APA shall have the right to reject any proposed Local Sponsor if, in APA's judgment and discretion, the proposed Local Sponsor would interfere with APA's relationship with an APA Sponsor or would reflect negatively on APA or the goodwill associated with the System and Marks

ARTICLE 8
APA MEMBERS

8 1 APA's Rights in Members All APA Members are solely Members of APA and are not members of the Franchised League The goodwill derived from APA Members and their participation in the Franchised League is for the exclusive benefit of APA You acknowledge that APA has a strong, unique and protectable relationship with, and interest in, the APA Members Because of the importance of APA Members to the success of APA and the System, and therefore, to the franchised leagues, you must maintain good relations with APA Members and you agree that you will not do anything that would be damaging to APA's relationship with those Members In your dealings with APA Members, you and APA agree at all times to make only positive and supportive statements about APA, other APA franchisees, and APA's rules, operations, methods, practices and procedures

8 2 Membership Benefits APA will offer its Members benefits and programs as APA considers appropriate from time to time Benefits and programs currently provided include periodically published newsletters and publications designed to encourage participation in our local franchised leagues and other APA events and programs, annual championship events and regional tournaments ("Higher Level Tournaments"), including our annual tournaments (with qualifications for participation, awards,, entry fees, tournament dates and sites set by APA annually), and APA's official rules manual (currently known as the "Official Team Manual") containing the structure, rules and conduct of play in the franchised leagues and APA's Higher Level Tournaments APA will continue to update and revise the Official Team Manual as we believe appropriate You agree to support, promote and encourage player involvement in APA programs, events and tournaments and to distribute to all APA Members in your Territory all materials sent to you by APA for membership distribution

ARTICLE 9
TRAINING AND GUIDANCE

9 1 Training Program If you are a new franchisee, you will receive training from us in the operation, administration, sales and marketing of an APA Pool League business Currently required training is in four parts ("Training Program"), as follows

a Discovery Day and Pre-Training Before you are approved to become a new franchisee, you, or your owners, if you are a partnership, corporation or limited liability company, must attend Discovery Day and Pre-Training During Discovery Day and Pre-Training you will not only have an opportunity to meet and interact with APA staff, but you will also receive some initial training on topics including, but not limited to, this Agreement, operations and customer service You will also participate in an interactive demonstration of league match play Currently, Discovery Day and Pre-Training is approximately four (4) days in duration

b Training Seminar I Prior to the start of your operation of the Franchised League, you (or your managing owner if you are a partnership, corporation or limited liability company) must attend and complete to APA's satisfaction the initial training program for new franchisees ("Training Seminar I") Training Seminar I will train you in the System, including the Operations Manual, System Standards, and Software Program Training Seminar I will be approximately six (6) days in duration, consisting of classroom instruction, and hands-on training with the Software Program If you do not complete Training Seminar I, or if you are asked to leave Training Seminar I before it is complete, or if APA otherwise declines to execute this Franchise Agreement after Training Seminar I, you understand and agree that you will remain obligated to the Confidentiality and Non-Competition terms of Article 14

c Field Training Generally, within the first three (3) months following Training Seminar I, we will send a representative to your market for approximately 3-4 days of additional sales training (the "Field Training")

d Training Seminar II Approximately six (6) months after we sign this Agreement, you must attend an additional training session covering subjects we believe important to your development as a League Operator, which may include operations, administrations, sales and marketing ("Training Seminar II") Currently, Training Seminar II is approximately four (4) days in duration

The cost to us of presenting Training Seminar I, Field Training, and Training Seminar II is included in your Initial Franchise Fee Training Seminar I and Training Seminar II are conducted in the St Louis, Missouri metropolitan area You are responsible for the costs you, and any of your staff, incur to attend Training Seminar I and Training Seminar II, including, but not limited to, transportation, lodging, meals and wages Training Seminar I and Training Seminar II are each offered on an as-needed basis Generally, Training Seminar I is offered six (6) times per year and Training Seminar II is offered three (3) to four (4) times per year APA reserves the right to expand, shorten, revise, or change the required training, or any part of the required training, as it deems appropriate in its sole discretion

9 2 Additional Training

a Training for Your New Managerial Staff New management personnel joining your Franchised League in the future may, at our option, be required to attend Training Seminar I so that they can learn how to properly operate and manage the Franchised League according to the System Your Initial Franchise Fee does not include the cost of APA providing any training to any new management personnel You must pay APA's then current fee for Training Seminar I, which will be fair and reasonable, as well as the cost of transportation, lodging, meals and wages of new management attending training

b Additional Training Required by APA APA will offer from time to time additional training seminars and training webinars, as APA considers appropriate Your participation in any additional training may be required by APA If APA requires additional training, you (or your managing owner) must attend and complete the additional training to APA's satisfaction You will be responsible for the costs of attending any additional training Additional training seminars and training webinar will be at such times and places as APA may designate or through any mode of communication as APA may designate

9 3 Continuing Guidance APA will continue to provide you advice and written materials, as APA considers appropriate, to help you in your operation of the Franchised League, including required and suggested management procedures, marketing techniques, methods for the efficient operation of your league, and developments in our System and Marks Our guidance shall be based upon our experience in pool league operations Because the results of business advice depend on many factors not within our control, the success of such advice cannot be warranted

9 4 Promotional Materials APA will provide you prior to your start of operations, at no charge, with a sufficient number of sales aids such as posters, brochures and the like, based on the size of your Territory and a reasonable estimate of prospective and/or actual APA Members in your Territory We will continue to develop new marketing materials and downloadable templates and formats for marketing materials, as we consider appropriate, and we will make these materials, templates and formats available to you You may also develop your own promotional and advertising materials consistent with our System Standards APA shall have the right to charge a reasonable cost for quantities of materials it believes excessive or for special or optional materials and sales aids

9 5 Other Support To assist you in administering the Franchised League, APA will license to you our proprietary Official Team Manual, which will be further developed and modified

as we consider appropriate, train you in our rules of league play through our Training Program and provide on-going guidance in implementing the rules We will further offer and conduct, as we consider appropriate, Higher Level Tournaments open to APA Members and teams who qualify from the Franchised League We will attempt to refer any inquiries we receive from prospective players located in your Territory to you and will also provide, at your request, such information on APA Members in your Territory as we believe appropriate

ARTICLE 10
UNIFORM SYSTEM
CONFIDENTIAL & PROPRIETARY OPERATIONS MANUAL, SOFTWARE AND SYSTEM INFORMATION

10 1 APA's Uniform Proprietary System To protect the reputation and goodwill of APA under the Marks and the System, to maintain APA's uniform standards of service and operation, and for the mutual benefit of APA and its franchisees, you agree (i) to strictly comply with APA's uniform System Standards, (ii) to respect APA's ownership and proprietary rights in the System, and (iii) to protect the confidentiality of the System You acknowledge that APA's confidential and proprietary Operations Manual and Software Program are integral parts of the System, and that the System includes APA's uniform standards, formats and rules for league play, APA's scoring and handicapping system which allows players of all abilities to compete, APA's Higher Level Tournaments, the Training Program, APA's methods and materials for advertising and promoting league play, and APA's other methods, knowledge and know-how for league operation and management (collectively, the "Proprietary Information") You further acknowledge that the System and Proprietary Information have been developed by APA through extensive time, effort and expense, and that it may be further developed, refined, modified or changed by APA in its discretion Revisions and modifications to the Operations Manual, made by APA from time to time, as well as the Operations Manual, itself, may be posted on the APA's online Resource Library, or through any other means as APA deems appropriate in its sole discretion You agree that any methods, ideas, improvements, changes or suggestions developed by you (or any employee or agent of the Franchised League) within the scope of the System or the operation or promotion of the Franchised League shall become a part of APA's System and property of APA, without compensation to you You hereby assign to APA all of your rights in any such methods, ideas, improvements, changes and suggestions to APA and agree to execute all documents necessary to carry out this assignment and agree to obtain the assignment of any rights of any employee or agent of the Franchised League

10 2 Ownership of Proprietary Materials and Information You and your owners acknowledge and agree that APA is the owner of the System and all Proprietary Information, including the copyright to the Operations Manual, Software Program, and all other advertising, promotional and business materials Nothing in this Agreement shall be construed to give you any right, title or interest in the System or any of the Proprietary Information except for the revocable non-exclusive license to use the System and Proprietary Information during the Term of this Agreement and under the terms and conditions of this Agreement Further, you agree that any other materials, information or know-how developed by you (including your owners, employees or agents) in the operation and promotion of the Franchised League during the Term shall be considered part of the Proprietary Information owned by APA, and you agree to execute any necessary assignment of your rights in such material, information and know-how, including any

copyrights, to APA during the Term or thereafter You and your owners further agree, during the Term and thereafter, that you will not dispute APA's ownership of the Proprietary Information (including the validity and APA's ownership of copyrights and trade secret rights claimed by APA in the Proprietary Information), will not use the Proprietary Information in any other business or capacity, and will not do or permit anything to be done in derogation of any of the rights of APA in the Proprietary Information

10 3 Loan of Operations Manual and Obligation to Conform to System Standards Upon granting the franchise, APA shall lend you one copy of APA's confidential and proprietary Operations Manual (the "Operations Manual") for your use solely in the operation and management of the Franchised League during the Term of this Agreement The Operations Manual will contain our System Standards You agree to conduct the Franchised League strictly in accordance with the System Standards APA may make additions to, deletions from and revisions to the Operations Manual and its System Standards by written notices issued hereunder or by bulletins issued periodically by APA Such additions, deletions and revisions will not be effective for at least ninety (90) days after issuance (or such greater time reflected in the notice or bulletin or lesser time if required by law) Section 24 2 shall not apply to notices or bulletins provided for in this Section Such notices and bulletins may be sent by first class mail, postage prepaid, fax to the league fax number, email to your league email address, or any other reasonable means of delivery You agree such changes shall become part of the Operations Manual and System Standards and are binding upon you on their effective dates You shall keep the Operations Manual current and up-to-date at all times In the event of any dispute as to your obligations under the Operations Manual, the master copy of the Operations Manual maintained by APA at its headquarters shall be controlling If you misplace, lose or require replacement of the Operations Manual during this Agreement or at its termination, you agree to pay APA the then current replacement fee

10 4 License of APA's Software Program/Application, Obligation to Use and Maintain, and Equipment Requirements You agree to obtain and use the version or module of the Software Program that APA specifies from time to time, or other APA-developed or commercially available software programs or applications that APA may specify from time to time, for use in your management of the Franchised League In granting the franchise, APA will license to you the current version of the Software Program (which currently includes our software application, Nexus and our tournament administration software, TMS) which is confidential and proprietary, and you agree to sign and be bound by the Software License Agreement attached as Exhibit I (the "Software License Agreement"), the terms of which are an integral part of this Agreement APA and you agree that if there is any conflict between this Agreement and the Software License Agreement with respect to the Software Program or the Software Support and Maintenance Fee, the terms of this Agreement will govern The Software Program may not be used for any other business or activity other than in your management of the Franchised League during the Term of this Agreement

You agree to obtain a computer system (computer hardware, operating software and related equipment) sufficient to effectively use APA's current Software Program and meeting the specifications set forth in the Operations Manual Because of the rapid changes in computer technology, a computer meeting only the minimum requirements needed to use the current version of APA's Software Program may not be suitable to operate future versions of the Software Program or to perform functions that may become required for league operations in the future You also agree to purchase and maintain a printer, scanner, telephone answering or voicemail system, and

such other equipment as we determine appropriate in the Operations Manual APA may also require that you purchase a GPS device if we consider it appropriate for you to effectively cover your Territory

10 5 Software Program and Computer Requirements May Change You agree that APA in its discretion may further develop, change, modify, enhance, add to or substitute the required Software Program and APA's requirements or specifications for your computer system, and that APA may impose new or different terms and conditions on the use of such software, which terms and conditions APA agrees will be reasonable You agree to sign or accept as binding upon you such terms and conditions as may be contained in a software license agreement for any software program, version, or application that APA may specify, develop or release in the future for your use in operation of your league APA has the right to completely change, replace, add to, create future versions of, modify or enhance the Software Program as it seems fit Future versions, modifications, enhancements of the Software Program (including without limitation an application on a web-based or other platform) will be intended to meet those requirements APA believes are appropriate to operate the Franchised League, administer new league formats or programs, and report on and make payments in connection with league operations Further, you agree that future versions of the required Software Program or other changes in our System Standards might require you to upgrade your computer system and incur costs in obtaining other or additional computer hardware, equipment and software APA agrees to consider the cost of such enhanced technology in an attempt to keep reasonable the cost to you of such enhanced technology

10 6 Software Support and Maintenance Because the Software Program is a proprietary program, you agree that APA may restrict the vendors authorized to provide support and maintenance of the Software Program You agree that support or maintenance of the Software Program must be performed only by APA personnel, or a vendor authorized and designated by APA from time to time Although APA reserves the right to provide and be the exclusive authorized source of support and maintenance of the Software Program, if APA does not provide the support or maintenance for the then current version, APA will obtain an authorized vendor to provide such services

The Software Program (including all updated versions, other modifications and applications) is provided "as is" APA makes no warranty the software is free from defects However, APA will correct, as soon as practicable, subject to payment of the Software Support and Maintenance Fee, any defect in the software **In no event will APA be liable for any incidental, consequential or reliance damages resulting from your use of the Software Program, or from defects with the Software Program, even if we have knowledge of the potential loss or damage.**

10 7 Claims and Disputes Involving Software Program APA has the authority to grant you a revocable non-exclusive non-transferable license to use the Software Program, without the consent of any other party, and neither the performance of maintenance and support services by APA or Contractor nor the license granted herein, will, in any way, constitute an infringement or violation of any copyright law, trade secret law, trademark law, patent law, or to APA's knowledge, the proprietary information, non-disclosure or other rights of any third party

APA will defend any suit or proceeding brought against you to the extent that it is based on a claim that the Software Program, or any part thereof, used in the manner specified in this

Agreement, constitutes an infringement of any patent or copyright of the United States or misappropriation of a trade secret, provided you promptly notify APA of such claim in writing and give the authority, information and assistance that in APA's judgment is needed for the defense or resolution of such claim If a final non-appealable judgment is entered that use of the Software Program, or any part thereof, constitutes an infringement or misappropriation and its use is enjoined, APA will, at its sole discretion and at its own expense

(1) procure for you the right to continue using the Software Program or part thereof,

(2) replace the Software Program with a non-infringing product, or

(3) modify the Software Program as to become non-infringing

10 8 Claims and Disputes Involving Copyrights You must immediately notify APA of any infringement of or challenge to APA's (or any Sponsor's) copyrighted materials APA has the sole right and discretion to take whatever action APA thinks appropriate, and APA may bring, defend or settle any claim APA is not required to protect or defend copyrights You may not assert any infringement claim on your own If APA decides to modify or discontinue use of any manual or other material for any reason, you must also do so APA will have no obligation to reimburse you for any cost if APA decides to modify any manual or other material If APA decides to discontinue use of any manual or other material you are required to return it to APA, and APA's sole obligation will be to reimburse you for the delivery cost of returning the manual to APA We will not, under any circumstances, reimburse you or be liable to you for any lost business, lost profits, actual, special, consequential or reliance damages, and costs and expenses (except for the costs of returning the manual or other material to APA as specifically stated above) as a result of any infringement, claim, or the change or discontinuance of any material

10 9 Use of Member, Player, and Team Lists and Other Records You agree that APA has the sole rights to and interest in all lists, records, contact information, and data of franchisees, APA Members, players, teams and host locations and all records relating to league play, including, but not limited to, player and team participation, performance and handicaps, and records of membership fees You agree that you will not use any list of franchisees, APA Members, players, teams, or host locations, or any records relating to league play, including, but not limited to, player and team participation, performance and handicaps, or records of membership fees, in any manner or for any purpose that is not directly related to your operation of the Franchised League, or for any reason after the termination or expiration of this Agreement Without limitation, you may not solicit, promote, market or sell to APA Members any goods, services, or events not directly related to the operation of your APA Franchised League or which further the commercial interests of some non-APA business or enterprise, without APA's prior written approval The terms of this Section will survive any termination or expiration of this Agreement

10 10 League Websites, Social Media, Email Addresses and Telephone Numbers You agree that APA has the sole rights to and interest in all APA League websites, social media pages (such as the Facebook page, or Twitter account associated with your League), League email addresses and telephone numbers, and other electronic media and means of communication used in connection with League operations and marketing APA will provide you at no charge with a League website and APA email addresses for you and your staff You must use and keep updated

your APA League website You may also make use of a business Facebook page or other social media page or account for your League and if you do so, the Facebook page or other social media page or account associated with your League, must be kept updated and reflect positively on the APA and you as our League Operator By entering into this Agreement, you hereby authorize APA to access your business Facebook page or other social media page or account associated with your League, at any time, for any reason, and you hereby give APA an irrevocable and durable power-of-attorney to alter, add content to, or shut down any Facebook page or other social media page or account, associated with your League 7 If you have a personal Facebook (or other social media) page you must keep it separate from your League activities and refrain from inappropriate posts that will reflect negatively on you as an APA representative

10 11 Obligation to Comply with Privacy Laws and Privacy Policies You must comply with all laws and regulations relating to privacy and data protection applicable to you and the Franchised League You must also comply with any privacy policies or data protection and breach response policies APA may, periodically, establish You must notify APA immediately of any suspected data breach at, or in connection with, the Franchised League

ARTICLE 11
MARKS

11 1 Limited License Only You are granted a limited, revocable, non-exclusive license to display and use those Marks designated by APA in the operation of the business of the Franchised League during the Term and under the conditions of this Agreement and our System Standards Such Marks include (a) the designated trade names, trademarks, service marks, business names, brand names, logos, symbols, slogans and other indicia of source owned by APA ("APA Marks") and (b) the designated Sponsor Marks loaned to APA under Sponsorship Agreements

11 2 Use of APA Marks on Purchased Goods You are also granted the right to purchase and have made APA Merchandise from third party vendors other than an APA Licensed Vendor in accordance with this Section 11 2 However, this right does not apply to Sponsor Marks You may purchase APA Merchandise directly from a pre-authorized vendor who is listed in the then current version of our Operations Manual or another third party vendor of your own choice reasonably acceptable to APA APA Merchandise must be used solely in connection with operation of your Franchised League You may not grant your third party vendor any rights to use the APA Marks on items for any other party, including the vendor, or to sell any APA Merchandise to any third party

All use of the APA Marks on APA Merchandise pursuant to this Section 11 2 and such APA Merchandise itself, must comply with the provisions of the Operations Manual relating to such items Although you are not required to obtain our approval prior to purchasing such items, such prior approval is suggested, and can be obtained by sending a sample of each item of APA Merchandise to APA for review If you do not obtain our approval of a specific piece of APA Merchandise, you must promptly deliver a sample of each item bearing any of the APA Marks purchased pursuant to this Section 11 2 promptly after you purchase the item You do not need to deliver a sample of APA Merchandise purchased from an APA Licensed Supplier If delivery of a sample is required, pursuant to this Section 11 2 or pursuant to the obligations set out in the

Operations Manual, the sample must be accompanied by a copy of the invoice for your purchase of the items and the invoice must be marked to indicate your intended use for the items so that we can determine the amount of any royalty due us under Section 6 5 with respect to the item When permitted by the Operations Manual, the sample that you submit may be in the form of a digital photo of the APA Merchandise If we object to an item which bears the APA Marks you will promptly discontinue all use of the objectionable APA Merchandise

If we change or discontinue an APA Mark, we will notify you or issue a bulletin to all APA franchisees whether you may continue to use APA Merchandise bearing the changed or discontinued APA Mark until your supply is exhausted or whether you must discontinue all use of such APA Merchandise If we notify you that such APA Merchandise must be discontinued, you agree to discontinue all use of such APA Merchandise by not later than one (1) year from the date of our notice In no event may you purchase any additional APA Merchandise bearing, or otherwise use, the changed or discontinued APA Mark.

Except as provided in this Section 11 2, you may not make, purchase, sell or distribute merchandise bearing any of the Marks, nor authorize or permit anyone else to do so, without APA's prior written approval (and the consent of a Sponsor if the Mark is a Sponsor Mark)

11 3 Obligation to Follow APA and Sponsor Rules You agree to comply with all System Standards established by APA (including those rules required by Sponsors) in your use of the authorized Marks You must use and prominently display the designated Marks in conducting and promoting the Franchised League and in the manner we designate The Marks must be used as depicted by APA and cannot be changed or modified in any way You must use the "®" symbol with registered marks and the "TM" or "SM" symbols with non-registered marks, as APA designates You further understand and agree that Sponsors might need to approve any use by you of Sponsor Marks and that such approval might be required prior to use You agree to comply with any Sponsor's instructions for the use of a Sponsor Mark.

11 4 Obligation to Use Only the Marks To promote nationwide uniformity and identification of APA Franchised Leagues, you must use our designated Marks and only our designated Marks in all public identification, promotion and reference to the Franchised League You agree to adopt and use only the trade name "APA" or "American Poolplayers Association" or any other fictitious or assumed name or "d/b/a" specified by APA when referencing the Franchised League You shall only operate the Franchised Leagues using a trade name or a "d/b/a" approved by APA You shall not use any other name in the operation of your business without APA's written consent If your state requires the registration of fictitious or assumed names, you must obtain the required registrations of the trade name specified by APA You agree that you will not use any other trademark, service mark, trade name, business name, brand name, symbol, or logo in your business other than the Marks designated by APA

11 5 Authorized Marks Subject to Discontinuance, Substitution, Change We may add, substitute, change or discontinue the Marks and our rules concerning your use of the Marks at any time at our discretion We will provide you written updates advising you of changes in the authorized Marks or APA's rules concerning your use of the Marks You must promptly comply with such changes You understand that APA's Sponsorship Agreements may terminate or expire and that upon termination or expiration of such a sponsorship, APA and its franchisees will lose the right to use the Sponsor Marks and Sponsor Materials of such Sponsor and you must promptly

discontinue using such Sponsor Marks and Sponsor Materials APA may supply you with substitute materials or reimburse your actual tangible costs of compliance (such as changing signs, letterhead, etc), but APA is not obligated to compensate you for any substitution, change, loss or discontinuance of any Mark or any loss with respect to destruction of APA Merchandise bearing such Mark. You waive and agree not to assert any claim against APA or any APA Sponsor for actual, consequential, incidental, reliance or special damages, costs or expenses (including loss of profits, earnings, revenue or business) that result from your use of or the modification or substitution, change, loss or discontinuance of any Mark.

11 6 Ownership of Marks You agree that the Marks (which include APA Marks and Sponsor Marks) and all associated goodwill are owned by and the exclusive property of APA or APA Sponsors, as the case may be Further, you agree that any other marks, trade names, slogans, logos, symbols, and other indicia of source (including all associated goodwill) used or developed by you in the operation of the Franchised League during the Term shall be considered APA Marks and the exclusive property of APA, and that you will execute any necessary assignment of such rights to APA during the Term or thereafter You further agree, during the Term or thereafter, that you will not contest the ownership or rights of APA or any APA Sponsor in or the validity of any of the Marks, and that you will not claim any ownership of or rights in any goodwill or reputation associated with the Marks You agree not to do or permit anything to be done in derogation of any of the rights of APA or any APA Sponsor in the Marks or goodwill

11 7 Claims and Disputes Involving Marks You must immediately notify APA of any information that you acquire concerning any use by others of names or marks which are the same as or confusingly similar to any of the Marks APA will evaluate the situation and take action if APA believes it appropriate in our discretion APA is not obligated to take action You may not take such action on your own You must also immediately notify APA of any claim or challenge by a third party to your use of any of the Marks APA will defend you against such claim or challenge provided that the claim does not arise out of your unauthorized use or misuse of the Marks APA has the sole right to defend or settle the claim as APA sees fit, and you may not defend or settle the case on your own

ARTICLE 12
MARKETING AND ADVERTISING

12 1 Active Marketing Required You shall use your best efforts to promote and develop the business of the Franchised League and start your sales and marketing efforts upon this Agreement becoming effective, however, you may engage in or possess an interest in other business ventures of every nature and description, independently or with others, so long as those activities do not violate Section 3 4 of this Agreement and provided those activities do not materially and adversely affect your efforts to promote and develop the business of the Franchised League You agree that to adequately serve your Territory and keep your rights in the Territory under this Agreement, you must and will actively and continuously, throughout the Term of this Agreement, recruit new players, solicit new host locations for league play, participate in the programs we develop and establish, and market and develop pool playing throughout the Territory in accordance with APA's guidelines, as they exist now, and as may be further developed or revised in the future Failure to actively and continuously market, establish and increase participation in league play throughout your Territory will deny potential players the opportunity to play under the System and result in stagnation of your Franchised League Also during all sessions of league play

(excluding summer sessions), your Team Count must equal or exceed 70% of the greatest number of Standard Format Teams (as defined in Section 4 3 c) that have ever participated in the Franchised League since you first began operating the Franchised League This requirement is in addition to the Team Count Growth Requirements, if any, applicable under Section 4 3

12 2 Advertising Fund APA may offer from time to time an advertising plan covering a geographic area (national, regional or local) selected by us in our discretion If your franchise territory is within the plan's geographic area and the plan is approved by a vote of franchisees within the area, under the terms of this Section, you will be obligated to contribute to the advertising plan subject to the limitation described below We have the sole authority to manage and use the advertising funds as we feel appropriate in carrying out the approved plan We are not obligated to make advertising expenditures in your Territory that are equal or proportionate to your contribution, nor are we obligated to ensure that you, in particular, benefit directly from the advertising expenditures, or in proportion to the amount of money you were assessed under the plan If you contribute to an advertising plan under the terms of this Section you may, upon reasonable notice, review the books and records kept by us in administering the plan In any vote to approve an advertising plan, every franchisee within the area covered by the plan (except APA owned outlets) shall be entitled to cast votes based on the number of persons residing in the franchisee's territory A franchisee in a territory of less than 200,000 people may cast one vote, a franchisee whose territory is between 200,000 and 499,999 people may cast two votes, and a franchisee of a territory of 500,000 people or more may cast three votes If two-thirds (2/3) of the eligible votes in the area are in favor of the plan, the plan is approved and you will be obligated to pay the amount assessed in the plan subject to the following limitation You shall not be required to contribute to the advertising plan for any period an amount exceeding five percent (5%) of your Gross Revenues for that period "Gross Revenues" means all Basic Weekly Fees collected by you from, or required to be paid to you by, players and all other fees due to you, and amounts received by you, in the operation of the Franchised League, except Annual Membership Fees and money designated for the Franchised League's Players Fund

ARTICLE 13
FRANCHISEE ENTITY, OBLIGATION TO MANAGE BUSINESS, AND GUARANTY OF OBLIGATIONS

13 1 Franchisee Entity Before you begin the Training Program, you must complete the Franchisee Ownership Schedule (Exhibit F) (the "Franchisee Schedule") to indicate whether you are going to own the Franchised League as a sole proprietor, through a partnership, or through a corporation or limited liability company You must also provide APA a list identifying all of the owners of the entity (including their spouses) and their ownership interest or percentage in the entity No one may have an interest in the Franchised League, or in the business entity that owns the Franchised League, unless they are approved by us By signing this Franchise Agreement you warrant that the information set forth on the Franchisee Schedule is complete and accurate Should this information change due to you transferring ownership of the League to a wholly-owned corporation or limited liability company pursuant to Section 19 8 of this Agreement, you must provide APA with an updated Franchisee Schedule within ten (10) days of the change You further agree and acknowledge that any change or other transfer of an Interest in the Franchised League is void unless it complies with the provisions of Article 19, below If you are a partnership, corporation or limited liability company you must also provide APA with a copy of your organizational documents, before you begin Training Seminar I Such documents include, but are

not limited to, your articles of partnership, incorporation or organization, partnership, shareholder, membership, or operating agreement, charter and bylaws You agree not to amend or alter your organizational documents or enter into a merger, consolidation, transfer or other reorganization without APA's prior written approval, and you must provide APA with a copy of any new or revised organizational documents within ten (10) days of them becoming effective Your stock certificates or other certificates of ownership shall state that assignment, transfer or encumbrance is restricted by this Agreement If you are a partnership, corporation or limited liability company, the Franchised League must be partnership or entity's sole business and the partnership or entity must not own any assets unrelated to, or unnecessary for, your operation of the Franchised League

13 2 Obligation to Manage League APA has granted this franchise in reliance on your abilities and on your representation that you, and, if applicable your owners, will personally participate in and give attention to, the management and operation of the Franchised League If you are an individual, you must be the manager of the Franchised League If you own the Franchised League with your spouse, and with only your spouse, you, or your spouse, must be designated as the manager If you own the Franchised League through a partnership, corporation or limited liability company, the entity's majority owner must be designated as the manager Unless otherwise approved by APA, in its sole discretion, the manager must permanently reside within the Territory at all times during the Term of this Agreement, or within the territory assigned under another franchise agreement between you and APA The manager must successfully complete our Training Program The manager must personally manage the Franchised League and assure compliance with the Franchise Agreement and System Standards, including, without limitation, organizing and administering league play, operating the business, properly and timely maintaining player scores and enforcing proper scorekeeping, properly maintaining handicaps under APA's Equalizer® scoring and handicapping system, assuring fees are collected, records are maintained and royalties are paid, soliciting and maintaining relations with APA Members, players, teams and host locations, and ensuring that the Players Fund is accounted for, held and managed consistent with the terms of this Franchise Agreement and the requirements stated in the Operations Manual The manager may not delegate any of their obligations to any other person without APA's prior written consent, unless the delegation is to another owner of the League in which case you must notify APA of the delegation in writing prior to the delegation becoming effective APA is not required to give our consent, and may refuse consent or give consent on conditions APA believes appropriate in its sole discretion Generally, you must successfully complete the Conditional Term (if this is a Conditional Term Franchise Agreement) and have at least 100 teams regularly participating in the Franchised League before APA will consider consenting, however satisfaction of these factors does not entitle you, or, if applicable, your manager, to delegate any of your obligations under this Franchise Agreement APA may require that any new manager it has approved to manage, or assist in operating, the Franchised League, complete the Training Program to APA's satisfaction before assuming management functions

13 3 All Owners of Franchisee and Spouses Must Guaranty Obligations All of your owners, and their spouses if the spouses are not owners, must personally guaranty your performance of all obligations under, and be personally liable for, any breach of this Agreement All such persons must sign the "Guaranty & Assumption Agreement of Franchisee's Owners/Spouses" (Exhibit G) and the "Confidentiality and Non-Competition Agreement" (Exhibit H) as a condition precedent to APA entering into this Agreement APA is relying, in part, on all such persons accepting, and agreeing to be bound by, the terms those agreements, when deciding to enter into

this Franchise Agreement. All owners and spouses shall be jointly and severally liable for all of your obligations under this Agreement, or for your breach of this Agreement

ARTICLE 14
CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

14 1 Acknowledgments You acknowledge that APA's System (including its confidential and proprietary Operations Manual, Software Program, System Standards and methods and know-how for operating and promoting the pool leagues, tournaments and events) has been developed by APA over many years; is the result of substantial effort, expense and experience, is highly confidential and valuable, and is comprised of information not generally known to competitors that, if disclosed to or used by, competitors, would give them advantages presently enjoyed by APA and its franchisees The System will be disclosed to you by APA solely to help you operate the Franchised League during the Term of and under the conditions of this Agreement As a result of your training and support by APA and your operation of the Franchised League under the System, you will develop 1) substantial knowledge of the System and 2) relations with APA Members participating in the Franchised League But for the training, support and experience gained through this franchise, you, and if applicable, your owners, officers, directors, manager and employees, would be without knowledge of and expertise in the operation of a pool league, would be without knowledge of or expertise in the System, and would not have developed a relationship with APA Members You agree that the confidentiality and non-competition obligations described below are reasonably designed to serve the legitimate and protectable interests of APA, do not unreasonably and unnecessarily restrict you (or your owners, officers, directors, manager or employees), and that the obligations are reasonable in time and scope, will not prevent you or them from earning a living within the area, and can be enforced by any court or arbitrator having proper jurisdiction

14 2 Obligation to Maintain Confidentiality You agree that at all times during the Conditional Term (if it applies), the Regular Term, or any Renewal Term and ***after*** expiration or termination of this Agreement, you, your owners, officers, directors, manager, and employees (1) will maintain the absolute confidentiality of the System, including, without limitation, the contents of the Operations Manual, the Software Program, the System Standards, all other confidential and proprietary information relating to, and included in the System, and the list and records of participants in the Franchised League and APA Members, (2) will not use the System (or any part thereof) in any other business or capacity, (3) will not make any unauthorized copies of the Operations Manual, Software Program or any other confidential and proprietary material or information of the System, and (4) will adopt and implement all reasonable procedures APA prescribes from time to time to prevent unauthorized use or disclosure of the System You and, if applicable, your owners, officers, directors, manager and employees agree to sign and be bound by the Confidentiality and Non-Competition Agreement (Exhibit H) as a condition precedent to APA entering this Agreement We agree that if there is any conflict between this Agreement and the Confidentiality and Non-Competition Agreement, the terms of this Agreement will govern

14 3 Non-Competition During This Agreement You, and your owners, officers, directors, manager, employees, agents and their respective spouses, agree that you and they will not, during the Term of this Franchise Agreement, any prior Franchise Agreement granting you the right to operate the Franchised League, or any subsequent Franchise Agreements between you and

APA, will not, during their affiliation with you or the Franchised League, directly or indirectly, have any interest in, as owner, partner, director, officer, employee, consultant, representative or agent, or otherwise engage in or lend knowledge or support to any non-APA pool league, tournament or event or any business that operates, manages, conducts, franchises or licenses any pool league, tournament or event, provided, that this Section does not prohibit you or your owners, officers, directors, manager, employees, agents or their respective spouses from playing in a non-APA pool league, tournament or event, or from owning less than five percent (5%) of any company listed on any national securities exchange

14 4 Non-Competition After this Agreement You agree that for two (2) years after expiration or termination of this Agreement, you and your owners will not, directly or indirectly (1) have any interest in, as owner, partner, director, officer, employee, consultant, representative or agent, or otherwise engage in or lend knowledge or support to any non-APA pool league, tournament or event or any business operating any pool league, tournament or event within your Territory, or any adjacent county, (2) engage in, support, or assist in the solicitation of any APA Members, host locations, or Sponsors that have participated in the Franchised League to participate in any non-APA pool league play, tournament or events within your Territory, or any adjacent county, or (3) have any interest in, as owner, partner, director, officer, employee, consultant, representative or agent, or otherwise engage in or lend knowledge or support to any business engaged in franchising, licensing, or otherwise establishing, developing or managing a national or regional pool league operation, provided, that this Section does not prohibit you or your owners, officers, directors, manager, employees or their respective spouses from playing in a non-APA pool league, tournament or event, nor does it prohibit you or them from owning less than five percent (5%) of any company listed on any national securities exchange You further agree that your owners, officers, directors, manager, employees and their respective spouses must agree to refrain from these same competitive activities for a period of two (2) years after they cease all affiliation with you and the Franchised League, and they must sign and be bound by the Confidentiality and Non-Competition Agreement (Exhibit H) as a condition precedent to APA entering this Agreement

14 5 Persons That Later Join Your Business You agree that every person that becomes an owner, becomes your spouse or becomes the spouse of an owner of the Franchised League during the Term of this Agreement, as well as every person who becomes a director, officer, manager, or employee of the Franchised League during the Term of this Agreement must also sign and be bound by the then current form of the Confidentiality and Non-Competition Agreement required by APA You agree to have each such person execute APA's currently applicable Confidentiality and Non-Competition Agreement You shall promptly provide APA with either the executed original Confidentiality and Non-Competition Agreement or a copy of the executed Confidentiality and Non-Competition Agreement, as APA may require, signed by each such person immediately upon that person becoming an owner, your spouse, the spouse of an owner, a director, an officer, a manager or an employee of the Franchised League

14 6 APA's Right to Enforce Obligations You hereby grant APA the right, but not the obligation, to enforce the confidentiality and non-competition obligations in your name or APA's name against any owner, director, officer, manager, employee or agent of the franchisee entity that breaches any confidentiality obligation

14 7 Host Location Ownership or Affiliation is Not Allowed You may not have an ownership interest in nor have a management role at any bar or pool room in your Territory,

without APA's prior written approval Some people might think that there is a natural fit or "synergy" between owning an APA pool league and owning a pool room or bar with pool tables History has time and time again proven this to be incorrect There are two major reasons why we prohibit franchisees from owning or managing a location (1) Running a bar or pool room takes up an incredible amount of time that is better spent building teams and building relationships with your Host Locations, and (2) When you own or operate a bar or pool room, you and your APA League will be perceived by Host Locations in your area not as a no-cost benefit to their business but as a competitor You will be perceived as favoring your bar or pool room over other locations or as favoring the teams that play out of your location, no matter how "fair" you think you're being

14 8 Other Activities at APA Events You agree that you will not at any time during any APA event engage in any activity that is not directly related to the operation of the Franchised League or to your obligations as an APA franchisee, including, but not limited to, any solicitation, marketing or promotion on behalf of any other business, enterprise or product, service or event, whether or not such business, enterprise, product, service or event competes with APA, without the written approval of APA As used in this Section the following terms have the following meanings (a) "location" means the general location of such event, including any room within the building or facility in which such event is conducted, and any location within 500 yards of the perimeter of such building or facility, (b) "during" means the time period that such event is being conducted and the 24 hours before its start and after its completion, (c) "you" means you and your owners, officers, spouses, employees, agents or representatives, and (d) "APA event" means any event sponsored, produced by, related to or conducted by the Franchised League, APA or an APA Sponsor

ARTICLE 15
RELATIONSHIP OF THE PARTIES

15 1 Independent Contractor You and APA agree that this Agreement does not create a fiduciary relationship between APA and you, and that APA and you are and shall be independent contractors This means that APA is not obligated to put your best interest above its own, and does not have a duty to protect your best interest Nothing in this Agreement shall make APA or you a general or special agent, joint venturer, partner or employee of the other for any purpose You shall conspicuously identify yourself as the independent franchisee of the Franchised League operating under a license from APA in your dealings with APA Members, host locations, contractors, suppliers, public officials and others and on all checks, invoices, receipts, contracts, business cards, stationery, and any other materials that APA might require you to use If you are a corporation, partnership or limited liability company, the name under which your business is chartered, incorporated or formed shall not include any of the Marks, the phrase "American Poolplayers Association", or the letters "APA" You may not make any agreement, representation or warranty, or incur any debt, on behalf of APA or any Sponsor, or otherwise make or undertake any legal obligation that may result in APA or any Sponsor being liable for any of your obligations APA and you shall not be obligated or liable under any agreement, obligation, representation or warranty made by the other that is not expressly authorized by this Agreement You acknowledge and agree neither APA nor any Sponsor will be liable for any debt, obligation, or damages to person or property directly or indirectly arising out of your operation of the Franchised League, whether caused by your negligent or willful action, failure to act or otherwise

15 2 No Employment Relationship Notwithstanding any other provision of this Agreement, you will control and be solely responsible for the day-to-day operation of the

Franchised Business and the terms and conditions and employment of your personnel, including the soliciting, hiring, firing, disciplining, paying, scheduling, and managing of the Franchised League's employees

15 3 Taxes You agree to collect and, subject to Section 6 6(a), pay all sales, use, service, occupation, excise, gross receipts, income, property or other taxes arising from your operation of the Franchised League, whether such taxes are levied on you, the Franchised League, APA or any Sponsor, other than taxes imposed with respect to the income or assets of APA or a Sponsor You are not obligated or responsible for the collection or payment of any sales tax on APA membership or APA royalty income unless notified as described in Section 6 6(a)

15 4 Indemnification

(a) You agree to indemnify, defend and hold harmless APA and our Sponsors and the affiliates, shareholders, officers, directors, employees, agents, attorneys, successors and assigns of APA and any Sponsor (collectively the "Indemnified Parties") from and against all damages, liabilities, losses, taxes, penalties, fines, debts, costs and expenses (including reasonable attorneys', accountants' and expert witness fees, expenses and costs) incurred by the Indemnified Parties in investigating, preparing for, bringing, defending, settling or satisfying any claim, demand, suit or proceeding, directly or indirectly, arising out of the operation and business activities of the Franchised League or your breach of this Agreement, including, but not limited to, trademark and copyright infringement claims arising from your misuse or unauthorized use of any trademark or copyrighted work, your breach of any agreement, contract, law, rule, or regulation, libel, slander, defamation, unfair competition or unfair trade practices, breach of any provision of this Agreement, and the acts, errors or omissions of you or any of your owners, employees or agents), provided, however, that you shall not be obligated to indemnify any Indemnified Party for any damage, liability, loss, tax, penalty, fine, debt and expense to the extent that such damage, liability, loss, tax, penalty, fine, debt, cost or expense results solely from the negligence or willful misconduct of that Indemnified Party

(b) APA agrees to indemnify, defend and hold you and your affiliates, shareholders, officers, directors, employees, agents, successors and assigns ("Indemnitees") from and against all damages, liabilities, losses, taxes, penalties, fines, debts, costs and expenses (including reasonable attorneys', accountants' and expert witness fees, expenses and costs) incurred by Indemnitees in investigating, preparing for, bringing, defending, settling or satisfying any third party claim, demand, suit or proceeding, arising solely out of conduct of APA adjudged to be wrongful or any breach of this Agreement by APA

(c) Each of us shall immediately notify the other of any claim, demand, suit or proceeding that is or may be covered by the indemnification provisions of the Agreement (unless the other party has already received notice of such claim, demand, suit or proceeding) APA shall have the right to defend and

resolve, at its own expense and in its discretion, any claim, demand, suit or proceeding in connection with which you (or any other Indemnitee) are or may be entitled to indemnification from APA under Section 15 4(b) of this Agreement, in the event APA exercises such right, you shall give APA such authority, information, assistance and cooperation as in APA's judgment is necessary in connection with the defense or resolution of such claim, demand, suit or proceeding

(d) The obligations to indemnify set forth herein shall continue after and notwithstanding the expiration or termination of this Agreement

ARTICLE 16
RECORDS, REPORTING AND AUDIT

16 1 Reporting and Records You agree to timely and accurately prepare and submit to APA, reports and records relating to the finances and financial transactions of the Franchised Leagues, including events or tournaments sanctioned by APA in which you, or the Franchised League, sponsor, organize, or participate in, upon request Further you agree to timely and accurately prepare and submit to APA all records reports (including data and computer files) as required by APA's Operations Manual, as it is revised and updated from time to time You agree to keep and preserve for at least three (3) years after the end of each fiscal year, separate, complete and accurate records of (1) the financial and business operations of the Franchised League and (2) league play, including player and team participation, performance and handicaps Your records shall be prepared in accordance with the requirements of APA's Operations Manual Your records shall include records of Annual Membership Fees, Basic Weekly Fees and other fees, dues and amounts collected, bookkeeping ledgers and records, financial statements, federal, state and local tax returns, banking records (including account statements, canceled checks, deposit and withdrawal slips), contracts, agreements and documents relating to business transactions, score sheets of local league play and tournaments, handicap records, player lists, host location lists, local newsletters, financial records relating to any APA sanctioned event or tournament that you, or the Franchised League, sponsors, organizes or participates in, and advertising and promotional materials If any audited, reviewed or compiled financial statement is prepared by an accountant for you or the Franchised League, you shall promptly send a copy of such financial statement to APA You understand and agree that, as a result of changes in the law and advances in technology, or for other business reasons, APA may from time to time change or be required to change your record keeping and reporting requirements, such changes will be reflected in the Operations Manual (or by bulletins or written notices of changes to the Operations Manual)

16 2 Inspection and Audit You agree APA or our agents have the right, without prior notice, to inspect and audit the records, books and operations of the Franchised League and you to assure your compliance with this Agreement and the System Standards APA's right to inspect and audit includes, without limitation, the right to (1) enter your place of business at any time during business hours, (2) review and copy any books, records, documents and data relating to operation of the Franchised League, (3) access your computer system to examine, review, and copy your computer files and data, by modem or otherwise, at any time, and (4) demand that you produce all records, documents, data, books to APA within the timeframe established by APA in our discretion APA may also inspect (and reject in our discretion) locations where the Franchised League conducts league and tournament play You shall fully cooperate with APA's representatives

in any inspection and audit APA will notify you of any significant adverse findings of an audit Should any audit determine that you have failed to collect Annual Membership Fees for all players participating in the Franchised League, or underpaid royalties or fees to APA, you must pay the fees and royalties due APA, together with interest Further, if any audit determines that you have not accurately accounted for the money designated for the League's Players Fund, or used Players Fund Money (as that term is defined in Section 20 2(b)(9) below) for purposes other than those permitted under the Operations Manual, you agree to turn over, to APA, an amount equal to the balance that should be in the Franchised League's Players Fund account, as determined by the audit, so that APA can hold and manage the Players Fund on the League's behalf, until such time as APA, in its sole discretion, determines that you shall be permitted to manage the Players Fund Additionally, if any audit reveals you have understated amounts due APA by more than 2%, then you must also reimburse APA for the cost of the audit (including, without limitation, accounting fees, travel expenses and compensation of our employees) The foregoing remedies are in addition to all other remedies and rights of APA under this Agreement or applicable law

16 3 APA's Right to Interim Management of Franchised League To protect the APA Members participating in the Franchised League, the integrity of leagues operated under our System and the goodwill associated with the Marks for the benefit of APA and all of our franchisees, (i) upon your death, disability, incapacity (whether physical or mental, temporary or permanent) or abandonment of the Franchised League or, if you are a partnership, corporation or limited liability company, upon the death, disability or incapacity of your manager, or (ii) after notice of termination and pending termination of this Agreement pursuant to Article 20 APA may in our discretion immediately appoint an interim manager (the "Interim Manager") to assume full possession and control of and operate the Franchised League for your benefit until, the League is sold, or until APA determines that an Interim Manager is no longer needed In addition, following your death or, if you are a partnership, corporation or limited liability company, following the death of your controlling owner, APA agrees that it will, upon the request of your personal representative, appoint an Interim Manager for the Franchised League for such period of time as your personal representative requests (except that APA's obligation hereunder shall terminate upon transfer of your Interest in the Franchised League as set forth in Section 19 7) on the terms and conditions of this Section

Where an Interim Manager is appointed because of death, disability or incapacity of you or (if you are an entity) your controlling owner, the expense associated with the Interim Manager will be borne as follows APA will assume the cost of the Interim Manager for the first 90 days of interim management of the Franchised League, after the initial 90-day period, APA shall be entitled to recover from the revenue of the Franchised League APA's then current fees (which APA agrees will be reasonable) for such Interim Manager services and its out-of-pocket expenses in connection with the Interim Manager for the remaining period of time the Interim Manager operates the Franchised League

Where the Interim Manager is appointed by APA pending termination of the franchise, APA shall be entitled to recover from the revenue of the Franchised League APA's then current fees (which APA agrees will be reasonable) for such Interim Manager services and its out-of-pocket expenses incurred in connection with the Interim Manager for the period of time the Interim Manager operates the Franchised League

The Interim Manager will be considered your agent (or the agent of your personal representative, as the case may be) in the management of the Franchised League, but will be required to take instructions only from APA In the event of appointment of an Interim Manager, you hereby appoint APA (and our designee, including the Interim Manager) as your attorney-in-fact with the full powers and authority to take such actions which you and your owners could have taken in the operation of the Franchised League, including without limitation, the power to

(a) conduct league play and operations,

(b) collect all fees, dues and revenues due the Franchised League and endorse your name on checks received,

(c) pay expenses incurred in the operation of the Franchised League from your accounts and funds (including wages and salaries for operation of the Franchised League and including the replenishment of any funds held by you for the benefit of APA Members that participate in the Franchised League),

(d) pay fees, royalties other amounts due APA (or our affiliates) under this Agreement or any other agreement,

(e) incur debts in the ordinary course of business for marketing and operation of the Franchised League,

(f) prepare, execute and submit documents and instruments on your behalf,

(g) bring and conduct legal proceedings on behalf of and defend actions brought against the Franchised League,

(h) cease operation of the Franchised League and dissolve the business, and

(i) take any other action we deem necessary or appropriate in furtherance of this provision

This is an irrevocable and durable power of attorney, is coupled with an interest, and the authority granted APA as your attorney-in-fact shall not terminate if you become disabled or incapacitated Our authority granted under this power is limited to those actions you or your owners could have taken in the operation of the Franchised League, including, without limitation, the actions itemized above If after death your personal representative or the personal representative of your controlling owner requests that APA appoint an Interim Manager for the Franchised League as described above, then such personal representative shall be deemed to have granted APA a power of attorney on the same terms described above

During any time that an Interim Manager is operating the Franchised League, we and/or the Interim Manager, shall maintain separate books and records of our actions Any net proceeds (after payment of Interim Manager fees and out-of-pocket expenses due to, APA under this Section) from our operation of the Franchised League shall be accounted for separately by us held by us as trustee for you We shall be entitled to off-set those net proceeds against any amount that you owe us under this Agreement You, your owners or legal or personal representative (as the case may be)

shall cooperate with and not hinder the Interim Manager, and shall turn over to the Interim Manager all player, financial and other records of the Franchised League, and full control and direction over any funds owing APA and any Players Funds Upon APA's termination of the Interim Manager's operation of the Franchised League, any net proceeds shall be distributed to you, or your personal representative or as you, or your personal representative direct APA and the Interim Manager shall have the right to exercise our independent discretion and judgment in exercising our powers, and decisions and actions of APA and the Interim Manager shall be binding upon you and your owners and the successors, assigns, heirs, and legal and personal representatives of you and your owners APA (including the Interim Manager, shareholders, officers, directors, employees and agents) shall not be liable for and you and your owners shall indemnify and hold us harmless from and against any loss, claim, expense, damage, liability or other obligation of any nature (including attorneys' and accounting fees and expenses) concerning our decision to assume control of the Franchised League and our operation of the Franchised League and exercise of our powers under this Section (except for our willful misconduct or gross negligence) Except in the instance in which your personal representative requests appointment of an Interim Manager after your death as described above, APA has no obligation to assume or continue control of or operate the Franchised League or exercise the powers granted in this Section, and may, in its discretion, terminate its control and operation of the Franchised League at any time

ARTICLE 17
INSURANCE

17 1 Insurance Required You agree to purchase and, at all times during the Term, maintain policies of insurance with such minimum standards, coverage, and limits (or such additional limits or types of coverage) as APA may from time to time prescribe in the Operations Manual The insurance you purchase covering the Franchised League must name APA as an additional insured, and provide that APA shall be given at least ten (10) days prior written notice of any termination, amendment, cancellation or modification of the policy You shall provide APA with a Certificate of Insurance evidencing the amount, nature and period of coverage within ten (10) days after the Effective Date of this Agreement and annually thereafter during the Term of your franchise APA does not undertake the obligation nor does it represent that any insurance obtained by or through APA or meeting its standards will insure or protect you against all possible insurable risks of loss that may arise in connection with your operation of the Franchised League You may obtain such insurance as you may desire in addition to that required by APA

17 2 APA's Right to Purchase Insurance at Your Cost APA may, at its option, purchase insurance on your behalf and at your cost that meets the requirements set forth herein, from an insurance company of APA's choosing Such insurance may be amended, cancelled, terminated or modified by APA at any time upon ten (10) days written notice to you However, nothing contained in this Agreement shall be construed or deemed to impose any duty on APA to obtain insurance for you

ARTICLE 18
RENEWAL

18 1 Your Renewal Right You shall have the right (but not the obligation) to acquire a successor franchise license to continue your operation of the Franchised League upon expiration of any Regular Term of this Agreement for an additional term of ten (10) years (or such other

shorter period as we both reasonably agree) (the "Renewal Term") provided you have complied in all material respects with the following conditions precedent to your right of renewal

You and your owners must

(1) be, and continue to be, in full compliance with all obligations under this Agreement from the time you begin the renewal process through expiration of your Regular Term, and able to demonstrate that the Players Fund contains the full amount collected from APA Members during the League Year in which the renewal is to take place, less only approved expenses,

(2) sign APA's then current form of the Successor Regular Term Franchise Agreement, including ancillary agreements, the terms and conditions of which will govern during the Renewal Term and may vary from this Agreement,

(3) sign a full general release of any and all claims you, your subsidiaries and affiliates may have against APA, its subsidiaries, affiliates, successors, assigns and sponsors and their respective officers, directors, employees and agents, arising out of or relating to your relationship with APA and the performance of this Agreement (the "Franchisee Release"), and

(4) fully comply with the procedures for renewal described in Section 18 2

If you have satisfied the conditions precedent set forth above in this Section, your Territory may not be reduced as a condition to this renewal Your opportunity to renew as provided in this Article applies only to renewal at expiration of any Regular Term under this Agreement You have no renewal right respecting your Conditional Term (if applicable) In the event of renewal, APA (on its own behalf and on behalf of its subsidiaries and affiliates) will sign a release in favor of you, your subsidiaries, affiliates, shareholders, officers, directors, employees and agents (the "APA Release"), the APA Release will be in the same form of the Franchisee Release you sign in favor of APA, but shall not release claims for payment of monies due under this Agreement or for misappropriation or improper accounting of funds or for replenishment of any Player's Fund for the benefit of APA Members

18 2 Manner of Renewal If you wish to acquire a Successor Regular Franchise Agreement license, you must give APA written notice of your desire to renew not later than six (6) months (but no sooner than nine (9) months) before expiration of your Regular Term Your notice must certify that you and your owners are in compliance with all obligations under this Agreement If APA believes you have not complied with the conditions for renewal set forth in Section 18 1, APA will notify you within thirty (30) days After receipt of your notice, if you have complied with the conditions set forth in under Section 18 1, APA will send you APA's then current offering circular, Successor Agreement and Franchisee Release for your review, and you must promptly return the acknowledgment of receipt of the offering circular Not later than twenty (20) business days (but no sooner than ten (10) business days) after receipt of these renewal materials, you must give APA written notice of whether you elect to renew If you elect to renew, you must send to APA with your notice the Successor Agreement, including the guaranty, non-competition, confidentiality and other ancillary agreements, and the Franchisee Release fully signed by you and your owners (as applicable) If you remain in compliance with all of your material obligations under this Agreement

through the expiration date of the Regular Term and, your certification was correct, APA shall sign the Successor Agreement and APA Release and will deliver fully signed copies of the Successor Agreement and APA Release to you promptly after the conclusion of the Regular Term If you do not remain in compliance with all of your material obligations under this Agreement through the expiration date of the Regular Term, your right to renewal will be forfeited and APA can either choose to allow this Franchise Agreement to expire, or place any conditions it deems appropriate upon your renewal of this Franchise Agreement, in its discretion

18 3 Successor Agreement The Successor Agreement shall become the operative Agreement between you and APA after it is signed and accepted by APA upon expiration of the Regular Term, and it supersedes in all respects this Agreement The terms and conditions of the Successor Agreement shall be the same as those then currently being offered by APA to new franchisees, except that (1) the Successor Agreement shall start with a 10-year Renewal Term, without the conditions applicable solely to a Conditional Term Franchise Agreement, and (2) there shall be no Initial Franchise Fee as would be required by APA of a new franchisee The terms and conditions of the Successor Agreement may differ from the terms and conditions of this Agreement. Continuing royalties and other payments to be paid APA under the Successor Agreement shall be the same as required of new franchisees Your opportunity to further renew your franchise upon expiration of your 10-year Successor Term shall be governed by the terms and conditions of the Successor Agreement.

ARTICLE 19
TRANSFER OR ENCUMBRANCE

19 1 Transfer by APA This Agreement (or the various rights, benefits and obligations under it) may be transferred or assigned by APA at any time, and the party receiving the transfer shall be entitled to receive, exercise and enforce all rights and benefits of this Agreement that are transferred to such party

19 2 Transfer by You You understand and acknowledge that the rights and duties created by this Agreement are personal to you (or if you are a corporation, limited liability company or partnership, to your owners) and that APA has granted this franchise in reliance upon its perception of the individual and, if applicable, collective character, skill, attitude, and business and marketing abilities of you and your owners Therefore, except for assignment to a wholly owned corporation or limited liability company as provided in Section 19 8, below, no Interest (as that term is defined below) in the franchise may be transferred by you or any of your owners, and neither you nor any of your owners will make or purport to make any such transfer, without APA's prior written approval Any such purported transfer of an Interest will be voidable at our sole option

(a) Meaning of "Interest" An "Interest" is defined to mean (a) this Agreement or your rights under this Agreement, (b) your rights in the Franchised League (including its assets or such portion of its assets as would constitute a bulk transfer), (c) an individual's rights as an owner of you (including any owner's stock, partnership interest or other ownership interest), (d) any option, call, warrant, conversion rights or rights to acquire any equity or voting interest in you, (e) any security interest, lien, pledge, mortgage, or other encumbrance of any of the foregoing Interests, or (f) any right to

control, operate or manage the Franchised League or you, if you are a partnership, corporation or limited liability company

(b) Meaning of "Transfer" A "transfer" means and includes any voluntary or involuntary, direct or indirect, assignment, sale, gift or other disposition of an Interest including without limitation (a) transfer of any capital stock, partnership interest or other ownership interest of, or in, you, (b) merger, consolidation or issuance of additional stock or ownership interests, (c) transfer in bankruptcy or dissolution of marriage or otherwise by operation of law or by order of court, (d) transfer to a personal representative upon permanent disability or transfer upon your death or the death of one of your owners by will, declaration or transfer in trust or under the laws of intestate succession, (e) the grant or creation of any lien or encumbrance, or (f) any loss of control or management of the Franchised League or of you, if you are a partnership, corporation or limited liability company, provided that appointment of a manager in compliance with Section 13 2 shall not be deemed a transfer under this Agreement

19 3 Sub-Franchise or Partial Transfer Prohibited You and your owners understand and agree that you (or your owners) may not sub-franchise or otherwise transfer less than all of the rights and privileges acquired under this Agreement Further, you or your owners may not under any circumstances transfer any Interest in, possession of or control of the Franchised League or delegate your obligations to manage and operate the Franchised League, other than as provided in Section 13 2, separate from a complete transfer, approved in writing by APA, of this Agreement

19 4 Transfer During Conditional Term If this Agreement is a Regular Term Franchise Agreement as indicated on page 1, this Section 19 4 does not apply to this Agreement or to you You understand and agree that APA may arbitrarily refuse approval of any transfer of an Interest during the Conditional Term, without cause or justification and you agree that neither you nor any owner will make or attempt to make an unauthorized transfer

19 5 Transfer During Regular Term If this is a Regular Term Franchise Agreement, during the Regular Term of this Agreement, if you and your owners are in compliance with this Agreement, APA will not unreasonably withhold approval of a transfer of an Interest that does not otherwise violate this Article and meets all the requirements of this Section The party that is to receive the proposed transfer of any Interest and its direct and indirect owners (collectively the "Transferee") must meet APA's then applicable standards and qualifications for acceptance of new franchisees Furthermore, you agree that APA may condition any approval of the transfer on compliance with such conditions that APA, in its reasonable judgment, believes are appropriate under the circumstances, including any or all of the following

(a) You must pay all fees, royalties and amounts due APA under this Agreement and any other agreement you have with APA or any affiliate, and provide, at APA's request, records concerning your compliance with your financial obligations,

(b) You must demonstrate, to APA's satisfaction, that you will transfer the full balance of the Players Fund to the Transferee,

(c) You must, if requested by APA, deposit into an escrow account in APA's name an amount considered appropriate by APA to secure payment to APA of any royalties, fees or other payments that may be determined to be owing by you and to secure any other debts of you or the Franchised League No money may be disbursed from this account without APA's prior written authorization APA may disburse funds from this escrow account to pay any royalties, fees or payments APA determines are owed APA or to pay debts APA determines are owed your creditors The escrow deposit will be held for six (6) months from the closing date and the balance (including any accrued interest), if any, will be refunded to you,

(d) The Transferee must sign APA's then current franchise agreement and must be bound by all terms, conditions and obligations of such franchise agreement (except the Transferee will not be obligated to pay the Initial Franchise Fee required under the agreement), including the personal guaranty of obligations under the franchise agreement by the Transferee's owners and spouses, their execution of Confidentiality and Non-Competition Agreements, the completion by the Transferee (or its owner who will be designated as manager) of the required portions of APA's then current training program, and the execution by the Transferee of APA's then-current license agreement covering the Software Program The term of the Transferee's franchise agreement, if accepted and signed by APA, will be the greater of thirty-six (36) months or the then remaining Term of this Franchise Agreement. The Transferee will also have the right to renew the franchise agreement in accordance with its terms

(e) The Transferee must pay to APA (in lieu of the Initial Franchise Fee) APA's then current Franchise Transfer Fee (which is presently One Thousand Five Hundred Dollars ($1,500 00), or as set forth in the Operations Manual

(f) You must provide APA with the Confidentiality and Non-Competition Agreements signed by and binding upon your owners, officers, directors, Managers, and employees and their respective spouses as required by Article 14 of this Agreement

(g) You and your owners must sign general releases, releasing any and all claims against APA (including its subsidiaries, affiliates, shareholders, officers, directors, employees and agents)

(h) You must provide APA with written notice of transfer The notice of transfer shall be accompanied by a copy of the sales agreement or a description of all the material terms of your agreement with the transferee APA must approve the material terms and conditions of the transfer, including all financing arrangements, and determine that the price and terms of payment will not, in APA's judgment, adversely affect the Transferee's operation of the Franchised League and the Transferee's ability to meet its obligations under the Transferee's franchise agreement

(i) Subject to APA's right of approval (or conditioned approval), you may use the franchise as collateral for financing the sale or transfer of your franchise If you or your owners finance any part of the Transferee's purchase price, you and your owners must agree that any promissory note or security interest given you or your owners by the Transferee will be fully subordinated to the obligations Transferee owes APA, including Transferee's obligation to pay royalties, fees and other payments due APA

All conditions set by APA must be met to APA's satisfaction before the transfer becomes effective APA's approval of the transfer must be in writing APA agrees to provide written notice of approval or rejection of any transfer within 30 days of receipt of your notice of transfer or 10 days before the transferee begins Training Seminar I, whichever occurs first Any approval notice shall contain the conditions that APA requires to approve the transfer, if APA has received all information its requests from you, or the Transferee, relating to the transfer in sufficient time to review it, consider it as part of its decision regarding whether to approve or reject the transfer Any rejection notice shall contain an explanation of rejection of the transfer Any of the above conditions applicable to you may be imposed by APA on all of your owners or such owners of you that are seeking transfer of an Interest

19 6 Transfer Because of Death or Disability Upon your death or disability (or, if you are a corporation, limited liability company or partnership, upon the death or disability of the owner of a controlling interest in you), your or such owner's personal representative, executor, administrator, conservator, guardian or other legal representative must transfer your Interest in this Agreement, or your controlling owner's Interest in you, to a Transferee approved by and acceptable to, APA within 90 days after the death or disability of you or your controlling owner or, if an interim manager is requested pursuant to Section 16 3, within 180 days after such death or disability (the "Transfer Period") Such transfer of the Interest is subject to APA's right of approval as provided in Section 19 2, and satisfaction of all conditions precedent set by APA as provided by Section 19 5 APA will give prompt consideration to a proposed transfer of the Interest to an immediate family member of you or your controlling owner If APA does not approve a transfer to the family member, then the Interest must be transferred to some other Transferee, acceptable to APA, within the remainder of the Transfer Period, unless extended by APA, in its discretion, provided, that in no event shall the Transfer Period exceed 180 days For purposes of this Agreement, "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or your controlling owner from effectively promoting, managing and operating the Franchised League, or fulfilling your obligations under this Franchise Agreement

19 7 APA Procures Purchaser If APA procures or locates the Transferee that results in the transfer of an Interest, you and your owners agree to pay APA a finder's fee as follows if the total purchase price to be paid by the Transferee to you or your owners in the transaction is (i) less than Two Million Dollar ($2,000,000 00), the finder's fee shall be equal to ten percent (10%) of the purchase price, (ii) Two Million Dollars ($2,000,000 00) or more, the finder's fee shall be equal to Two Hundred Thousand Dollars ($200,000 00) plus five percent (5%) of the amount by which the purchase price exceeds Two Million Dollars ($2,000,000 00) This fee must be paid to APA in full prior to the closing of the transfer

19 8 Transfer to a Wholly-Owned Corporation or Limited Liability Company Notwithstanding the foregoing, if you are in full compliance with this Agreement, you may transfer this Agreement to a corporation or limited liability company in which you own one hundred percent (100%) of the equity and hold one hundred percent (100%) voting power You must maintain complete management control of the corporation or limited liability company, and the corporation or limited liability company may not conduct any business other than the operation of the Franchised League, and you and your owners must remain personally liable under this Agreement as if the transfer to such corporation or limited liability company had not occurred You must also promptly notify APA of such transfer and provide APA with true copies of the organizational documents of the corporation or limited liability company The stock or ownership certificates of the corporation or limited liability company must contain a conspicuous statement that assignment, transfer or encumbrance is restricted by this Agreement

ARTICLE 20
TERMINATION OF FRANCHISE

20 1 Termination By Franchisee If this is a Franchise Agreement with a Conditional Term, during the Conditional Term of this franchise, you may terminate this Agreement for any reason by giving APA sixty (60) days prior written notice If this is a Franchise Agreement with a Regular Term, the Regular Term of this franchise, you may terminate this Agreement for any reason by giving APA one hundred twenty (120) days prior written notice

20 2 Termination By APA

(a) Termination During the Conditional Term If this Agreement is a Regular Term Franchise Agreement, this Section 20 2(a) does not apply to this Agreement or to you During the Conditional Term, APA shall have the right to terminate this Agreement, if you

(1) do not start teams playing in your local league and submit Annual Membership Fees for players and royalties for weekly league play within ninety (90) days after this Agreement is accepted and signed by APA,

(2) have not satisfied the Interim Team Count Growth Requirement set forth in Section 4 2 (b) within the timeframe set forth therein, or

(3) do not meet the terms, conditions and requirements of any extension of the Conditional Term

(b) Termination At Any Time At any time during the Conditional Term (if applicable) or any Regular Term, APA shall have the right to terminate this Agreement, if you or your owners

(1) cease to operate the Franchised League with the intent not to continue its operations or state (orally or in writing) your intent to cease operations, terminate league play or cease to manage and operate the league during a session, fail or cease to operate an APA

pool league for a period of thirty (30) consecutive days, or otherwise abandon operation of the Franchised League,

(2) become insolvent or admit inability to meet your financial obligations when due, make an assignment for the benefit of creditors, are adjudicated bankrupt, file or consent to a bankruptcy petition, or do not obtain dismissal of a bankruptcy petition filed against you or your owners within one hundred twenty (120) days, fail to satisfy within thirty (30) days a judgment against you in excess of Ten Thousand Dollars ($10,000 00) (unless an appeal is filed and supersedeas bond is secured), or fail to obtain release of any attachment, seizure or levy on the Franchised League or you within thirty (30) days,

(3) lose control over the operation of the Franchised League or you (including without limitation loss of control resulting from appointment of a receiver, trustee, conservator, guardian or other custodian over the Franchised League, you or your assets),

(4) engage in any conduct constituting criminal misconduct or fraud, or are convicted of or plead guilty or no contest to (i) any felony or (ii) to any other crime or offense that is likely to adversely affect APA's, your or the Franchised League's reputation and goodwill,

(5) make any unauthorized transfer of this Agreement or any Interest, or fail to transfer your Interest or the Interest of a deceased or disabled owner of you, within the time period required by Section 19 6 above,

(6) understate the Basic Weekly Fees (or other fees, dues or receipts subject to payment of royalties) charged or collected by you by two percent (2%) or more in your reports to APA and do not correct such deficiency within ten (10) days after written notice of such deficiency is delivered to you, provided, however, that if more than once during the Term you understate the Basic Weekly Fees (or other fees, dues or receipts subject to payment of royalties) by two percent (2%) or more, the ten (10) day period to correct such additional deficiency shall not apply and APA shall have the right to terminate this Agreement immediately,

(7) fail to submit to APA the Annual Membership Fees and membership applications for every player participating in the Franchised League in accordance with and within the time required by the Operations Manual and do not correct such failure within ten (10) days after written notice of such failure is delivered to you, provided, however, that if you fail to submit such Annual Membership Fees and applications more than once during any period of twenty-four (24) consecutive months, the 10-day period to correct such additional

deficiency shall not apply and APA shall have the right to terminate this Agreement immediately,

(8) receive two (2) notices of default from APA during any period of twelve (12) consecutive months regardless of whether the defaults are the same, similar or different and regardless of whether your prior default(s) were cured, provided, however, this subparagraph 20 2(b)(8) shall not apply to any default for failure to comply with a System Standard, which default you reasonably demonstrate was not intentional,

(9) fail to do any of the following accurately account for and use for the benefit of players all Players Funds, ensure that all amounts collected from APA Members that were designated for inclusion in the Players Fund ("Players Fund Money") were deposited into a separate Players Fund account consistent with the terms of the Operations Manual, ensure that Players Fund Money collected was used solely for the benefit of the APA Members playing in the Franchised League consistent with the terms of the Operations Manual, permit or assist APA to audit the Franchised League's Players Fund, or provide statements, invoices, receipts or other documents and/or records related to the Players Fund or the Players Fund Money to APA upon APA's request within the timeframe established by APA in its discretion,

(10) fail to have the number of Standard Format Teams playing in the Franchised League during any session, other than a Summer Session, that equals or exceeds seventy percent (70%) of the highest number of Standard Format Teams that have participated in the Franchised League at any time since you first began operating the Franchised League, and, do not correct the failure within ninety (90) days after APA sends you written notice of the failure As noted in the definition of Standard Format Teams in Section 4 2(c) above, teams playing for free or at a discounted promotional weekly team fee will not be counted as Standard Format Teams for the purposes of determining whether APA has the right to terminate the Agreement under this subsection,

(11) make any unauthorized or prohibited use or disclosure of the System, or any part thereof, including any unauthorized use, duplication or disclosure of the Operations Manual, Software Program or other confidential information,

(12) fail to discontinue, substitute or adopt any Mark (including any Sponsor Mark) immediately (or as soon as reasonably possible) after receiving notice from APA to do so,

(13) are determined to have made any material misrepresentation or failed to disclose any material information in connection with your application for the franchise granted hereunder, or if you otherwise make any material misrepresentation to APA in connection with your ownership, management or operation of the Franchised League,

(14) solicit prospective players or host locations or establish or seek to establish host locations outside of your assigned Territory in violation of Section 3 4 of this Agreement and such violation continues after written notice of the violation is delivered to you,

(15) fail to remit fees, royalties or other amounts when due APA (or any APA affiliate) under this Agreement or any other agreement and do not correct such failure within ten (10) days after written notice of such failure is delivered to you,

(16) fail to comply with any obligation under Exhibit H (Confidentiality and Non-Competition Agreement) of this Agreement provided, however, that APA shall not be entitled to terminate this Agreement for your failure to comply with Section 14 5 unless you do not correct such failure within thirty (30) days after written notice of the failure is delivered to you, or

(17) give a no account or insufficient funds check which is not honored within twenty-four (24) hours after written notice or issue a payment order of any kind that is refused for any reason,

(18) fail to properly administer or enforce the APA Equalizer® handicapping system as required by the Operations Manual, including without limitation, failure to conduct regular handicap review and enforce proper scorekeeping, resulting in players in the Franchised League playing at skill levels below their true playing ability Except in cases that APA deems egregious and requiring immediate change of management, APA will not terminate the Franchise unless there has been at least one prior notice of default for failure to properly administer or enforce the handicapping system, whether timely cured or not

(19) Operate an APA specialty tournament held outside your Territory, or marketed to APA Members, or other players, playing or residing outside of your Territory, without APA's express written consent to you operating the Tournament,

(19) fail to provide appropriate customer service under the standards set forth in the Operations Manual Except in cases that APA deems egregious and requiring immediate change of management, APA will

not terminate the Franchise unless there has been at least one prior notice of default for customer service violations, whether timely cured or not

(20) fail to comply with any other obligation under this Agreement (other than the obligations listed above) and do not correct such failure within thirty (30) days of you receiving written notice of the failure and, if the failure is curable, describing the action you must take to correct the failure, or

(21) fail to comply with any obligation under any other franchise agreement (other than any team count requirement in such other franchise agreement whether during the conditional or Regular Term of such agreement), or any other agreement executed in connection with this Agreement or such other franchise agreement, or any promissory note or agreement for payment of money to APA, and do not correct such failure within the time, if any, allowed under such agreement

(c) Method and Effective Date of Termination APA may terminate this Agreement by delivering notice of such termination to you or your owners Such termination shall be effective immediately upon delivery of such notice or at such other time as is specified in the notice

(d) Franchise Owners Advisory Board APA anticipates that any Franchise Owners Advisory Board established in accordance with the Operations Manual may play a valuable role in maintaining positive relations between APA and its franchisees Accordingly, APA will contemporaneously provide to any Franchise Owners Advisory Board established in accordance with the Operations Manual a copy of any written notice of failure to comply that is delivered to you by APA pursuant to subsection 20 2(b)(18) of this Agreement The Franchise Owners Advisory Board may make such recommendations with regard to the matter as it deems appropriate APA will consider any recommendations of the Franchise Owners Advisory Board (provided they are received by APA prior to the expiration of the 30-day correction period provided for in subsection 20 2(b)(18)) and may withdraw, suspend or modify its written notice of failure to comply, but APA is not required to follow any recommendations of the Franchise Owners Advisory Board Any such recommendations shall be advisory only This section shall not apply to any provision of Article 20 of this Agreement other than subsection 20 2(b)(18)

20 3 APA's Alternative Right to Reduce Territory or Impose Other Conditions In the event of any failure by you to comply with your obligations under this Agreement, or in the event APA becomes entitled to terminate this Agreement, pursuant to its terms, at its sole option and discretion, APA may, instead of exercising its rights to terminate as provided above, reduce your Territory by terminating your rights under this Agreement in a portion of your Territory, and/or

APA may impose any other conditions, requirements, restrictions and obligations on you for your continuation of the Franchise that it considers appropriate APA's decision to (a) reduce your Territory or permit you to continue to operate the Franchise League on certain conditions in lieu of termination, or (b) to reduce another franchisee's territory or permit the other franchisee to continue the franchise on certain conditions in lieu of termination, shall not be deemed a waiver of APA's right to terminate this Agreement as a result of your breach of any obligation

ARTICLE 21
OBLIGATIONS AND RIGHTS OF THE PARTIES UPON TERMINATION OR EXPIRATION

21 1 Meaning of "Termination" and "Expiration" Under this Agreement, "termination" occurs if (i) you terminate the Agreement as provided in Section 20 1 or (ii) APA terminates your right to operate the Franchised League by exercising the rights set forth in Section 20 2, above, to terminate this Agreement "Expiration" occurs when (i) at the end of your Conditional Term, you have not satisfied the requirements of Article 4 for a Regular Term, or (ii) at the end of any Regular Term, you have elected not to obtain or have not been granted a successor franchise license pursuant to a Successor Agreement as provided in Article 18

21 2 Payment of Amounts Owed APA You agree to pay APA within fifteen (15) days after the effective date of termination or expiration of this Agreement, or on such later date that the amounts due are determined, all unpaid royalties, fees and other amounts (including interest and administrative and late fees) owed APA and to transfer the full balance of the Players Fund account to APA, or to APA's designee

21 3 Your Rights in System and Franchised League End Upon termination or expiration of this Agreement your rights and benefits under this Agreement end, including all rights in the Franchised League, your Territory and your rights hereunder to use the System and the Marks You must immediately cease operating and managing the Franchised League APA or such other person designated by APA will, at APA's option, upon termination or expiration be entitled to conduct the operation and management of any on-going league play and any other on-going business of the Franchised League

21 4 Obligations Regarding the Marks Upon termination or expiration of this Agreement, you must immediately stop all use of the Marks You may not directly or indirectly at any time or in any manner identify yourself or any business as being or having been affiliated with APA or with any of the Marks You may not use in connection with any business any colorable imitations of the Marks or any other marks, trade names, or other commercial symbols or designations likely to cause mistake, deception or confusion with any of the Marks or otherwise tending to give the general public the impression that you are operating an APA franchise or any business similar to an APA franchise You agree that APA has the sole rights to and interest in all telephone numbers and directory listings associated with operation of the Franchised League under any Mark and that your rights in and to use such numbers and listings end on termination or expiration of this Agreement Further, you agree to immediately (a) deliver to APA all marketing, promotional and advertising materials, signs, forms, and other documents containing any of the Marks or identifying you as an APA franchisee or league, (b) revoke, cancel or (at our direction) transfer to our designee the trade name (fictitious or assumed name or equivalent) registration(s) of the Franchised League and/or you, (c) transfer to our designee all websites, URL, domains, email

addresses, and social networking pages used by the Franchised League, and (d) notify the telephone company and all telephone directory publishers of the termination or expiration of your rights in the telephone number and directory listings associated with the Franchised League, and authorize and direct the telephone company and directory publisher to transfer the telephone number and listing to APA or its designee, at APA's direction You agree to execute all papers and give such directions required by the service vendors or registration authorities to cause these transfers or cancellations If you fail to promptly do so upon termination, you hereby authorize APA to take such action as necessary to cause transfer or cancellation of the Franchised League's trade name or fictitious name registration, websites, URL, domains, email addresses and telephone numbers and listings with the applicable service vendors and registration authorities

21 5 Obligations Regarding Operations Manual and System Information Upon termination or expiration of this Agreement, you agree that you will immediately return to APA all copies of the Operations Manual (including all bulletins and updates), the Software Program, and all other confidential, proprietary and/or copyrighted material and information concerning APA's System and System Standards and delete any electronic files containing portions of the Operations Manual from all electronic devices you own, control, or have access to You and your owners, employees and agents may not keep any copy of or use, in whole or in part, the Operations Manual, the Software Program or any other System materials or information

21 6 Obligations Regarding Records and Cooperation You also agree that you will immediately deliver to APA (or its designee) all records maintained by you concerning the Franchised League, including all financial and accounting records, all tangible and computer records, data and information of league play, player and team performance and handicaps, and all other records and lists of players, teams and host locations APA shall also be entitled to assume immediate control over all Players Funds being held by you You agree to cooperate with APA and not hinder APA in effecting a smooth transition of control over the Franchised League Upon termination or expiration, APA shall have the immediate right to issue a new franchise covering all or part of your Territory to any person interested in acquiring the franchise, in APA's discretion

21 7 Attorney-In-Fact You authorize APA and hereby irrevocably appoint APA (and any of its officers) as your attorney-in-fact to perform and take all actions in your name and stead to carry out any and all of your obligations under this Article if you fail or refuse to do so APA may give such instructions and execute such documents in your name necessary to cause transfer of the Franchised League, and the contents of its Players Fund account, to APA or its designee on termination or expiration and the discontinuance of your use of the Marks and the System

21 8 Continuing Obligations All obligations of this Agreement which expressly or by their nature survive the expiration or termination of this Agreement (including without limitation the non-competition and confidentiality obligations and agreements, the guaranties of your obligations, and your indemnification of APA) shall continue in full force and effect after and notwithstanding this Agreement's expiration or termination until such obligations are satisfied in full or by their nature expire Nor, shall any expiration or termination of this Agreement relieve you of any of your obligations (known or unknown) to APA existing at the time of expiration or termination

ARTICLE 22
SEVERABILITY AND SUBSTITUTION OF ENFORCEABLE TERMS

22 1 Severability Unless expressly provided to the contrary, every provision (or part thereof) of this Agreement will be considered severable If any such provision (or part) is determined to be invalid or unenforceable under the law by a court or arbitration panel of competent jurisdiction, that determination will not affect, impair or invalidate all other portions of this Agreement, which shall remain in full force and effect and binding upon the parties

22 2 Substitution of Enforceable Terms Furthermore, you and APA agree in the event a court or arbitration panel determines that a provision (or any part) is invalid or unenforceable under properly applicable law by virtue of the provision's scope or duration, but that the provision would be valid and enforceable by reducing the scope or duration or otherwise modifying the provision, then the court or arbitration panel shall have power to reduce the duration or scope of the provision or modify it so that the provision may be enforced to the fullest extent permitted under the law and public policies of the jurisdiction whose law is properly applicable In addition, if the law of a jurisdiction whose law is properly applicable, requires a greater prior notice than that provided in this Agreement for termination or non-renewal of the franchise, or requires the taking of an action not expressly required by this Agreement, or prohibits or makes invalid some provision of this Agreement or any System Standard, then it is agreed between APA and you that this Agreement shall be considered modified in the most limited way possible to conform to the requirements of the applicable law You agree that APA may fully enforce its rights under this Agreement to the fullest extent permitted under applicable law

22 3 Right to Contest Determinations Should a court or arbitration panel determine that any provision (or part thereof) of this Agreement or any System Standard is invalid or unenforceable under applicable law or that applicable law requires some other act than is expressly required by this Agreement, notwithstanding any substitution of terms as provided in Section 22 2, APA (at its expense) and you (at your expense) shall each have the right to contest the determination and exercise all rights of appeal, including the right to contest and appeal (a) whether the law of that jurisdiction is properly applicable and (b) whether the provision of this Agreement or the System Standard complies with the law that is properly applicable Should the provision or System Standard ultimately be held to comply with the properly applicable law, such provision or System Standard shall be enforceable as written (regardless of any modification made or implied in the interim under Section 22 2)

ARTICLE 23
DISPUTE RESOLUTION, APPLICABLE LAW AND CONSENT TO JURISDICTION

23 1 Negotiation of Disputes APA and you agree to attempt in good faith to resolve any dispute arising out of or related to this Agreement, the franchise or the relationship between APA and you (the "Dispute") promptly by negotiation between executives of the parties who have authority to resolve the Dispute If the matter has not been resolved within 20 days of a party's request for negotiations, either party may initiate mediation as provided in Section 23 2, below The parties' negotiations relating to the Dispute (including all statements and offers made and all information and material disclosed related to the negotiations) shall be kept strictly confidential

and not disclosed by the parties (including each party's attorneys, employees and agents) to other persons The parties' discussions shall be treated as compromise and settlement negotiations in accord with the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose

23 2 Mediation of Disputes APA and you acknowledge that during the Term of this Agreement or thereafter certain disputes may arise between the parties that the parties are unable to resolve by negotiation, but that may be resolved through mediation To facilitate the resolution of any dispute that may arise between us, APA and you agree that before commencing any arbitration proceeding (as provided in Section 23 3, the dispute will first be submitted to non-binding mediation (the "Mediation") The mediation shall take place in the St. Louis, Missouri Metropolitan Area, unless the parties mutually agree to another location The Mediation shall be conducted under the then current American Arbitration Association ("AAA") Mediation Procedures ("AAA Mediation Procedures") except to the extent the AAA Mediation Procedures differ from the terms of this Agreement, in which event, the terms of this Agreement shall be applied The APA and you shall select a mediator from the list of active mediators or neutrals maintained by AAA or the United States District Court for the Eastern District of Missouri If the parties cannot agree on the selection of a mediator, AAA shall make the selection The cost of the mediation, including the mediator's fee and expenses, shall be split equally between APA and you All negotiations and mediation proceedings (including all documents and information disclosed and all statements and settlement offers made by either party or the mediator in connection with the Mediation) shall be (a) kept in strict confidence and not disclosed by any party (including the party's counsel, employees or agents) to any other person The mediation shall be treated as compromise and settlement negotiations in accord with the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose The mediator may not be called as a witness in any court or arbitration proceeding for any purpose

23 3 Arbitration of Disputes Any dispute which has not been resolved by a non-binding procedure as provided above within ninety (90) days of the initiation of such procedure, shall be settled by binding arbitration (the "Arbitration") The place of Arbitration shall be the St. Louis Metropolitan Area (unless the parties mutually agree otherwise) The Arbitration shall be conducted in accordance with AAA's then applicable Rules for non-administered arbitration of commercial or business disputes (the "AAA Arbitration Rules") As an alternative the parties may mutually agree to arbitration through the IFA and its rules for arbitration of franchise disputes (the "IFA Arbitration Rules") To the extent the AAA Rules or IFA Arbitration Rules (whichever is applicable) differ from the terms of this Agreement, the terms of this Agreement will control and be applied Unless both APA and you agree to arbitrate before a single mutually selected arbitrator, the arbitration shall be conducted before a panel of three arbitrators selected by the administrator of the dispute resolution program of AAA or IFA (as applicable) from that organization's list of active arbitrators The United States Arbitration Act (9 U S C §§ 1-16) shall exclusively govern all matters relating to the Arbitration All existing claims and disputes between us must be asserted and resolved in the same Arbitration proceeding, and if existing and not asserted in the Arbitration proceeding that claim or dispute is waived

23 4 Powers of the Arbitrators In the Arbitration, the arbitrators will have the right to award or include in their award any relief which the panel deems proper in the circumstances, including without limitation, (1) compensatory money damages, (2) interest on unpaid amounts

from the date due, (3) injunctive relief, and (4) attorneys fees and costs as provided in Section 23 13 Notwithstanding the foregoing sentence, the arbitrators will not have the power to (a) declare a proprietary mark to be generic, merely descriptive or invalid, or (b) award punitive, exemplary or other non-compensatory damages (except as provided in Section 23 10) Further, APA and you agree to be bound by any limitation on the period of time in which claims may be brought under this Agreement or under applicable law (whichever period expires first) The arbitrators shall enforce and apply the shortest such time limitation period in ruling on all claims and disputes

23 5 Arbitration Award Binding The award and decision of the Arbitration panel shall be conclusive and binding upon the parties with regard to the disputes between us Judgment upon the Arbitration award may be entered by any court of competent jurisdiction An Arbitration award or decision entered in any other case (whether or not APA was a party) will not be binding on APA in any other dispute, will have no precedential value, and cannot be used as evidence in any other proceeding

23 6 Class Arbitration Waiver APA and you agree to arbitrate solely on an individual basis, and that this Agreement does not permit class arbitration or any claims brought as a plaintiff or class member in any class or representative proceeding The Arbitration panel may not consolidate more than one person's claims, and may not otherwise preside over any form or a representative or class proceeding

23 7 Injunctive Relief Pending Negotiation, Mediation or Arbitration Notwithstanding the foregoing, either APA or you may initiate litigation at any time, without prejudice to the procedures specified in Sections 23 1 - 23 3, above, for the limited purpose of seeking a temporary restraining order or other temporary or preliminary injunctive relief, if in the sole judgment of the party such action is necessary to avoid irreparable damage or preserve the status quo The party enjoined shall be bound by and comply with any provisional injunction issued unless and until it is vacated or terminated Despite such action for provisional injunctive relief, the parties will continue to participate in the procedures of Sections 23 1 - 23 3

23 8 Governing Law All matters relating to Arbitration will be governed by the Federal Arbitration Act (9 U S C §§ 1 et seq) Otherwise, this Agreement, the franchise and all claims arising from the relationship between APA and you will be governed by the law of the State of Missouri (without regard to the conflicts of law rules and principles of Missouri or your state), except that the United States Trademark Act of 1946, as amended (Lanham Act, 15 U S C §§ 1051 et seq) and the United States Copyright Act (17 U S C §§ 101 et seq) may also be applied to matters relating to trademarks, copyrights and unfair competition

23 9 Consent to Jurisdiction You and your owners (including their spouses) agree that all judicial actions brought by APA against you or any of your owners (including their spouses) or brought by you or your owners against APA (including any APA subsidiary, affiliate, officer, director, shareholder, employee or agent) must be brought in the Circuit Court of St Charles County, Missouri or the U S District Court for the Eastern District of Missouri You and each of your owners (including their spouses) irrevocably submit to the jurisdiction of such courts and waive any objection you, he or she may have to either the jurisdiction of or venue in such courts Notwithstanding the above, APA may bring an action for a temporary restraining order, temporary or preliminary injunctive relief or to enforce any arbitration obligation or award in any federal or

state court of general jurisdiction in the state in which you reside or in which the Franchised League is located

23 10 Waiver of Punitive Damages Except with respect to claims APA may bring against you for your unauthorized use of Marks or unauthorized use or disclosure of confidential information, APA, you and your owners waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us, the party making the claim will be limited to equitable relief and recovery of any actual damages sustained (together with reasonable attorney's fees, costs and expenses if authorized by this Agreement)

23 11 Waiver of Jury Trial APA, you and your owners irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either of us

23 12 Limitation of Claims Except for claims arising from your non-payment or underpayment of royalties, fees and other amounts you owe APA under this Agreement, any and all claims arising out of or relating to this Agreement or APA's (and any APA affiliates') relationship with you will be barred unless a judicial or arbitration proceeding is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to that claim

23 13 Costs and Attorneys' Fees In any litigation or arbitration of any dispute, the prevailing party shall be entitled to recover its reasonable attorneys' fees and expenses from the other party, provided, in all events, the parties shall bear evenly the cost of arbitrators' fees and expenses

23 14 Remedies Cumulative Except as otherwise provided in this Agreement, the rights and remedies provided APA and you under and by this Agreement shall be cumulative and shall not be exclusive of any other rights and remedies which APA and you may have at law or in equity including, but not limited to, claims for damages Except as expressly provided in this Agreement, the rights and remedies of the parties herein shall not be in substitution for, but shall be in addition to, any and all rights and remedies to which they shall be respectively entitled in law or in equity

23 15 Joint and Several Liability of Owners of Franchisee and Spouses You and your spouse (if you are an individual or sole proprietorship) or your owners and their respective spouses (if you are a partnership, corporation or limited liability company) must be bound by this Agreement by signing it and shall be jointly and severally liable with you or your owners for breach of this Agreement If you become married during the Term, you agree to use your best efforts to obtain in writing your new spouse's consent to the terms of this Agreement Accordingly, if you or your owners are married or become married during the Term, then all references in this Agreement to "you" shall also mean you and your spouse (jointly and severally) and all references to "your owners" shall also mean your owners and their spouses (jointly and severally)

ARTICLE 24
MISCELLANEOUS

24 1 Non-Waiver APA's or your forbearance, delay or failure to take action upon any failure by you or us to meet any obligation, whether in a single instance or repeatedly, shall not be a waiver of any default or our or your rights to require exact compliance with any obligations, to declare a default and to terminate this Agreement, and shall not waive or impair APA's or your ability to later exercise any right under this Agreement Should APA take action less than termination of this Agreement in the event of a breach by you, APA's decision to take such limited action shall not waive or impair its right to later terminate for the same, similar or different breach No express waiver by APA or you of performance of any obligation or this Agreement shall be construed as a waiver of any other or future default or performance obligation Further, APA's or your forbearance, delay, failure to exercise or express waiver of a right or our decision to take some other action regarding breach by any other franchisee shall not be evidence of a practice, custom or policy of APA and shall not waive or impair APA's ability to exercise any right, power or option it has under this Agreement in the event of the same, similar or different breach by you You also acknowledge that agreements entered into at different times with other franchisees may contain different terms than this Agreement, and that this shall not waive or impair APA's rights and your obligations under this Agreement In addition, APA's acceptance of any payments due from you after any breach by you shall not constitute a waiver of your breach nor limit APA's ability to fully exercise its rights under this Agreement as a result of your breach No special or restrictive legend or endorsement on any check or similar item given to either party will constitute a waiver, compromise, settlement or accord and satisfaction The recipient may remove or obliterate any restrictive legend or endorsement and any such legend or endorsement will be of no effect

24 2 Delivery and Receipt of Notices All written notices permitted or required under this Agreement will be deemed delivered and received (1) at the time delivered by hand or by facsimile or by electronic mail (if sent during regular business hours or deemed received the next business day if sent after regular business hours) or (2) on the next business day if sent by a nationally recognized commercial courier service for next business day delivery or if sent by registered or certified U S mail, return receipt requested, postage prepaid For this purpose "business day" means Monday through Saturday (except national holidays) Notices to APA must be sent to APA's principal office at 1000 Lake Saint Louis Boulevard, Suite 325, Lake Saint Louis, Missouri, 63367, or faxed to APA's then current fax number (currently 636-625-2975), or electronically sent to notices@poolplayers com Notices to you may be sent to the electronic address then being used by APA for weekly updates sent to you, and other notices may be sent to the address we use to ship supplies ordered by you

24 3 Receipt and Delivery of Payments and Reports Payments and reports due APA must be physically received in APA's principal office at 1000 Lake Saint Louis Boulevard, Suite 325, Lake Saint Louis, Missouri, 63367, by the due date, otherwise the payments and reports will be considered delinquent and interest, penalties, and late and administrative fees may be charged

24 4 Interpretation The headings of the various Sections of this Agreement are for convenience only and do not define, limit or construe the contents of such sections References to "APA Affiliate" herein refer to any parent or subsidiary of APA, company under common ownership with APA, or company directly or indirectly owned or controlled by APA Whenever this Agreement requires APA's prior consent or approval, you must make a timely written request for approval, and

our approval must be obtained in writing ORAL APPROVAL OR CONSENT WILL NOT BE BINDING ON APA, MAY NOT BE RELIED UPON BY YOU AND SHALL BE OF NO FORCE AND EFFECT Unless this Agreement expressly obligates APA to reasonably approve or not unreasonably withhold our approval of any action or request by you, APA shall have the absolute right to refuse any request or withhold our approval The language in all parts of this Agreement shall be construed simply according to its fair meaning and not strictly for or against APA or you If any provision of this Agreement is capable of two constructions, one of which would render the provision void or voidable and the other of which would render the provision valid, then the provision shall have the meaning that renders it valid

24 5 Duplicate Originals This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument

24 6 APA's Cure of Your Obligations In addition to all other remedies herein granted, if you default in the performance of any of your obligations or breach any term or condition of this Agreement or any related agreement, APA may, at its election, immediately or at any time thereafter, without waiving any claim for breach hereunder and with at least ten (10) days notice (or less if the nature of the breach so requires) cure such default for your account and on your behalf, and the cost to APA thereof shall be due and payable on demand and shall be deemed to be additional fees and shall be added to the amount of fees next accruing hereunder, at the election of APA

24 7 Entire Agreement and APA's Acceptance This Agreement including all exhibits to this Agreement and our System Standards, constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law This agreement may only be amended in writing signed by APA and you

24 8 Good Faith The parties covenant that they will perform and enforce this Agreement in good faith, provided, however, this covenant of good faith shall not override or contradict any of the express terms of this Agreement and shall not limit the right of any party to make judgments and decisions under this Agreement where the Agreement expressly grants the party such right.

24 9 Right to Associate APA will not restrict you from lawfully associating with other franchisees or from lawfully participating in a trade association You agree that APA will not be liable for any debt, obligation, liability or damages resulting from your association with other franchisees or the activities of any trade association in which you participate and that you will fully indemnify and hold harmless APA and its affiliates, shareholders, officers, directors, employees, agents, successors and assigns from and against all damages, losses, liabilities, costs and expenses (including attorneys' fees) incurred as a result of such association and activities

24 10 Force Majeure Neither party shall be liable for any delay or failure to perform its obligations under this Agreement if such delay or failure arises from any cause or causes beyond the reasonable control of such party, including but not limited to, labor disputes, strikes, other labor or industrial disturbances, adverse actions of the elements, including floods or lightning, shortages of materials, rationing, utility or communication failures, earthquakes, casualty, war, acts of the public enemy, riots, insurrections, embargoes, blockages, actions, restrictions, regulations or orders of any government, agency or subdivision thereof In any such event, the date for the party's performance shall be deferred for a period of time equal to the time lost by reason of such event, provided that the delayed party shall notify the other party of such event, shall make its best efforts to remedy the delay or failure resulting from such event and shall cooperate with the other party in minimizing any adverse impact of such event

24 11 Index of Defined Words and Phrases The words and phrases listed below are defined in the Section of this Agreement set forth opposite the word or phrase

Defined Word or Phrase	Where Defined in This Agreement
"AAA"	Section 23 2
"AAA Arbitration Rules"	Section 23 3
"AAA Mediation Procedures"	Section 23 2
"Agreement"	Section 1 1
"Annual Membership Fee"	Section 6 1
"APA"	Introductory Paragraph
"APA Affiliate"	Section 24 4
"APA Event"	Section 14 8
"APA Licensed Supplier"	Section 6 5
"APA Marks"	Section 11 1
"APA Members"	Section 6 1
"APA Merchandise"	Section 6 5
"APA Release"	Section 18 1
"Arbitration"	Section 23 3
"Basic Weekly Fee"	Section 6 2
"Business Day"	Section 24 2
"Conditional Term"	Section 4 2
"Contractor"	Section 6 4
"Cooperative Agreements"	Section 7 4
"Disability"	Section 19 6
"Dispute"	Section 23 1
"During"	Section 14 8
"Effective Date"	Introductory Paragraph
"Expiration"	Section 21 1
"Field Training"	Section 9 1
"Franchised League"	Section 2 1
"Franchisee"	Introductory Paragraph
"Franchisee Release"	Section 18 1
"Franchisee Schedule"	Section 13 1
"Gross Revenues"	Section 12 2
"Higher Level Tournaments"	Section 8 2
"IFA"	Section 5 3
"IFA Arbitration Rules"	Section 23 3
"Indemnified Parties"	Section 15 4
"Indemnitees"	Section 15 4
"Initial Franchise Fee"	Section 5 2
"Initial Regular Term Franchise Agreement"	Box on first page
"Interest"	Section 19 2
"Interim Manager"	Section 16 3
"Interim Team Count Growth Requirement	Section 4 2
"Local Sponsors"	Section 7 6
"Location"	Section 14 8
"Maintenance Fee"	Section 6 4
"Marks"	Section 1 1
"Mediation"	Section 23 2

"National Account Program"	Section 3 3
"National Accounts"	Section 3 3
"Official Team Manual"	Section 8 2
"Operations Manual"	Section 10 3
"Players Fund"	Section 6 3
"Players Fund Money"	Section 20 2
"Proprietary Information"	Section 10 1
"Regular Term"	Section 4 1
"Renewal Term"	Section 18 1
"Software License Agreement"	Section 10 4
"Software Program"	Section 1 1
"Software Support and Maintenance Fee"	Section 6 4
"Sponsor Marks"	Section 7 1
"Sponsor Materials"	Section 7 2
"Sponsors"	Section 7 1
"Sponsorship Agreements"	Section 7 1
"Standard Format Teams"	Section 4 2
"Successor Regular Term Franchise Agreement"	Box on first page
"System"	Section 1 1
"System Standards"	Section 1 1
"Team Count"	Section 4 2
"Team Count Growth Requirement	Section 4 2
"Term"	Section 4 1
"Termination"	Section 21 1
"Territory"	Section 3 1
"Training Program"	Section 9 1
"Training Seminar I"	Section 9 1
"Training Seminar 2"	Section 9 1
"Transfer"	Section 19 2
"Transferee"	Section 19 5
"Transfer Period"	Section 19 6
"Us"	Introductory Paragraph
"We"	Introductory Paragraph
"You"	Introductory Paragraph
"Your owners"	Section 1 3

IN SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE THAT YOU AND YOUR OWNERS HAVE READ AND UNDERSTAND THIS AGREEMENT AND THE EXHIBITS AND ATTACHMENTS HERETO, AND THAT APA HAS AFFORDED YOU AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT

THE SUBMISSION OF THIS AGREEMENT TO YOU DOES NOT CONSTITUTE AN OFFER THIS AGREEMENT, ONCE SIGNED BY YOU, BECOMES EFFECTIVE ONLY IF AND WHEN IT IS ACCEPTED AND SIGNED BY APA THROUGH AN AUTHORIZED OFFICER

IN WITNESS WHEREOF, the parties hereto by due corporate and other proceedings, or individually where applicable, have executed this Agreement the day and year hereafter written

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES

AMERICAN POOLPLAYERS ASSOCIATION, INC

By _____
Name Renée Lyle
Title President

Date _____

FRANCHISEE(S)

_____

_____

_____

_____

Individually and as the duly authorized representative of and agent for

_____
(a corporation or limited liability company)

Witness

_____

Date _____

This Agreement will expire on _____

ADDENDUM TO FRANCHISE AGREEMENT
STATE OF CALIFORNIA

This Addendum forms a part of and modifies the Franchise Agreement entered between the AMERICAN POOLPLAYERS ASSOCIATION, INC , a Missouri corporation (referred to as "we", "us" or "APA"), and _____, a _____ (referred to as "you" or "Franchisee") This Addendum becomes effective on the date the Franchise Agreement is accepted and signed by APA

The Franchise Agreement is modified as follows

The following language is added to ARTICLE 14, CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the Franchise This provision may not be enforceable under California law

To the extent that this Addendum is inconsistent with any terms or conditions of the Franchise Agreement, the terms and conditions of this Addendum shall govern

IN WITNESS WHEREOF, the parties hereto, by due corporate and other proceedings, or individually, where applicable, have executed this Addendum the day and year hereafter written

AMERICAN POOLPLAYERS ASSOCIATION, INC

By _____
Name Reneé Lyle
Title President

Date _____

FRANCHISEE(S)

_____

Date _____

ADDENDUM TO THE FRANCHISE AGREEMENT BETWEEN AMERICAN POOLPLAYERS ASSOCIATION AND _____

Dated as of _____

This Addendum forms a part of the Franchise Agreement entered between the AMERICAN POOLPLAYERS ASSOCIATION, INC, a Missouri corporation (referred to as "we", "us" or "APA"), and _____ (referred to as "you" or "Franchisee")

A **Territory** Your Territory is identified as follows _____
(For help in further identifying the boundaries of your Territory, a map initialed by both parties has been attached as an Exhibit to this Addendum)

B **Term:** This Franchise Agreement is granted for a Conditional Term of 2 years as provided in Paragraphs 4 1 and 4 2 of the Franchise Agreement The Conditional Term expires on _____

C **Team Growth Requirement** In regards to the team count growth requirement as set forth in Paragraph 4 2 of the Franchise Agreement, you are required to achieve a team count of ___ teams by the end of the Conditional Term This requires a growth of __ teams over and above the existing __ team _____ team-count To count as "teams" for the purpose of meeting this requirement the teams must be full 5-8 person teams playing in APA's standard 8-Ball or 9-Ball formats, for a full session (minimum of 10 weeks of play) and paying your normal and customary weekly team fees Teams not meeting these requirements will not be counted towards your League's team count for any purpose You must achieve half of the team growth requirement by the end of the first year of this agreement

D **Additional Requirements** _____

E **Initial/ Transfer Franchise Fee.** You must pay at the time you sign this Agreement the Initial/ Transfer Franchise Fee of $_____

F This Addendum forms a part of the Franchise Agreement and is binding upon and inures to the benefit of the respective parties hereto and, as applicable, their parents, subsidiaries, affiliates, employees, agents, servants, successors, assigns, heirs, executors, administrators, and legal representatives This Addendum may be modified or amended only in writing signed by the party to be charged To the extent this Addendum varies from any provision of the Franchise Agreement, this Addendum shall control Any dispute under this Addendum shall be resolved by the dispute resolution procedures described in Article 23 of the Franchise Agreement

G The parties signing this agreement represent and warrant that they have read this Addendum and all documents referenced herein and understand and agree to be bound by these terms and agreements

AMERICAN POOLPLAYERS ASSOCIATION, INC **FRANCHISEE**

By _____ _____
Reneé Lyle, President

Witness _____ Witness _____

ADDENDUM TO THE FRANCHISE AGREEMENT BETWEEN AMERICAN POOLPLAYERS ASSOCIATION AND _____

Dated as of _____

This Addendum forms a part of the Franchise Agreement entered between the AMERICAN POOLPLAYERS ASSOCIATION, INC, a Missouri corporation (referred to as "we", "us" or "APA"), and _____ (referred to as "you" or "Franchisee")

A **Territory** Your Territory is identified as follows _____
(For help in further identifying the boundaries of your Territory, a map initialed by both parties has been attached as an Exhibit to this Addendum)

B **Term** This Franchise Agreement is granted for an Initial Regular Term
The Initial Regular Term expires on _____

C **Additional Requirements**: _____

D **Initial/ Transfer Franchise Fee** You must pay at the time you sign this Agreement the Initial/ Transfer Franchise Fee of $_____

E This Addendum forms a part of the Franchise Agreement and is binding upon and inures to the benefit of the respective parties hereto and, as applicable, their parents, subsidiaries, affiliates, employees, agents, servants, successors, assigns, heirs, executors, administrators, and legal representatives This Addendum may be modified or amended only in writing signed by the party to be charged To the extent this Addendum varies from any provision of the Franchise Agreement, this Addendum shall control Any dispute under this Addendum shall be resolved by the dispute resolution procedures described in Article 23 of the Franchise Agreement

F The parties signing this agreement represent and warrant that they have read this Addendum and all documents referenced herein and understand and agree to be bound by these terms and agreements

AMERICAN POOLPLAYERS ASSOCIATION, INC

By _____
Reneé Lyle, President

Witness _____

FRANCHISEE

_____

Witness _____

ADDENDUM TO THE FRANCHISE AGREEMENT BETWEEN AMERICAN POOLPLAYERS ASSOCIATION AND _____

Dated as of _____

This Addendum forms a part of the Franchise Agreement entered between the AMERICAN POOLPLAYERS ASSOCIATION, INC, a Missouri corporation (referred to as "we", "us" or "APA"), and _____ (referred to as "you" or "Franchisee")

A **Territory**: Your Territory is identified as follows _____
(For help in further identifying the boundaries of your Territory, a map initialed by both parties has been attached as an Exhibit to this Addendum)

B **Term** This Franchise Agreement is granted for a Successor Regular Franchise Agreement The Successor Regular Franchise Agreement expires on _____

C **Additional Requirements** _____

D **Initial/ Transfer Franchise Fee**: You must pay at the time you sign this Agreement the Initial/ Transfer Franchise Fee of $_____

E This Addendum forms a part of the Franchise Agreement and is binding upon and inures to the benefit of the respective parties hereto and, as applicable, their parents, subsidiaries, affiliates, employees, agents, servants, successors, assigns, heirs, executors, administrators, and legal representatives This Addendum may be modified or amended only in writing signed by the party to be charged To the extent this Addendum varies from any provision of the Franchise Agreement, this Addendum shall control Any dispute under this Addendum shall be resolved by the dispute resolution procedures described in Article 23 of the Franchise Agreement

F The parties signing this agreement represent and warrant that they have read this Addendum and all documents referenced herein and understand and agree to be bound by these terms and agreements

AMERICAN POOLPLAYERS ASSOCIATION, INC

By _____
Reneé Lyle, President

Witness _____

FRANCHISEE

_____

Witness _____

Exhibit F

Franchisee Ownership Schedule

Dated _____

A Proprietorship

The Franchised League will be/is [ ] a sole individual or [ ] jointly owned by spouses (check one) If the Franchise is individually owned, the owner is _____ and the owner's spouse is _____ If the Franchise is jointly owned, the joint owners are _____ and _____ The address of the owner(s) is _____

B Partnership

The Franchised League will be/is a partnership formed on _____ and the partnership's name is _____ and its business address is _____ It's partners, their capacities (managing partner, general or limited partners), their ownership percentages in the partnership, their spouses and addresses are

Name of Partner	Capacity	Ownership Percentage	Spouse's Name	Address

C. Corporation or Limited Liability Company

The Franchised League will be/is a [ ] corporation or [ ] limited liability company (check one) formed on _____ and named _____ The corporation or limited liability company's address is _____ Its shareholder or members, their ownership interest/percentages and spouses are

Name of Shareholder or Member	# of Shares Owned or Ownership Percentage	Spouse's Name	Address

Its officers and directors are

President		Director	
Vice President		Director	
Treasurer		Director	
Secretary		Director	

D Manager

The person designated as the Manager of the Franchised League is

E Assumed Name

If you are doing business or intend to do business under an assumed or fictitious name, all of those names are set forth below

Exhibit G

Agreement of Franchisee's Owners/Spouses to Guaranty & Assume Franchisee's Obligations

Dated _____

In consideration of, and as an inducement to, the execution of the Franchise Agreement between the American Poolplayers Association, Inc ("APA") and _____ (the "Franchisee"), each of the undersigned, being all of the shareholders, partners or owners and their spouses (collectively the "Owners") of the Franchisee hereby personally and unconditionally (1) guarantee to APA and its successors and assigns, for the Term of the Franchise Agreement and thereafter as provided in the Franchise Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Franchise Agreement, (2) agree to be bound by all agreements, acknowledgments and understandings of Franchisee and of Franchisee's owners as set forth in the Franchise Agreement, and (3) agree to be personally bound by, and personally liable for the breach of each and every provision in the Franchise Agreement

Each of the Owners waives (1) acceptance and notice of acceptance by APA of the foregoing undertakings, (2) notice of demand for payment of any indebtedness on non-performance of any obligations hereby guaranteed, (3) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed, (4) any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability, and (5) any and all other notices and legal or equitable defenses to which he may be entitled Each of the Owners consents and agrees that (1) his/her direct and immediate liability under this guaranty shall be joint and several, (2) he/she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so, (3) he/she will individually comply with the provisions of Article 14 of the Franchise Agreement and all subsections thereunder, and the Confidentiality and Non-Competition Agreement (Exhibit H to the Franchise Agreement), (4) such liability shall not be contingent or conditioned upon pursuit by APA of any remedies against Franchisee or any other person, and (5) such liability shall not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which APA may from time to time grant to Franchisee or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement

If any provision of this Guaranty and Assumption Agreement is deemed to be invalid or inoperative for any reason, that part shall be deemed modified to the extent necessary to make it valid and operative or if it cannot be so modified, then severed, and the remainder of the Guaranty and Assumption shall continue in force and effect as if it had been signed with the invalid portion so modified or eliminated

Name of Guarantor	Signature	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Exhibit H

Confidentiality and Non-Competition Agreement

I, _____, acknowledge that the confidential and proprietary Operations Manual [League Operators Manual], Software Program [Franchise Management System], System Standards and all other confidential and proprietary information concerning the methods and know-how for operating and promoting the pool leagues, tournaments and events of the American Poolplayers Association, Inc ("APA") (hereafter the "System") has been developed by APA over many years of substantial effort, expense and experience, is highly confidential and valuable, is comprised of information not generally known to competitors, and if disclosed to or used by competitors, it would give them the advantages presently enjoyed by APA and its franchise owners The System will be/has been licensed by APA for use in operation of the franchise in _____ (the "Franchised Territory") As a result of my affiliation with the Franchised League, I will develop substantial knowledge of the System and relations with APA Members participating in the Franchised League But for the training, support and experience gained through my affiliation with the Franchised League, I would be without knowledge of and expertise in the operation of a pool league, would be without knowledge of or expertise in the System, and would not have developed the relations with APA Members I agree that the confidentiality and non-competition obligations described below are reasonably designed to serve the legitimate and protectable interest of APA, do not unreasonably and unnecessarily restrict me, are reasonable in time and scope, will not prevent me from earning a living within the area, and can be enforced by any court or arbitrator having proper jurisdiction in accordance with the terms of the obligations

Therefore, I agree as follows

1 I agree that at all times during and after the expiration or termination of my affiliation with the Franchised League that I (a) will keep strictly confidential the System and the list and records of participants in the Franchised League and APA Members, (b) will not use the System (or any part thereof) in any other business or capacity, (c) will not make any unauthorized copies of the Operations Manual, Software Program or any other confidential and proprietary material or information, and (d) will adopt and implement all reasonable procedures APA prescribes from time to time to prevent unauthorized use or disclosure of the System and the list and records of participants in the Franchised League and APA Members

2 I agree that neither I nor my spouse will during my affiliation with the Franchised League, directly or indirectly, have any interest in as owner, partner, director, officer, employee, consultant, representative or agent, or otherwise engage in or lend knowledge or support to any non-APA pool league, tournament or event or any business that operates, manages, conducts, franchises or licenses any pool league, tournament or event, provided, that this section shall not prohibit me from playing in any non-APA pool league, tournament or event, or from owning less than five percent (5%) of any company listed on any national securities exchange

3 I agree that for two (2) years after termination of my affiliation with the Franchised League (regardless of the cause, reason or justification) neither I nor my spouse will, directly or indirectly (a) have any interest in as owner, partner, director, officer, employee, consultant, representative or agent, or otherwise engage in or lend knowledge or support to any non-APA pool league, tournament or event or any business operating any pool league, tournament or event within the Franchise League's Territory or any adjacent county, (b) engage in, support, or assist in the solicitation of any APA Members, host locations, or Sponsors that have participated in the Franchised League to participate in non-APA pool league play, tournament or events within the Territory or any adjacent county, or (c) have any interest in as owner, partner, director, officer, employee, consultant, representative or agent, or otherwise engage in or lend knowledge or support to any business engaged in franchising, licensing, or otherwise establishing, developing or managing a national or regional pool league operation, provided, that this section shall not prohibit me from playing in any non-APA pool league, tournament or event, or from owning less than five percent (5%) of any company listed on any national securities exchange

4 I agree that any methods, ideas, improvements, changes or suggestions developed by me (or any employee or agent of the Franchised League) within the scope of the APA System or the operation or promotion of the Franchised League shall become a part of APA's System and property

of APA, without compensation to me I hereby assign to APA all my rights in any such methods, ideas, improvements, changes and suggestions to APA and agree to execute all documents necessary to carry out this assignment and agree to obtain the assignment of any rights of any employee or agent of the Franchised League

5 I agree that I will not at any time during any APA event, engage in any activity that is not directly related to the operation of the Franchised League or to my attendance at the event as an APA Franchisee, including, but not limited to, any activity that solicits persons on behalf of any other business, enterprise or product, whether or not such business, enterprise or product competes with APA As used in this section the following terms have the following meanings (a) "location" means the general location of such event, including any room within the building or facility in which such event is conducted, and any location within 500 yards of the perimeter of such building or facility, (b) "during" means the time period that such event is being conducted and the 24 hours before its start and after its completion, (c) "I" means me and my owners, officers, employees, agents or representatives, and (d) "APA event" means any event sponsored, produced or conducted by APA or an APA Sponsor for the purpose of conducting any league play, activity, or tournament or any convention or meeting of other APA Franchisees

6 I agree that I shall cause every person that becomes affiliated with me in connection with Franchise, including as an owner, director, officer, manager or employee, during my affiliation with the Franchised League to sign and be bound by the then current form of Confidentiality and Non-Competition Agreement required by APA

7 I hereby grant APA the right, but not the obligation, to enforce the confidentiality and non-competition obligations set forth herein in my name or in APA's name against any owner, director, officer, manager, employee or agent of the franchisee entity that breaches any confidentiality obligation

8 I agree that APA is a third-party beneficiary of this Agreement and that APA may enforce the terms of this Agreement in any court of competent jurisdiction I agree that injunctive relief preventing my breach or compelling my compliance with this Agreement may be entered In the event of my breach of any term of this Agreement, I agree to pay the reasonable attorney's fees incurred by APA and the Franchised League in enforcing this Agreement, whether or not litigation is actually commenced The foregoing, however, shall not limit the relief or damages of such party I further agree that the Franchised League and APA may advise any third-party of the existence of this Agreement and of its terms, and I release APA and the Franchised League from any liability for doing so

9 Every provision (or part thereof) of this Agreement will be considered severable If any such provision (or part) is determined to be invalid or unenforceable under the law by a court or arbitration panel of competent jurisdiction, that determination will not affect, impair or invalidate all other portions of this Agreement, which shall remain in full force and effect and binding upon the parties Furthermore, I agree that in the event any provision (or part) is ruled invalid or unenforceable under properly applicable law by virtue of the provision's scope or duration, but that the provision would be valid and enforceable by reducing the scope or duration or otherwise modifying the provision, then the court or arbitration panel shall have power to reduce the duration or scope of the provision or modify it so that the provision may be enforced to the fullest extent permitted under the law and public policies of the jurisdiction whose law is properly applicable

10 I agree that the failure of the Franchised League or APA to exercise any of its rights under this Agreement in the event of my breach or any of the separate and distinct promises of this Agreement, or the failure of the Franchised League or APA to exercise any of its rights under any similar contracts with others, shall not be construed as a waiver of any breach by me or prevent the Franchised League or APA from later enforcing strict compliance with any and all of the promises in this Agreement

11 This Agreement is binding on my heirs, executors, administrators, and legal representatives I acknowledge that this Agreement shall be for the benefit of APA and the Franchised League and their respective successors and assigns I agree that this Agreement does not constitute a contract of employment for a fixed term or otherwise With respect to the franchisee of the Franchised League, I agree that in the event of any conflict between this

Agreement and the Franchise Agreement, the Franchise Agreement shall govern

I HEREBY REPRESENT AND WARRANT THAT I HAVE READ THIS AGREEMENT AND UNDERSTAND THE MEANING AND EFFECT OF THE TERMS OF THIS AGREEMENT

Name _____

Name _____

Date _____

Spousal Agreement

I acknowledge that I have read the Confidentiality and Non-Competition Agreement (the "Agreement") and that I know its contents I am aware that by its provisions my spouse agrees to be subject to certain obligations and restrictions, including, but not limited to, the obligation to (i) maintain certain confidential information, and (ii) not compete with the Franchise League I approve of and agree to the provisions of the above Agreement as they relate to me and my spouse, and agree that I will abide by the provisions of such Agreement

Date _____

_____
Spouse Signature

_____
Name (printed)

Exhibit I

Software License Agreement

American Poolplayers Association, Inc ("APA", "we", "us") grants _____ ("you") the personal, nontransferable and nonexclusive license to use APA's proprietary computer software program or application for pool league and tournament management, including, without limitation, all modules and parts of the software, past and future versions and releases, updates, revisions, copies of the program, and the user's manual and documentation, as well as all records and data maintained through use of the Program, including records of league play, player and team performance and operations of your Franchised League (collectively the "Program") for use only in the operation of your Franchised League The APA Program includes, without limitation, our current software application referred to as NEXUS and our tournament administration software, TMS, and the anticipated future tournament software or application referred to as TNEX This license is granted expressly under the following terms and conditions

1 The Program is licensed (loaned) to you by APA, not sold You agree that the Program, including the copyright to the Program, is owned by APA and contains confidential and proprietary systems, programs, methods and know-how of APA (including APA's Equalizer® handicapping and scoring system) You agree not to dispute or contest APA's ownership of and rights in the Program, including trade secret rights and copyrights, during the Term of your Franchise and thereafter

2 Some aspects of the Program – primarily our current NEXUS application – are systems that are accessed and used through the Internet Other aspects of the Program – such as currently the tournament modules (TMS and TNEX) – are installable software that must be installed and used on your personal computer, laptop or related hardware (such as a file server or hard drive) All aspects of the Program that are intended to be Internet based systems may not be installed nor reside on any of your computers or hardware The Program's installable software may be installed (on a computer, CPR or file server) for use on one or more computers located at your principal office You may install or use the Program's current installable software on computers other than at your principal office (such as a mobile laptop computer, tablet or remote drive or storage device or other media) provided you give APA prior notice identifying these computers (or other hardware, devices or media) and their location You may make one copy of the software for backup purposes (provided you disclose to us the location of all backup copies)

3 You may not make (nor allow anyone to make) any other copies of the Program (whether installable or internet-based), nor reverse engineer, replicate or seek to replicate any aspects of the Program You may not copy, summarize, or create any description, memoranda or record of all or any portion of the Program, the Program's manual or other Program documentation Any prior versions of the licensed Program (or any portion of the Program) – such as the League Scoring System ("LSS") or the Franchise Management System (FMS) – must be irretrievably deleted from your computer(s) and other hardware, devices or media, and all diskettes, installation disks, copies, backups and related manuals and documentation shall be returned to APA upon our request. (Prior or obsolete versions of the Program are included within the meaning of the term "Program" as used in this Agreement)

4 The Program is for exclusive use in operation of your Franchised League and may not be used for any other business or purpose Your rights in the Program terminate upon expiration or termination of your Franchise Agreement or upon your breach of this License Agreement Upon expiration or termination of your Franchise Agreement or termination of this License Agreement, you must cease all use of the Program, verifiably and permanently delete (or allow APA full rights and access to permanently delete) the Program from all computers, drives and devices on which it is stored, and return to APA all diskettes, installation disks, copies, backups, manuals and documentation containing or relating to the Program, together with all records and data maintained through use of the Program, including records of league play, player and team performance and operations of your Franchised League

5 You must keep the Program strictly confidential and not disclose, permit use or allow access to the Program to any person, except your employees to the extent necessary to efficient operation of your Franchised League You shall inform all of your employees (and any others authorized by APA to have access to the Program) that the Program is confidential and proprietary information of APA and that they

are prohibited from copying or using the Program except in the ordinary course of their employment You shall comply with APA's other requirements (as may be issued from time to time) for protection of APA's rights in the Program

6 You may not transfer, assign, sublicense, pledge, or lease this License, the Program, or any interest or rights in them, or attempt to do so, without our prior written permission Additionally, you may not (a) modify or prepare derivative works of the Program, (b) publicly display visual output of the Program, (c) transmit the Program electronically (except for authorized support or maintenance of the Program or reporting required by APA), or (d) reverse assemble, decompile or reverse engineer the Program in any way

7 APA in its discretion may further develop, change, modify, enhance, add to or substitute the Program and you must obtain and use the Program, module or other software required by APA for league operations It is your responsibility to obtain a computer system – for example, computer, modem, printer, device, high-speed internet access, operating system, browser and other hardware and software) needed to operate the Program (including any future version), report league matches, scoring and handicapping data, membership and host location information, and other operations to APA, as well as to administer new league programs and formats and perform other functions required by APA now or in the future APA reserves the right to charge a reasonable license fee for major enhancements, upgrades or new versions of the Program or for an additional Program module or other software

8 The Program is furnished to you "AS IS" APA MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE APA does not warrant the performance or results you may obtain in using the Program, that the Program is free of defects, that it will operate uninterrupted or without errors, or that defects in the Program can be corrected Further, while we may specify or recommend that your computer system meet certain criteria (e g , processor, RAM, hard drive capacity), different computer systems (and hardware and software components) vary in quality and compatibility We do not warrant performance of your computer system, its compatibility or successful operation of the Program, or that it will meet your needs or our requirements in the future

9 You are responsible for installation, management and operation of the Program Only persons authorized by APA may perform support or maintenance of the Program If APA does not provide the support or maintenance, APA will obtain an authorized vendor to provide such services (a "Consultant") with respect to the then current version of the Program APA reserves the right to charge a reasonable fee for the support and maintenance, which fee you agree to pay This fee entitles you to telephone support on the then current version and any corrections and any minor updates that are issued in our discretion It does not cover major enhancements, upgrades or new versions or substitutes for the Program The amount of the annual fee may be changed annually subject to any limitation on such increase set forth in the Franchise Agreement, if any APA may terminate any maintenance and support arrangement, and substitute or authorize other persons to provide support and maintenance of the Program and may terminate the support and/or maintenance completely with respect to then prior versions of the Program and discontinued modules APA is not responsible for and does not warrant any Consultant's (or other contractor's) work and shall not be responsible or liable for any loss or damages resulting from acts or omissions (including negligence) of any Consultant (or other contractor)

10 In the event of a defect in the Program that makes the Program or a function unusable, APA will modify, temporarily or permanently, its System Standards as APA considers appropriate under the circumstances to authorize any reporting or record keeping function(s) that cannot be performed by the Program because of the defect to be performed manually or by another alternative means This is the only remedy for any defect APA shall have no responsibility or liability for any damages to persons or property, loss of profits, wages, or data, costs or expenses from any defect, error or failure of performance of the Program or your computer system, any act or omission (including negligence) in support or maintenance of the Program, or any other act or omission (including negligence) of APA or any employee or agent IN NO EVENT WILL APA BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL OR RELIANCE DAMAGES, EVEN IF WE HAVE KNOWLEDGE OF THE POTENTIAL LOSS OR DAMAGE

11 APA will defend any suit or proceeding brought against you to the extent that it is based on a claim that the Program, or any part thereof, used in the manner specified in this Agreement, constitutes an infringement of any patent or copyright of the United States or misappropriation of a trade secret, provided you promptly notify APA of such claim in writing and give the authority, information and assistance that in APA's judgment is needed for the defense or resolution of such claim If a final non-appealable judgment is entered that use of the Program, or any part thereof, constitutes an infringement or misappropriation and its use is enjoined, APA will, at its sole discretion and at its own expense (1) procure for you the right to continue using the Program or part thereof, (2) replace the Program with a non-infringing product, or (3) modify the Program as to become non-infringing

12 Subject to APA's right to charge a license fee for new versions, this license to use the Program is granted by APA in granting the Franchise Agreement without any additional fee or charge, and no cost shall be attributed to this license You acknowledge that, apart from this license, the services and benefits provided by APA to you under the Franchise Agreement exceed and fully earn the Franchise Fee paid by you The Franchise Fee or any part shall not be subject to refund in the event of any defect, error or failure of the Program, support or maintenance of the Program, or your computer system

13 Any dispute between you and APA under this License Agreement shall be submitted to mediation and, if not resolved in mediation, shall be resolved by binding arbitration in accordance with Sections 23 3 - 23 15 of the Franchise Agreement This agreement to arbitration shall be governed solely by the U S Arbitration Act Otherwise, this License Agreement shall be governed by Missouri law and, as applicable, U S Trademark Act and the U S Copyright Act Any claim against APA under this Agreement must be asserted in arbitration within one (1) year of the event giving rise to the claim occurring

14 Your breach of this License Agreement is a breach of your Franchise Agreement entitling APA to terminate the Franchise Agreement APA shall have the right to inhibit, bar or block access to and use of the Program by you in the event of your failure to timely pay amounts due APA, or your breach of the Franchise Agreement or any other agreement with APA In the event of your breach of this License Agreement, you shall pay APA's costs and expenses (including reasonable attorney's, expert witness and arbitration fees) You are responsible for any taxes charged as a result of this License Agreement or the loan of the Program to you

AMERICAN POOLPLAYERS ASSOCIATION, INC **FRANCHISEE**

By _____ _____
Reneé Lyle, President

Date _____ Date _____

Exhibit J

AUTHORIZATION AGREEMENT FOR ACH (AUTOMATED CLEARING HOUSE) PAYMENTS & OTHER TRANSACTIONS

I (we) hereby authorize the **AMERICAN POOLPLAYERS ASSOCIATION., INC** (the "Company") to initiate and execute electronic debit or credit entries to my (our) checking or savings account at the Bank or other Financial Institution identified below

Name(s) on Account _____

Financial Institution (Bank) Name _____

Branch Location _____

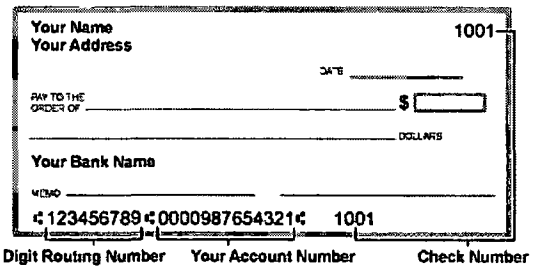
Checking/Savings Account Number _____

Financial Institution (Bank) Routing Number _____

Financial Institution City/State _____

Provide a "voided" check or readable photocopy of a check from the account, along with this completed and signed Authorization

For illustration purposes, your account number and the bank's routing number are shown on your check as follows



I (we) understand and agree as follows.

1 I (we) must maintain a current Authorization Agreement for ACH Payments and Transactions with the Company at all times during which we own and operate the Franchise and that the currently designated account must have sufficient funds available to meet our financial obligations to the Company

2 The Company will initiate debit entries every Wednesday for payment of activity for a League Week ending date of Friday, 12 days prior, and a Nexus submission due date of Wednesday, 7 days prior

For example, activity for a League Week ending date of Friday, December 6 must be entered into Nexus by Wednesday, December 11, you will receive an e-mailed statement with attached invoices on Thursday, December 12, and the payment thereof would be debited from your account on Wednesday, December 18

3 Data for the League week must be entered into the Company's Computer Program (currently NEXUS) by the Wednesday due date (December 11 in the above example) If the data is not entered by the Wednesday due date, it cannot be processed in the appropriate week and a late charge of $20 will apply

4 This Authorization will remain valid and in full force and effect unless I (we) terminate this Authorization by written notice to the Company Such termination notice must be sent at two weeks prior to the termination of this Authorization taking effect

5 If I (we) terminate this Authorization, we will immediately provide the Company with a new Authorization to initiate electronic debit or credit entries from a new or different checking or savings account at the same or another Bank or Financial Institution Such new Authorization will be effective by the effective date of the termination of the previous Authorization so that there is no default or gap in time in making payments due the Company

6 This Authorization shall remain in effect for a sufficient time (at least 30 days) following any sale, expiration or termination of my (our) Franchise or Franchise Agreement, to allow the Company to initiate any debit entries from the account required to satisfy any remaining financial obligations or debts I (we) owe the Company

7 If a transaction initiated by the Company is declined for insufficient funds or any other reason, we understand that this may be a default under our Franchise Agreement We agree to pay the Company a late fee and any other bank charges resulting from the failed transaction, and to send the Company payment of the amount owed, in full, by cashier's check or money order by overnight mail (or make other arrangements acceptable to the Company)

Sign where indicated at the bottom of this form

Complete this Part only if this is an Amended or Revised Authorization because of a change in your checking/savings account and/or your Bank or Financial Institution (All others, skip this Part)

Check the box here, if this is a change of account number ☐

Check the box here, if this is a change in your Bank or Financial Institution ☐

Complete all the information requested above (Name(s) on the account, Name of Bank or Financial Institution, Branch, Checking/Savings Account Number, Bank Routing Number and Bank's City and State)

State the Wednesday date when you wish to begin using the new account _____

Please note We will notify you of the earliest date that we can begin initiating transactions in your new account based on when we receive your information and how long it takes our bank to process the request Please keep sufficient funds in your current account until the change takes effect

---

Signature _____ **Date** _____
Print Name _____

Signature _____ **Date** _____
Print Name _____

A VOIDED CHECK OR A READABLE PHOTOCOPY OF A CHECK MUST BE INCLUDED WITH THIS SIGNED AUTHORIZATION

Confidentiality Agreement

You have applied to become a franchise owner of a pool league business from the American Poolplayers Association, Inc ("APA", "we" or "us") We have provided you with our Franchise Disclosure Document, which you acknowledge having received In connection with your decision to invest in the franchised business, we recognize that you may wish to review our confidential and proprietary operations manual titled the League Operators Manual (the "Manual") The Manual discusses in detail how our system and operations work and how you would operate your APA franchised league if we decide to grant you a franchise You should read the Manual before making your investment decision Furthermore, before we can accept and sign the Franchise Agreement with you, you must attend and successfully complete APA's franchise owner training program (the "Training Program") The Training Program describes in further detail our confidential and proprietary system and operations and trains you in how to conduct your local league operations if you are accepted to become a franchise owner

APA considers our Manual and Training Program to be comprised of highly valuable, confidential and proprietary information owned exclusively by APA, including programs, systems, methods, procedures, standards, plans and know-how developed by us over many years and at considerable expense As such, for the protection of APA, our franchise owners and our system and business, before we can provide our Manual to you and before you can attend our Training Program, it is necessary for you to agree to keep our Manual and Training Program confidential and not to use this information in an unauthorized way This Agreement will be binding on you whether or not you go forward with your investment in the franchised business and whether or not we later accept you as a franchise owner and sign a Franchise Agreement with you By signing this Agreement, you are not obligated to purchase any franchise There is no separate fee or charge for this Agreement.

Accordingly, in consideration of the above and our consideration of you as a prospective franchise owner, you agree as follows

1 You agree that the Manual (including all information contained in the Manual), and the materials and other information disclosed during the Training Program are confidential and proprietary trade secret information owned by APA and that APA is the owner of the copyright of the manual and all training materials You further agree that you will not at any time challenge, dispute or contest APA's ownership of and rights in the Manual and the materials and other information disclosed in the Training Program, including APA's trade secret rights and copyrights

2 You agree that (a) the Manual is loaned to you by APA *only* for the purpose of allowing you to review the Manual in order to make an informed decision on whether to invest in the franchised business and (b) the materials and information disclosed to you in the APA Training Program are being disclosed to you *only* for the purpose of training prospective franchise owners to operate an APA franchise and to permit us to evaluate you as a prospective franchise owner The Manual and the materials and information of the Training Program *may not be used by you for any other purpose*

3 You agree that you will not, now or in the future, use any of the information and materials contained in the Manual in connection with any pool league or operation (other than an APA franchised pool league) or any other business You further agree that you will keep the Manual (including its information) confidential and will not disclose it or make it available to any other person (other than an Advisor under the terms of Paragraph 4)

4 For the purpose of making your investment decision you may disclose the Manual to a business advisor or professional advising you in connection with your investment (an "Advisor") *only* if your Advisor

signs the acknowledgement at the bottom of this Agreement agreeing to be strictly bound by all terms of this Agreement

5 You agree not to make any copies of the Manual or any materials or other information disclosed in the Training Program If you decide not to go forward with seeking this Franchise or if you are not accepted by APA as a franchise owner, you agree to immediately return to APA all of APA's materials and information, including the Manual, training materials and any notes made of the Manual and Training Program You further agree that the terms of this Agreement are reasonable and shall be and remain binding upon you You agree that this Agreement shall not be invalid for any reason and shall be enforced to the fullest extent permitted by applicable law

6 All references to "you" in this Agreement include all prospective owners of the APA franchise (e g , shareholders if you are a corporation, partners if you are a partnership, etc) and their spouses, individually, all of whom shall be jointly and severally liable for breach of this Agreement.

THIS IS NOT A FRANCHISE AGREEMENT, NOR AN OFFER OF A FRANCHISE BY APA

THE UNDERSIGNED, BEING ALL OF THE PROSPECTIVE OWNERS OF THE APA FRANCHISE AND SPOUSES, HAVE READ THIS AGREEMENT, UNDERSTAND ITS PROVISIONS AND AGREE TO BE BOUND BY ITS TERMS

PROSPECTIVE FRANCHISE OWNER(S)

_____

(Print Name) _____
Individually and jointly
Date _____

_____

(Print Name) _____
Individually and jointly
Date _____

_____

(Print Name) _____
Individually and jointly
Date _____

_____

(Print Name) _____
Individually and jointly
Date _____

ACKNOWLEDGEMENT AND AGREEMENT OF ADVISOR I agree any material or information disclosed to me shall be solely for the purpose of advising the prospective franchise owner(s) in connection with their evaluation of the APA franchise opportunity I will keep the information confidential, will not disclose it to others or use it for any other business or purpose

Date _____

_____

(Print Name) _____
(Company) _____

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Revision Date 02/15/10

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Revision Date 02/15/10

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Revision Date 07/25/12

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Revision Date 07/25/12

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Information We Transfer with Nexus *4-36*
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League Management Participation in the League *4-38*
What League Records to Keep *4-39*
Collect Telephone Calls *4-40*
Extraneous Tournaments *4-40*

SECTION 5: MANAGING YOUR FRANCHISE Revision Date 07/25/12

This section focuses on detail management, such as ***The Equalizer®*** *handicap system, the management of player records, the management of handicaps and anti-sandbagging measures, applied scores, National Lowest Attainables, use of the scoresheet, team scheduling, playoffs, awards policy, collection systems, formats, and many other issues*

The Equalizer® Handicap System *5-1*
How The Equalizer® Works in 8-Ball *5-3*
How Nexus Figures the I/G Score in 8-Ball *5-3*
How The Equalizer® Works in 9-Ball *5-7*
Reporting Skill Levels to Members *5-11*
Lowest Attainables (LA) *5-11*
National Lowest Attainables (NLA) *5-12*
Assigned Skill Levels *5-13*
Reestablishing Skill Levels *5-13*
National Player Database *5-14*
Higher Level Tournament Entry Skill Levels *5-14*
Oversize Table Factor *5-14*
Anti-Sandbagging Measures *5-15*
Handicap Advisory Committee *5-19*
Scoresheet *5-21*
Scheduling *5-23*
Transition Between Sessions *5-27*

Session Playoffs 5-28
Trophies & Awards 5-29
Prize Money Funds 5-32
Scoresheet Delivery & Pick-Up 5-34
Mail System 5-34
Other Formats 5-37
Junior Division 5-38
3-Person Team Format 5-40
Super Division 5-41

SECTION 6: PLANNING YOUR CALENDAR

Revision Date 07/25/12

This section encourages you to establish a League Operations Plan for every League year It describes the League year and the importance of scheduling your marketing efforts with the calendar in order to increase your revenue It contains annual and session planning points to consider collection of membership dues, division start-ups, handicap reviews, higher level tournaments, etc It tells you what to consider when preparing your Local League Calendar

League Operations Plan 6-1
Annual Planning 6-2
Higher Level Tournament Calendars 6-3
Session Planning 6-7
Scoresheet Messages 6-9
Local League Calendar 6-9
Bulletins 6-9

SECTION 7: CUSTOMER SERVICE

Revision Date 02/15/10

Member satisfaction is the result of good of customer service This section describes the visibility, accessibility and responsiveness needed to build your League and retain your players and host locations

Communication & Visibility 7-2

Regularly Visit Your Teams & Host Locations 7-2
Office & Telephone Availability 7-3
League Website & Email 7-5
Player & Captains Meetings 7-5
Conduct Yourself Professionally At All Times 7-6
Dealing with Issues & Problems 7-7
Rewards / Awards to Teams & Players 7-7
Administration & Handicapping 7-9

SECTION 8: TEAM TOURNAMENTS

Revision Date 07/25/12

This section describes the Higher Level Team Tournament structure that consists of the annual Local Team Championship (LTC), the Regionals, and the 8-Ball and 9-Ball National Team Championships, and explains how you qualify teams from your area for the LTC and how to conduct a Local Team Championship

National Team Championships 8-1
National Tournament Rules 8-1
Travel Assistance Fund 8-1
League Area Eligibility 8-1
Tournament Format 8-2
8-Ball Team Slots 8-2
Ladies Division 8-4
9-Ball Open Division Team Slots 8-5
Higher Level Tournament (HLT) Requirements 8-6
Originality 8-6
Eligibility 8-8
Loss of Eligibility 8-8
Number of Scores a Player Must Have to Participate 8-9
Higher Level Tournament Entry Skill Levels 8-9
No Male 1's in 9-Ball & No Male 2's in 8-Ball HLTs 8-9
No Roster Adjustments for HLTs 8-10
Enforce All National Lowest Attainables (NLAs) 8-10

Current Membership Status 8-10
Planning Your Local Team Championship 8-10
Qualifying for the Local Team Championship 8-10
Triannual Tournaments 8-11
Higher Level Tournament Procedures 8-12
Players Qualified On More Than One Team—Local Level 8-13
Players Qualified On More Than One Team—National Level 8-14
Site Selection for Local Team Championship 8-14
Computer Requirements 8-15
Scheduling Your Local Team Championship 8-16
Tournament Title 8-16
Sponsor Support 8-16
Notify Local Media 8-17
Tournament Format 8-17
Planning Your Tournament Board 8-17
Planning Your LTC Tournament Schedule 8-18
Determining Tables Needed 8-19
Trophies 8-19
Form a Rules Committee 8-19
Pre-Tournament Handicap Review 8-20
Team Captains Meeting 8-20
Rules of Conduct 8-27
Conducting the Tournament 8-28
Tournament Site Preparation 8-28
Officially Announce the Tournament 8-28
Start Matches on Time 8-29
Protests 8-29
Media Coverage of Finals 8-30
Trophy Presentation 8-30
Inform Qualified Teams 8-30
Post Tournament Activities 8-30
Send Team Certification Packets to National Office 8-31
Team Processing Form 8-33
NTC Guide to Perfect Paperwork 8-34

Event Guides *8-35*

SECTION 9: SINGLES PROGRAM

Revision Date 07/25/12

This section describes all aspects of the 8-Ball Classic and the 9-Ball Shootout, from promoting the Singles Program and running Local Qualifier Boards to processing Boards and directing a tournament

Promoting the Singles Program *9-1*
Tips on Selling the Singles Program to Your Members *9-2*
Overview of the 8-Ball Singles Program *9-3*
Area Eligibility—8-Ball *9-6*
Player Eligibility—8-Ball *9-6*
Calendar—8-Ball *9-6*
Materials—8-Ball *9-7*
Local Qualifier Board—8-Ball *9-7*
Time Requirements for Running an 8-Ball Local Qualifier *9-8*
Tournament Director's Information—8-Ball *9-8*
Overview of the 9-Ball Singles Program *9-10*
Area Eligibility—9-Ball *9-13*
Player Eligibility—9-Ball *9-13*
Calendar—9-Ball *9-14*
Materials—9-Ball *9-14*
Local Qualifier Board—9-Ball *9-14*
Time Requirements for Running a 9-Ball Local Qualifier *9-15*
Tournament Director's Information—9-Ball *9-16*
Double Elimination Qualifier Board *9-17*
Shotgun Format *9-18*
Local Qualifier Scoresheets *9-19*
Posters *9-19*
Local Qualifier Board Registration Form *9-19*
Local Area Tournament Schedule *9-19*
Role of the League Operator *9-19*
Processing the Paperwork *9-23*

National Qualified Singles Checklist 9-25
You Are Responsible for Local Qualifier Boards 9-26
Skill Level Reevaluations 9-27
Regional Tournament Director Requirements 9-27
Regional Site Requirements 9-28
Upcoming Changes to the National Singles Championship Program ... 9-29

SECTION 10: U. S. AMATEUR

Revision Date 07/25/12

This section describes the history and rules of participation in this program, and explains the player/sponsor concept and your role in promoting the ***U.S. Amateur Championship®***

Please refer to the updated Supplemental Section titled: U.S. Amateur listed at the end of this document.

SECTION 11: NATIONAL TOURNAMENT RULES

Revision Date
02/15/07

The Higher Level Tournament Rules for 8-Ball and 9-Ball are reviewed periodically and updated when needed National Tournament Rules are timely posted on the ***Resource Library*** *We announce rules posting notices in* ***The Insider*** *approximately one month prior to the production of each event*

SECTION 12: NLA SYSTEM

Revision Date 07/25/12

This section describes the National Lowest Attainable (NLA) System and your role in administering the System, from review and player notification to the correct method to appeal handicap discrepancies to the National Office

How the System Works ***12-1***
Your Role in Administering the System ***12-2***

SECTION 13: LOCAL BYLAWS

Revision Date 07/25/12

This section is reserved for you to include your own Local Bylaws, established primarily to address special situations in your area that require an authorized amendment of an existing National Rule, or the establishment of an additional rule, or Bylaw, that only effects players while playing in your League area

Definition ***13-1***
Purpose of Local Bylaws ***13-1***
National Office Approval ***13-1***
Examples of Authorized Local Bylaws ***13-2***

SECTION 14: OFFICIAL TEAM MANUAL

Revision Date 07/25/12

(Official Team Manual for League Years 2012/2013 & 2013/2014 inserted for reference)

SECTION 15: FRANCHISE DEVELOPMENT

Revision Date 02/15/10

This section describes the process of developing, maintaining and using a Business Plan, identifying key result areas of a successful franchise We suggest an on-going review of marketing strategies to grow your League, analyzing your growth to-date, and evaluating your cell development plan We recommend effective management practices and progressive marketing methods to help you reach your short-term and long-term goals

Overview of Business Planning Sessions ***15-1***
Key Result Areas ***15-2***
Personal Motivation ***15-3***
Quality Assurance Assessment ***15-3***
Franchise Development & Marketing ***15-4***
Member Retention ***15-5***
Business Planning Questions ***15-6***
Use Your Business Plan ***15-13***
Continued Development—Three Basic Steps ***15-14***
Study Your Current Market / Analyze Growth To-Date ***15-14***
Update Your Established Marketing & Growth Plan ***15-15***
Evaluate Your Cell Development Plan ***15-19***
Cell Development Review ***15-20***
Advertising ***15-21***
Public Relations ***15-22***
Incentive Programs ***15-22***
Local Sponsors ***15-22***
Local Billiard Retailers ***15-22***
Effective Management Practices ***15-23***
Active & Continuous Marketing ***15-24***

SECTION A: TEAM BUILDING

Revision Date
02/15/10

This section is a valuable resource tool for you, containing information on how to develop an advertising plan, where to place advertising, and how it can help your League grow

Blend Advertising Into Your Marketing Mix ***A-1***
Basic Advertising Fundamentals ***A-2***
Develop a Plan or Strategy ***A-2***
Evaluate Goals Before Placing Any Advertising ***A-6***
Evaluate & Measure Results ***A-6***
Advertising Co-op Program ***A-7***
Hire an Employee Program ***A-8***
Sales Promotions & Special Events ***A-8***
Promotional Tips for Your Special Event or Tournament ***A-12***
Developing Business, Industrial & Social Teams ***A-16***
Networking is Important ***A-18***
Membership Discount Requirements ***A-18***
Other Sources of Teams ***A-19***
Building Teams in New Markets ***A-20***
Demographic Information ***A-20***
Advertising Plan ***A-21***

SECTION B: IMAGE BUILDING

Revision Date
02/15/09

This section explains the merits of good public relations and the importance of establishing and maintaining media resources

Fundamentals of Public Relations ***B-1***
Getting Good Publicity ***B-1***
How to Get Your Information Placed ***B-2***
Publish Your League Results Weekly ***B-4***

SECTION C: MEMBERSHIP SERVICES

Revision Date 02/15/09

*This section outlines the effectiveness of member publications written by the APA—**The American Poolplayer**® magazine and **Billiards Buzz**™ e-newsletter—and describes the benefits of publishing a Local League newsletter for the players in your area Our National Membership Program is described and your involvement is outlined*

The League Publications ***C-1***
The American Poolplayer ® —MARKETING & DISTRIBUTION ***C-1***
APA Buzz™ ***C-2***
Local Newsletters ***C-2***
National Membership Benefits Program ***C-5***
Develop a Strong Local Discount Program ***C-6***

SECTION D: LEAGUE MATERIALS

Revision Date 07/25/12

To help you establish and promote your League, take a look at the wide assortment of printed materials shown on the **APA Materials Order Form** *posted on the Resource Library under the **Administrative Tools & Forms** folder You can order online from us or direct from our authorized providers—posters, sales presentation kits, apparel, trophies, etc There are a variety of graphics, forms, logos, releases and fliers on the **Resource Library** that you can download*

Order League Materials Online ***D-1***
Preauthorized Vendors ***D-2***
Graphics & Fliers ***D-2***
Discount Information ***D-2***
APA Booth and Banner Stands ***D-3***

SECTION E: NETWORKING

Revision Date 07/25/12

This section describes the various forms of communication and marketing tools we use to make news and ideas available to you in a timely manner, e g, ***poolplayers.com*** *and the* ***Resource Library;*** **SCORE**, *a newsletter especially published for the League Operators network,* ***Helping Hands Program, Regional Meetings, APA Annual Convention, League Operators Advisory Board, Software Development Board, Product Development Board, Website Development Committee, Marketing Task Force*** *and* ***Convention Task Force***

Networking with the National Office *E-1*
The Resource Library & poolplayers.com *E-1*
SCORE *E-2*
National Business Plan *E-3*
Helping Hands Program—Networking with League Operators *E-3*
Regional Meetings *E-4*
Convention *E-4*
Marketing Task Force *E-4*
Website Development Committee *E-5*
Product Development Committee *E-5*
Software Development Board *E-7*
League Operators Advisory Board *E-8*
International Franchise Association Membership *E-10*

SECTION F: INCENTIVE PROGRAMS

Revision Date 07/25/12

This section gives you an overview of the incentive programs we offer to recognize League Operators who show exceptional performance and service in their League operations during the League year We present these awards at the APA Annual Convention Specific information about the current year's incentive rewards is posted on the ***Resource Library***

Please refer to the updated Supplemental Section titled: Incentive Programs listed at the end of this document.

SECTION G: FAN FAVORITES

Revision Date 07/25/12

Jeanette Lee, Tom "Dr. Cue" Rossman, *and* ***Mike Massey*** *have teamed up with the APA to offer professional exhibitions, as well as autograph and photo opportunities to our members Visit the Resource Library to learn more about hosting a promotional event in your League area*

Exhibitions with Jeanette Lee ***G-1***
Dr. Cue Promotions ***G-2***
Mike Massey Performances ***G-2***

SECTION H: PRESS RELEASES

Revision Date 02/15/05

This section describes how and when to use the sample Press Releases available to you on the ***Resource Library*** *Customize these standard Press Releases to gain media coverage of League events for local and national recognition Use them especially to spotlight your Local League area, Regional Tournaments, National Championships, and individual members*

SECTION I: TELEMARKETING

Revision Date 02/15/06

This section includes telemarketing hints designed to help you increase membership and team count and favorably present the League when receiving or making telephone calls to potential or former members Telescripts with sample dialogues are posted on the ***Resource Library*** *for your review*

How to Use Telescripts ***I-1***
Telemarketing Hints ***I-1***
Breaking into the Corporate Market ***I-3***

SECTION J: PRODUCTS & PROMOTIONS

Revision Date 02/15/09

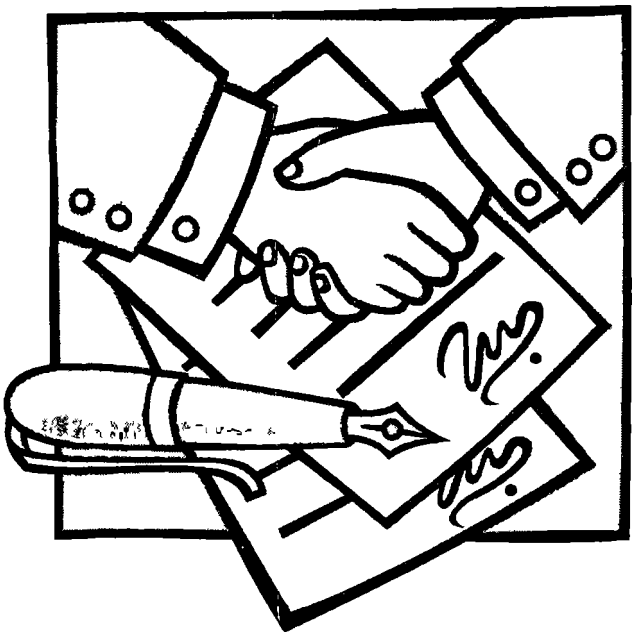
The use and restrictions of APA and sponsor trademarks are outlined Current preauthorized vendors licensed directly by APA to provide APA League logo merchandise are posted on the ***Resource Library*** *In this section we outline the procedure we recommend you follow when you choose to purchase League logo merchandise (e g , trophies, apparel, and patches, etc) from a third party vendor for member incentives or giveaways, as well as for logo merchandise you plan to resell*

Please refer to the updated Supplemental Section titled: Trademarks listed at the end of this document.

SECTION K: NATIONAL ACCOUNTS

Revision Date
02/15/05

This page of the Manual provides you with an overview of the opportunities and importance of using the businesses with whom we have established a license agreement to help you grow your League The names and descriptions of our current National Accounts are posted on the ***Resource Library*** *under* ***Marketing***



SECTION L: SPONSORSHIP

Revision Date
02/15/05

This section describes our fundamental goals and refers you to the ***Resource Library*** *to learn how they work together with the goals of our national sponsors The supportive information posted on the* ***Resource Library*** *will help you establish and maintain a beneficial relationship with our national sponsors*

APA's Sponsorship Goals ***L-1***
Promote Sponsor Products ***L-1***
Local Sponsorship ***L-2***

CATALOGS & ORDER FORMS

Revision Date 02/15/05

This last section of the Manual is reserved for available vendor catalogs and brochures Use the convenience of the ***Resource Library****—under* ***Administrative Tools & Forms****, select* **APA Materials Order Form***—to order League supplies, e g , scoresheets, posters, membership applications, promotional materials, discount brochures and fliers, current* ***The American Poolplayer®*** *magazine issues, stickers and decals, SL7 and SL9 patches, Singles Qualifier Boards, U S Amateur entry forms and more Order products direct from our authorized providers online by using the web links available under the* ***Vendor Services*** *folder on the* ***Resource Library***

SUPPLEMENTAL SECTIONS

Revision Date
03/14/16

Facebook and Social Media
Your Awards program and Players Fund
Setting Your Fees
Cell Development
Transfers of an Interest in your League
Bar or Pool Room Ownership
Goal Setting
Selling to Host Locations
Working Effectively with Host Locations
Incentive Programs
Sportsmanship
Succession Planning
Dealing with Stagnation
U.S. Amateur
Orienting Yourself for Business Success
Competition
Insurance
Liability Claims or Threats of Litigation
Junior League Policy
Sexual Assault, Abuse and Molestation
Sexual Harassment on League Night
Trademarks
Active Sales and Marketing Plan
Scorekeeping Clinics
Division Representatives
Board of Governors

The total number of pages in the APA Operations Manual is 682
Issue Date July 25, 2012

Exhibit M

Franchisee Release
(Upon Renewal)

WHEREAS, [*FRANCHISEE'S NAME*] (hereinafter "Franchisee") and the American Poolplayers Association, Inc (hereinafter "APA") entered into a franchise agreement effective [*EFFECTIVE DATE*] (hereinafter the "Franchise Agreement") pursuant to which APA granted Franchisee a franchise to establish and operate an APA local amateur pool league business for a territory comprised of [*TERRITORY DESCRIPTION*] (hereinafter the "Franchise"), and

WHEREAS, the Franchise Agreement expires on [*EXPIRATION DATE*], and

WHEREAS, Franchisee desires to renew its franchise relationship with APA, and APA has agreed to enter into a successor franchise agreement with Franchisee (hereinafter the "Successor Agreement") on the condition that, among other things, Franchisee execute this Release,

NOW, THEREFORE, in consideration of APA's execution of the Successor Franchise Agreement and other good and valuable consideration, and except as provided below, Franchisee hereby releases, remises, discharges and covenants not to sue APA, its subsidiaries, affiliates and sponsors, and their shareholders, directors, officers, employees and agents, (hereinafter the "Releasees") from and on any and all manner of actions or causes of action, suits, debts, dues, accounts, bonds, covenants, contracts, agreements, judgments, claims and demands of every kind and nature, whether developed or undeveloped, known or unknown, arising out of, resulting from or relating to (i) the franchise relationship between APA and Franchisee prior to the effective date of the Successor Agreement and (ii) the performance of the Franchise Agreement, provided, however, nothing herein shall release or discharge APA from any continuing obligation it may have under the Franchise Agreement to indemnify and hold Franchisee harmless from any third party claim brought against Franchisee after the expiration or termination of the Franchise Agreement

If Franchisee asserts any claim or cause of action against any Releasee in violation of this Release, the Releasee shall be entitled to recover from the Franchisee, in addition to any other damages it may suffer, the attorneys' fees and expenses incurred by the Releasee as a result of the assertion of such claim or cause of action

This Release is binding upon and inures to the benefit of the parents, subsidiaries, affiliates, agents, servants, successors, assigns, heirs and representatives of Franchisee and APA

Dated [DATE]

_____

FRANCHISEE

Franchisee Release
(Upon Transfer)

WHEREAS, [*FRANCHISEE'S NAME*] (hereinafter "Franchisee") and the American Poolplayers Association, Inc (hereinafter "APA") entered into a franchise agreement effective [*EFFECTIVE DATE*] (hereinafter the "Franchise Agreement") pursuant to which APA granted Franchisee a franchise to establish and operate an APA local amateur pool league business for a territory comprised of [*TERRITORY DESCRIPTION*] (hereinafter the "Franchise"), and

WHEREAS, Franchisee desires to transfer [*his/her/its*] interest in the Franchise to [*TRANSFEREE'S NAME*] (hereinafter the "Transferee") and seeks APA's approval of the Transfer as required under the Franchise Agreement, and

WHEREAS, APA is willing to approve the Transfer on the condition that, among other things, Franchisee execute this Release,

NOW, THEREFORE, in consideration of APA's approval of the Transfer and other good and valuable consideration, Franchisee hereby acknowledges the termination of its interest in the Franchise and releases, remises, discharges and covenants not to sue APA, its subsidiaries, affiliates and sponsors, and their shareholders, directors, officers, employees and agents, (hereinafter the "Releasees") from and on any and all manner of actions or causes of action, suits, debts, dues, accounts, bonds, covenants, contracts, agreements, judgments, claims and demands of every kind and nature, whether developed or undeveloped, known or unknown, resulting or to result from, arising out of or based upon any facts existing on the date hereof, regardless of whether such facts shall be known or unknown to Franchisee, so that Franchisee shall have no claim against APA, or any subsidiary, affiliate or sponsor of APA, or any of their shareholders, directors, officers, employees or agents, directly or indirectly, on any contract, supposed liability or thing undertaken, done or omitted to be done prior to the date hereof

If Franchisee asserts any claim or cause of action against any Releasee in violation of this Release, the Releasee shall be entitled to recover from the Franchisee, in addition to any other damages it may suffer, the attorneys' fees and expenses incurred by the Releasee as a result of the assertion of such claim or cause of action

This Release is binding upon and inures to the benefit of the parents, subsidiaries, affiliates, agents, servants, successors, assigns, heirs and representatives of Franchisee and APA

Dated [DATE]

_____

FRANCHISEE

Exhibit O

Part I

LIST OF CURRENT APA FRANCHISEES

Area	Franchisee Name	Address	City	ST	Zip	Phone #
ALASKA						
995	Paul Sutton-Jones	7362 W Parks Hwy #310	Wasilla	AK	99623-	(907) 232-5690
ALABAMA						
398	Beth Whittington	50 Cherokee Drive	Havana	FL	32333-	(850) 443-0019
352	Skip & Joyce Lassiter	PO Box 2057	Alabaster	AL	35007-	(205) 621-4199
358	Cyndi Harbin/Lee Zeiher	2109 Sycamore Street	Huntsville	AL	35805-	(256) 783-5699
361	Bryan Ainsworth/Katherine Lorren	1931 Regent Rd	Prattville	AL	36066-	(334) 717-9624
366	Dan & April Shepherd	7841 Eagle Creek Dr W	Daphne	AL	36526-	(251) 219-8902
ARKANSAS						
381	Marc Lancaster/Jim Badger	4375 Hwy 51 N 32-201	Horn Lake	MS	38637-	(901) 481-4368
638	Brad & Temper Jones	523 Columbine St	Cape Girardeau	MO	63701-	(573) 450-7383
720	Nate & Cindy Turner	139 Silver Springs Dr	Benton	AR	72015-	(501) 304-4258
722	Russell & Cyndi Hannahs	2511 Alcoa	Benton	AR	72015-	(501) 315-2120
727	Tom Porch	16132 Cypress Lane	Rogers	AR	72756-	(479) 295-8437
ARIZONA						
851	Doug & Gina Nowlin	6422 W Mercer Lane	Glendale	AZ	85304-	(602) 920-9192
857	Brandon & Adrianne Ferguson	6968 West Tacna Drive	Tucson	AZ	85743-	(520) 370-8656
CALIFORNIA						
906	Liza Gazmen	PO Box 62304	Irvine	CA	92602-	(714) 862-8566
917	Marc Ong	727 E Bickley Dr	Covina	CA	91722-	(877) 274-8272
921	Brian & Jill Frankland	7363 Birchcreek Road	San Diego	CA	92119-	(619) 303-0183
922	Bob Michaels	12403 Central Avenue #598	Chino	CA	91710-	(909) 574-6083
923	A J Cabral	12230 Malki Road	Banning	CA	92220-	(951) 660-8059
925	Kim Pankonin & Frank Pankonin	38118 Cypress Point Drive	Murrieta	CA	92563-	(909) 226-7889
926	Victoria Wade	PO Box 1493	Brea	CA	92822-	(714) 674-7665
930	Phil & Taz Brooker	3475 Germain Street	Camarillo	CA	93010-	(805) 388-2036
933	Michelle & Sam Henry	2709 Nicole Way	Bakersfield	CA	93312-	(661) 587-4670
934	Jason Maust & Jerame Mote	1160 E Mariposa St	Altadena	CA	91001-	(805) 766-5713
937	Ken & Beth Mendoza	7447 North Sandrini Ave	Fresno	CA	93723-	(559) 478-5322
939	Ron Flint	1008 San Miguel Cyn Rd #196	Salinas	CA	93907-	(831) 455-6864
941	Ned Tosyali	PO Box 320178	San Francisco	CA	94132-	(415) 508-8272

942	Gary Frerking	155 Silver Hill Court	Lincoln	CA	95648-	(866) 401-7665
950	Doug Coleman	5255 Stevens Creek Blvd , Suite 315	Santa Clara	CA	95051-	(408) 873-7665
COLORADO						
800	Kevin & Erin Leivonen	1437 N Denver Ave Unit #146	Loveland	CO	80538-	(303) 862-0466
804	Chuck Rooney	20368 East Briarwood	Centennial	CO	80016-	(720) 427-4629
805	Peggy LeBlanc	12005 W 20th Ave	Lakewood	CO	80215-	(303) 205-9781
809	Dennis Mersman	1375 Winding Ridge Ter	Colorado Springs	CO	80919-	(719) 499-4612
810	John & Barbara Anderson	1994 E Akholt Lane	Pueblo West	CO	81007-	(719) 404-3277
815	Autumn Kuhn	814 Mazatlan Drive	Grand Junction	CO	81506-	(970) 623-6438
CONNETICUT						
064	Jackie Levine	1312 Holiday Park Drive	Wantagh	NY	11793-	(516) 679-2272
010	Bruce & Ann Barthelette	P O Box 1290	Enfield	CT	06083-	(413) 536-3838
011	George Trabucchi	275 Springbrook Road	Old Saybrook	CT	06475-	(860) 388-1207
DELAWARE						
197	Mark Gokey	P O Box 10064	Wilmington	DE	19850-	(302) 276-0332
DISTRICT OF COLUMBIA						
213	Mike & Sarah Geiter/Dave & Vicki Beatty	7845 Flintshire Ct	Pasadena	MD	21122-	(410) 439-9400
FLORIDA						
320	Pamela Rowdon	2268 Oriole Lane	Daytona Beach	FL	32119-	(386) 788-0729
322	Ken Lewis	5609 Maverick	Middleburg	FL	32068-	(904) 291-6860
323	Stacey Elliott	1131 Havana Highway	Quincy	FL	32352-	(850) 566-8885
324	Chuck & Claudia Strange	537 S CR 21	Hawthorne	FL	32640-	(352) 481-4014
325	James Brewer & Daniel Ball	7940 Front Beach Rd #189	Panama City Beach	FL	32407-	(850) 624-3774
326	Matt Miley	6628 Elva St	Milton	FL	32570-	(850) 450-4610
327	Jim Rowe	211 Durango Rd #615	Destin	FL	32541-	(850) 226-4150
328	Eddie Rivera	8609 Vesta Terrace	Orlando	FL	32825-	(407) 802-5891
329	Rich Chamberlain	3576 Rose Drive	Rockledge	FL	32955-	(321) 917-2274
330	Gary & Howard Kalos	20641 NE 1 Ct	Miami Gardens	FL	33179-	(305) 896-6786
331	Gene Weaver	7450 SW 15th Street	Plantation	FL	33317-	(954) 530-1491
332	Eric & Kim Aiken	1955 SW Aguero Street	Port St Lucie	FL	34953-	(561) 721-5925
333	Ken & Leslie Wood	13413 Mandalay Place	Spring Hill	FL	34609-	(352) 514-7014
334	Jeff & Cassie Howell	3189 SW Letchworth St	Port Saint Lucie	FL	34953-	(919) 669-9027
336	Jeanette Lee	12157 W Linebaugh Ave, Suite 185	Tampa	FL	33626-	(813) 977-1499
337	Michael & Sherie Strout	6 Harbor Oaks Circle	Safety Harbor	FL	34695-	(727) 724-9248
339	Tim Pollet	9424 Scarlette Oak Ave	Ft Myers	FL	33967-	(239) 281-5905

340	Steve & Nina Myers	437 Edgewood Road	Venice	FL	34293-	(941) 441-8978
342	Rex Sharrai	3511 Wisteria Place	Punta Gorda	FL	33950-	(941) 457-2722
347	Robin & Russ Dunnam	725 South Terrace Drive	Eagle Lake	FL	33839-	(813) 505-3648
GEORGIA						
309	Billy Sweat	2844 Wilton Road	West Columbia	SC	29170-	(803) 796-1723
398	Beth Whittington	50 Cherokee Drive	Havana	FL	32333-	(850) 443-0019
301	Charli McAllister	6454 Roy Rd	Ellijay	GA	30536-	(404) 433-2904
303	Woody & Pamela McClure	702 Bombay Lane	Roswell	GA	30076-	(770) 667-1105
304	Bruce & Sebrina Petterson	2011 Osprey Point Circle	Pooler	GA	31322-	(706) 373-0917
305	Alex & Chrissy Gooch	113 Bethany Manor Drive	Ball Ground	GA	30107-	(314) 420-1872
306	Joe & India Kirkland	228 Pleasant Hill Church Rd SE	Winder	GA	30680-	(770) 725-8516
312	Larry Dumas	P O Box 18191	Macon	GA	31209-	(478) 960-6706
HAWAII						
968	Dante Guagliardo	PO Box 502	Aiea	HI	96701-	(808) 520-1135
IOWA						
503	Randy Jones	2712 Kingman Blvd	Des Moines	IA	50311-	(515) 321-9114
528	Chad & Meghan Howell	1813 LeClaire Street	Davenport	IA	52803-	(563) 320-4527
IDAHO						
836	Charice Hubbard	910 W Orchard Avenue	Nampa	ID	83651-	(208) 573-7578
ILLINOIS						
420	Luke Garrett/ Jeff Brown	5631 KY 93 South	Eddyville	KY	42038-	(270) 201-0824
479	Dan Carter	501 N Washington Ave	Fowler	IN	47944-	(765) 366-2879
528	Chad & Meghan Howell	1813 LeClaire Street	Davenport	IA	52803-	(563) 320-4527
599	Nick Diaz	761 Regal Lane	Algonquin	IL	60102-	(773) 905-9983
600	Robin & George Kwiatkowski	1669 N Holly Ave	Northbrook	IL	60062-	(847) 962-8906
602	Braden Hall	2904 Scottlynne Dr	Park Ridge	IL	60068-	(773) 575-4157
603	Bob & Diane Smith	773 N State Rt 1-17	Momence	IL	60954-	(815) 277-7353
604	Johnny & Gloria Maricich	P O Box 273	Lansing	IL	60438-	(708) 745-8244
605	Joe Parrillo	209 Lee Lane	Bolingbrook	IL	60440-	(630) 854-9300
607	Rob & Mary Guzzo	319 Emery Avenue	Romeoville	IL	60446-	(815) 886-2057
608	Sylvia & Pat Prendergast	5746 W 85th Street	Burbank	IL	60459-	(708) 595-5259
609	Ross Schaefer	1316 N Bell, Apt#2	Chicago	IL	60622-	(312) 550-5491
610	Suzanne Zadel & Karl Nordeen	1009 Edward Street	Prospect Heights	IL	60070-	(847) 754-8409
612	Doug Krus	2605 W Whittington Way	Dunlap	IL	61525-	(309) 276-3075
613	Lois & Scott Darlington	101 Spruce Street	Morris	IL	60450-	(815) 585-7142

615	Santino Lamancusa	32 Derby Way	Bloomington	IL	61704-	(309) 319-8672
616	Maggie Moore	2713 Overhill Drive	Pekin	IL	61554-	(309) 208-2427
619	Brian Garwood	594 Phillip Circle	Forsyth	IL	62535-	(217) 827-9333
620	JR and Katie Conn/Zack Pettyjohn	810 W Main Street	Clinton	IL	61727-	(217) 622-5336
621	Donnie & Bobbie Jeffers	517 E Main St	Casey	IL	62420-	(217) 712-0493
622	Doug Gellner	421 Wyatt Avenue	Lincoln	IL	62656-	(217) 671-1339
625	Kim Jones	120 Lewis Park Drive	Mt Zion	IL	62549-	(217) 864-1274
632	Bruce & Dana Patton	805 E 5th Street	Trenton	IL	62293-	(618) 578-8955
637	Rob Ahne	605 N 21st Street	Herrin	IL	62948-	(618) 713-7509
INDIANA						
465	Dean Johnson	1106 Huntly Road	Niles	MI	49120-	(269) 470-1212
461	John Schoonveld & Matt Gillespie	5347 1/2 North Keystone Ave	Indianapolis	IN	46220-	(317) 259-7665
466	Wayne Hartman	56702 Moyer Lane	Elkhart	IN	46516-	(574) 606-8953
468	ReDonna Simmons	2220 Dunkleberg Road Lot 919	Fort Wayne	IN	46819-	(260) 515-1889
469	Troy & Tammie Jones	8920 W CR 500N	Muncie	IN	47304-	(765) 808-7830
474	Stacey Bostic & Shawn Wilson	1818 S Curry Pike	Bloomington	IN	47403-	(812) 219-4184
477	Chuck & Tina Austin	200 S Tekoppel Avenue	Evansville	IN	47712-	(812) 423-3333
478	Danny Pound	4470 E Poplar Dr	Terre Haute	IN	47803-	(812) 917-2009
479	Dan Carter	501 N Washington Ave	Fowler	IN	47944-	(765) 366-2879
492	Matt Leckner	PO Box 766	Angola	IN	46703-	(260) 316-8123
KANSAS						
661	James Johnston	PO Box 46656	Kansas City	MO	64188-	(816) 589-4730
664	Kent Henderson	1955 SW Arrowhead Rd	Topeka	KS	66604-	(785) 273-1232
666	Roy Harris	323 East Ave E	Hutchinson	KS	67501-	(620) 664-3197
KENTUCKY						
402	Danielle & Jesse Hecht	5610 Secret Way	Louisville	KY	40272-	(502) 498-5313
405	Jeff Johns	547 West Lone Oak Rd	Clay City	KY	40312-	(606) 359-2970
410	Gary Muzzillo	1601 Caddie Cir	Florence	KY	41042-	(859) 488-1489
420	Luke Garrett/ Jeff Brown	5631 KY 93 South	Eddyville	KY	42038-	(270) 201-0824
423	Quentin Spooner	2321 Hwy 144	Owensboro	KY	42303-	(270) 570-4973
LOUISIANA						
617	Steve Floyd	2248 Landau Lane	Bossier City	LA	71111-	(318) 918-7430
701	Darin & Stacy Daussat	PO Box 2662	Mandeville	LA	70470-	(504) 525-1007
705	Joe Holden	28759 L J Methvien Rd	Holden	LA	70744-	(985) 520-2186
707	Preston & Lisa Granger	415 Fort Hamilton	Opelousas	LA	70570-	(337) 407-2267

708	Dart Volz	PO Box 758	Hammond	LA	70404-	(985) 807-4829
712	Kati & Paul Hennessey	2905 Cuba Blvd	Monroe	LA	71201-	(318) 732-1504
MASSACHUETTS						
200	Jamey Gray	73 Brown Ave	Jewett City	CT	06351-	(978) 710-6403
013	Kelly Hall	1029 North Road	Westfield	MA	01085-	(413) 322-8307
023	Steve & Lisa Blaney	PO Box 678	Granby	MA	01033-	(508) 431-3565
024	Rick Burt	129 Montvale Rd	Woburn	MA	01801-	(978) 430-6534
MARYLAND						
212	Terry & Valerie Justice	8518 Ft Smallwood Road	Pasadena	MD	21122-	(410) 255-5400
213	Mike & Sarah Geiter/Dave & Vicki Beatty	7845 Flintshire Ct	Pasadena	MD	21122-	(410) 439-9400
MAINE						
060	John & Pauline Ostro	P O Box 400	Lisbon Falls	ME	04252-	(207) 353-6466
MICHIGAN						
492	Matt Leckner	PO Box 766	Angola	IN	46703-	(260) 316-8123
480	Tom & Judy Jenkins	PO Box 74341	Romulus	MI	48174-	(734) 941-8504
484	Christine Piefer & Michael Sexton	8101 Capac Road	Yale	MI	48097-	(810) 627-4649
485	Lonnie Ward	PO Box 419	Clarkston	MI	48347-	(810) 397-8005
489	John Easton	3710 Buffalo Road	Niles	MI	49120-	(269) 695-0809
490	Jim Cavender	6103 Brooklyn Rd	Jackson	MI	49201-	(517) 416-0745
491	Mike & Daryl Keeler	1406 Nazareth	Kalamazoo	MI	49048-	(269) 929-6618
495	Norman Wright & Rhonda Ayers	8173 Birchwood Ave	Jenison	MI	49428-	(616) 292-8599
MINNESOTA						
550	Dan & Renae Freinwald	209 Valley High Road	Burnsville	MN	55337-	(612) 205-8009
553	James & Trina Henry	18397 Chennault Way	Eden Prairie	MN	55346-	(952) 937-2001
MISSOURI						
633	St Louis APA	1000 Lake St Louis Blvd , Ste 325	Lake St Louis	MO	63367-	(636) 755-5900
634	Joe & Kelly Wilmes	PO Box 76	Silex	MO	63377-	(636) 358-7665
635	Eric Pfeiffer & Jason Schempp	PO Box 405	Kirksville	MO	63501-	(660) 341-6683
638	Brad & Temper Jones	523 Columbine St	Cape Girardeau	MO	63701-	(573) 450-7383
640	Rob Hough	113 E 2nd St Apt A	Holden	MO	64040-	(816) 616-5900
641	John Hensley	1412 NE Scarborough Drive	Blue Springs	MO	64014-	(816) 598-5978
642	Greg & Alana Pierce	1300 NE Englewood Rd	Gladstone	MO	64118-	(816) 214-5037
648	Dan & Jennifer Pinta	1105 N Rosedale Sq	Webb City	MO	64870-	(417) 439-8989
654	Mark & Tracy Berger	8475 State Road B	Cedar Hill	MO	63016-	(573) 953-8655

656	Tony Morrison	3220 W Broadmoor St	Springfield	MO	65807-	(573) 579-5956
661	James Johnston	PO Box 46656	Kansas City	MO	64188-	(816) 589-4730
MISSISSIPPI						
705	Joe Holden	28759 L J Methvien Rd	Holden	LA	70744-	(985) 520-2186
381	Marc Lancaster/Jim Badger	4375 Hwy 51 N 32-201	Horn Lake	MS	38637-	(901) 481-4368
392	BJ Walker	221 Coke Road	Florence	MS	39073-	(601) 573-1592
395	Susan & Randy Church	6260 Kimbrough Blvd	Biloxi	MS	39532-	(228) 860-6925
MONTANA						
594	John Amelsberg	737 14th Street S W	Great Falls	MT	59404-	(406) 899-7665
596	Bob & Becky Zapata	640 Euclid	Helena	MT	59601-	(406) 442-0014
NORTH CAROLINA						
295	Ewa & Mitch Laurance/ Nikki & Toby Graham	PO Box 70970	Myrtle Beach	SC	29572-	(843) 685-5625
241	Jason & Misty Dusel	4704 Pauline Ct	Summerfield	NC	27358-	(336) 542-6866
273	Michael Fuller	64 Harvey B Duncan Drive	Timberlake	NC	27583-	(336) 504-3033
275	Don Humphreys	2805 Brookhaven Dr	Kinston	NC	28504-	(252) 253-9848
277	Marc Lancaster	103 Mint Court	Cary	NC	27513-	(980) 721-7397
278	Bernie Condlin	3830 Glencorra	Fayetteville	NC	28314-	(910) 489-3838
280	KT Thompson	PO Box 803	Harrisburg	NC	28075-	(704) 598-4555
281	Debbie Ritchotte/Danielle Ritchotte	4919 Sarah Hall Lane	Charlotte	NC	28270-	(704) 246-7063
287	Anita & Michael Maloney	P O Box 714	Glenville	NC	28736-	(828) 507-4467
288	Vicki Catalano	PO Box 16632	Asheville	NC	28816-	(828) 329-8197
NEBRASKA						
515	Chuck Walls	PO Box 390604	Omaha	NE	68139-	(402) 915-1755
690	Joe & Carmen Bond	P O Box 1033	McCook	NE	69001-	(308) 344-4811
NEW HAMPSHIRE						
013	Kelly Hall	1029 North Road	Westfield	MA	01085-	(413) 322-8307
032	Pam Hall	1029 North Road	Westfield	MA	01085-	(413) 437-7141
030	Tracie Hersey / Doug Hersey	PO Box 1692	Rochester	NH	03866-	(603) 948-2034
NEW JERSEY						
232	Duke Black & Charlyn Wilson-Black	303 E Hazeldell Ave	New Castle	DE	19720-	(302) 652-5944
070	Gary Barsky/ Bob Vandertoorn	1711 48 Street	North Bergen	NJ	07047-	(201) 424-4808
071	Cyndi Mahon	1 Knollwood Court	Manalapan	NJ	07726-	(908) 420-7359
074	Al Pfersch	3 Deer Ct	Chester	NJ	07930-	(862) 251-4288
076	Anthony Narducci	200 Grant Ave Apt E1	Somerdale	NJ	08083-	(856) 278-5555
082	Dave Piotrowski & Michelle Miller	313 West Broad Street	Burlington	NJ	08016-	(609) 526-2000
085	Dawn Hopkins	407 Deuce Drive	Wall Township	NJ	07719-	(609) 226-0646

088	Brian & Marlene Boyle	Box 367	Milford	NJ	08848-	(908) 448-2145
100	Stuart Scheer	P O Box 422	Cresskill	NJ	07626-	(201) 569-2602
NEW MEXICO						
871	Beau Harrison	PO Box 398	Bernalillo	NM	87004-	(505) 659-9250
NEVADA						
891	Marvin Rethman & Ursula Rethman	1608 Azure Springs Ave	Henderson	NV	89014-	(702) 684-7665
895	Seth & Heather Allison	221 Shady Grove Lane	Dayton	NV	89403-	(775) 443-8844
NEW YORK						
122	Claude Gaudette	40 Bardwell St	South Hadley	MA	01075-	(413) 533-7056
065	Ed & Laura Stein	1299 Jonathan Lane	Wantagh	NY	11793-	(516) 783-4610
066	Jerry Bayer / Melissa Cossidente	PO Box 186	Port Jefferson Station	NY	11776-	(631) 923-2701
112	Ross & Smith Banfield	312 Saint James Place #1C	Brooklyn	NY	11238-	(917) 589-5867
120	Joe Sinicropi	PO Box 2774	Malta	NY	12020-	(518) 419-5426
126	Kathy McAleer/Ryan McAleer	13 Blossom Grove Court	Highland	NY	12528-	(845) 883-5557
131	Gregg Cordero	38 Victoria Dr	Binghamton	NY	13904-	(607) 743-7474
132	Brad & Kim Rees	203 Hickory Way	Central Square	NY	13036-	(315) 391-2723
133	Kelly & David Dreidel	PO BOX 66	Yorkville	NY	13495-	(315) 796-8156
134	Ivan & Tina Quintana	374 Johnson Ave Ext	Gloversville	NY	12078-	(518) 222-1153
142	Chris & Veronica Washy	41 Park Street	Gowanda	NY	14070-	(716) 545-0505
145	Daisy Hutchinson	850 Winton Road South	Rochester	NY	14618-	(585) 259-7665
OHIO						
449	Nick & Laura Coutcher	14481 Dixon Road	Dundee	MI	48131-	(734) 444-8717
453	Tammie Jones	4319 W Clara Lane, Box 296	Muncie	IN	47304-	(765) 808-0826
492	Matt Leckner	PO Box 766	Angola	IN	46703-	(260) 316-8123
431	Bill Sharpe	1855 Hopkins Avenue	Columbus	OH	43223-	(614) 516-9488
432	Richard & Nancy Whaley	P O Box 215	Lithopolis	OH	43136-	(614) 833-1009
434	Ken Caligiuri	7117 Township Rd 212	Findlay	OH	45840-	(567) 525-0821
441	Bill Bagger	929 McKee Trail	Hinckley	OH	44233-	(216) 299-6028
443	Fred Crane/Stephen Weaver	1296 Brittain Rd	Akron	OH	44310-	(330) 612-0936
444	Brian & Pat Mosko	PO Box 8716	Warren	OH	44484-	(330) 299-0211
445	Bernie & Nouhad Pavlock	P O Box 7	Girard	OH	44420-	(330) 545-1951
452	Ernie & Laura Byrd	P O Box 18281	Fairfield	OH	45014-	(513) 870-0885
458	Jamie Roller	P O Box 517	Kalida	OH	45853-	(419) 796-9139
OKLAHOMA						
730	Butch Patchell	30 Ash Avenue	Yukon	OK	73099-	(405) 361-7691

731	Judy Duncan	10429 South Trafalgar Dr	Oklahoma City	OK	73139-	(405) 790-0600
735	Ezra Davis & Adriene Davis	926 SW 34th St	Lawton	OK	73505-	(580) 351-6523
741	Jeremy Shrum	5729 East 24th Street	Tulsa	OK	74114-	(918) 520-1321
OREGON						
972	Merle & Boomer Humphreys	1280 70th Avenue SE	Salem	OR	97317-	(503) 243-6725
973	Randee Lee	1920 Hoffman Rd NE	Salem	OR	97305-	(503) 362-0133
975	Jason & Deanna Hunt-Sherman	2081 Martin Drive	Medford	OR	97501-	(541) 993-2216
977	Steve Del Rosso	548 NE Quimby Ave	Bend	OR	97701-	(541) 388-5188
PENNSYLVANIA						
160	Corey Mason	P O Box 206	New Springfield	OH	44443-	(330) 549-0870
191	Jeff Duda	PO Box 100	Somerdale	NJ	08083-	(215) 470-2818
232	Duke Black & Charlyn Wilson-Black	303 E Hazeldell Ave	New Castle	DE	19720-	(302) 652-5944
150	David Hanna	1915 Kennedy Blvd	Aliquippa	PA	15001-	(724) 601-1614
156	Chuck & Kim Zerebnick	1184 Rebecca Street	Export	PA	15632-	(724) 468-6121
162	Mark Kasiorek	256 Oakland Road	Mercer	PA	16137-	(724) 662-2709
178	Al Brouse	PO Box 188	Richfield	PA	17086-	(717) 694-0077
179	Walter & Alix Jarrett	1789 Running Deer Drive	Auburn	PA	17922-	(610) 628-2814
181	Michael Boyle	PO BOX 480	WARRINGTON	PA	18976-	(267) 888-4383
182	Charles & Carol Lewis	PO Box 276	Plymouth	PA	18651-	(570) 779-7678
183	Alex Holtzman	P O Box 2236	Pocono Summit	PA	18346-	(570) 977-1330
189	Rob Peuplie/Mark Mandic	116 N Main Street	Sellersville	PA	18960-	(215) 675-3794
193	Denise Ross	807 Reservoir Road	Honey Brook	PA	19344-	(717) 368-5928
220	Dan Simning / Rob & Jen Miller	708 Hardwick Pl	York	PA	17404-	(410) 688-9587
SOUTH CAROLINA						
280	KT Thompson	PO Box 803	Harrisburg	NC	28075-	(704) 598-4555
292	Richard & Regina Johnson	273 E Thorncliff Rd	Florence	SC	29505-	(843) 250-3630
293	Tim & Linda Morton	184 Clearview Heights	Boiling Springs	SC	29316-	(864) 814-7665
294	Scott Bates/Stephanie Bates	10533 Hwy 78	Summerville	SC	29483-	(843) 871-4105
295	Ewa & Mitch Laurance/ Nikki & Toby Graham	PO Box 70970	Myrtle Beach	SC	29572-	(843) 685-5625
309	Billy Sweat	2844 Wilton Road	West Columbia	SC	29170-	(803) 796-1723
SOUTH DAKOTA						
571	Jim Geiszler	1508 N Lalley Lane	Sioux Falls	SD	57107-	(605) 759-6321
577	Nathan & Erin Chowning	PO Box 3034	Custer	SD	57730-	(605) 517-1012
TENNESEE						

381	Marc Lancaster/Jim Badger	4375 Hwy 51 N 32-201	Horn Lake	MS	38637-	(901) 481-4368
638	Brad & Temper Jones	523 Columbine St	Cape Girardeau	MO	63701-	(573) 450-7383
372	Ken Stapp	1519 St Andrews Drive	Murfreesboro	TN	37128-	(615) 691-0767
374	Valerie Reagan	3002 Wilson Avenue	Signal Mountain	TN	37377-	(423) 886-6903
376	Justin Bledsoe	140 Virginia Street	Kingsport	TN	37665-	(423) 384-0058
377	Bill Graifer	P O Box 6100	Sevierville	TN	37864-	(865) 684-5332
379	Paul Baird & Elizabeth McWhirter	9032 Candlewood Dr	Knoxville	TN	37923-	(865) 692-9235
TEXAS						
750	Steve & Tammie McBay	4802 Creekridge Court	Garland	TX	75043-	(972) 203-1888
751	Sam Holliday	8125 Rainbow Dr	Rowlett	TX	75089-	(972) 412-5717
752	Shannon & Nikki Brown	8413 Sailors St	Rowlett	TX	75089-	(972) 412-0297
753	Lori Way	3912 Palo Duro Drive	Plano	TX	75074-	(972) 422-7949
754	Allison & David Miller	609 N Hwy 175 Ste 204	Seagoville	TX	75159-	(972) 900-7224
755	Bobbie & Michael Hayes	PO Box 1009	Whitewright	TX	75491-	(903) 416-9248
757	John Ervin	19321 Big Valley Dr	Flint	TX	75762-	(903) 780-6893
761	Les & Francee Moore	3432 Vine Ridge	Bedford	TX	76021-	(817) 684-0006
762	Robert Santana	2200 Barton Springs Drive	Corinth	TX	76210-	(940) 321-8800
765	Larry & Michelle Nicholson	580 Centex Sportsman Club Road	Belton	TX	76513-	(210) 843-4557
766	Jay & Tish Gaines	206 W Nolan Street	Lorena	TX	76655-	(254) 214-9710
770	Bobbie Blanchard/Cuong Nguyen	17607 Creek Bluff Lane	Cypress	TX	77433-	(713) 392-7150
771	Steve Lechner	PO Box 8562	Spring	TX	77387-	(281) 300-2686
772	Tony Walker	9322 Canaday Park Lane	Houston	TX	77075-	(866) 678-7665
773	Roger Schuett	13315 Veterans Memorial #406	Houston	TX	77014-	(281) 682-2144
774	Johnny & Amy Griffin	2850 Oak Rd Apt 6205	Pearland	TX	77584-	(919) 369-4533
776	Andrus Granger	653 Birchwood Drive	Port Neches	TX	77651-	(409) 722-0023
782	Scott & Karen Racy	6115 Outlook Ridge	San Antonio	TX	78233-	(210) 599-4140
785	Erin Lacy	316 Thunderbird Ave	McAllen	TX	78504-	(956) 821-6925
786	Shawn Rutledge	700 Centre St	San Marcos	TX	78666-	(512) 667-7587
787	James Garrett/Betty & Grady Dunagan	4905 Majestic Drive	Austin	TX	78745-	(512) 579-0926
791	Robert Ray	1511 SW 13th Ave #B	Amarillo	TX	79102-	(919) 949-9933
793	Gary & Karen Wright	501 N 10th Street	Wolfforth	TX	79382-	(806) 438-5174
796	Derriel Smith	626 FM 1750	Abilene	TX	79602-	(214) 544-5656
VIRGINIA						
213	Mike & Sarah Geiter/Dave & Vicki Beatty	7845 Flintshire Ct	Pasadena	MD	21122-	(410) 439-9400

231	Marguerite Rueger & Dawn Buchanan	1405 Westshire Lane	Henrico	VA	23238-	(804) 740-7225
235	Mike Ristaino	171 Normandy Lane	Newport News	VA	23606-	(757) 871-5760
236	Mike & Michelle Arrigo	6479 Kenlake Court	Norfolk	VA	23518-	(757) 479-2774
240	Brian & Leanne Scruggs	3123 Davis Ave	Roanoke	VA	24015-	(540) 397-2665
243	Josh & Nikki Cook	145 Kimball Lane	Christiansburg	VA	24073-	(540) 250-1458
243	Andy & Joy Skerritt	145 Kimball Lane	Christiansburg	VA	24073-	(540) 250-1458
245	Susan Kinsinger & Bruce Northrop	100 Chadwick Drive	Lynchburg	VA	24502-	(434) 316-9019
VERMONT						
013	Kelly Hall	1029 North Road	Westfield	MA	01085-	(413) 322-8307
056	Liz Ford	PO Box 735	Montpelier	VT	05601-	(802) 777-9429
WASHINGTON						
972	Merle & Boomer Humphreys	1280 70th Avenue SE	Salem	OR	97317-	(503) 243-6725
946	John Wenglewski	P O Box 9536	Spokane	WA	99209-	(509) 327-2591
982	Larry & Andrea Maes	1242 State Ave Unit I, PMB 105	Marysville	WA	98270-	(425) 280-8422
984	Tracy Ahlstrom-Layton & Jace Layton	30008 155th Ave SE	Kent	WA	98042-	(253) 631-9325
985	Michelle Barkdoll	3919 88th St E	Tacoma	WA	98446-	(253) 627-0652
WEST VIRGINIA						
260	Jason Pugh	47036 McDonald Street	East Liverpool	OH	43920-	(304) 459-9654
212	Terry & Valerie Justice	8518 Ft Smallwood Road	Pasadena	MD	21122-	(410) 255-5400
WISCONSIN						
531	Chris & John Rossing	10531 79th Street	Pleasant Prairie	WI	53158-	(224) 280-4736
544	Ben Zeman/Brandon & Sharon Jacoby	303 Prospect Avenue	Nekoosa	WI	54457-	(715) 213-2505
WYOMING						
820	Jeff Olson	PO Box 50165	Casper	WY	82605-	(307) 262-7457

PART II

LIST OF FRANCHISSE WHO LEFT THE FRANCHISE SYSTEM DURING THE LAST FISCAL YEAR

(JANUARY 1, 2016 - DECEMBER 31, 2016)

Franchisee Name	Address	City	ST	Zip	Phone #
Jenny & Joseph Dees	400 Cottonwood	Hot Springs	AR	71913-	(501) 655-4865
Brian Peck	1115 Silver Brook Pl	Manteca	CA	95337-	(209) 629-6998
Sheryl Barrett	PO Box 770341	Steamboat Springs	CO	80477-	(970) 734-4357
"Linda" Lindsey	340 S Candler Avenue	Orlando	FL	32835-	(407) 293-4717
Joe Straussner	1462 Deering Ave	Spring Hill	FL	34609-	(352) 514-7014
Larry Herrington	755 North 2nd Street	Danville	GA	31017-	(478) 804-1459

Steve Morton	753 W Sunwood Court	Kuna	ID	83634-	(208) 866-4745
Mary Dixon	2561 Champlain St	Ottawa	IL	61350-	(815) 324-9155
Amanda Hilton	56252 Autumn Drive	Elkhart	IN	46516-	(574) 575-9735
Tommy Day	308 Williamsburg Drive	Nicholasville	KY	40356-	(859) 887-5929
Noel & Lena Goldsby	PO Box 46217	Baton Rouge	LA	70895-	(225) 272-5243
Matt MacPhail	PO Box 188	Chicopee	MA	01014-	(518) 708-9567
Julie Hinds	179 Ridge Rd	Quincy	MI	49082-	(517) 617-9961
Tom Campbell	15816 E 27th Street South	Independence	MO	64055-	(816) 795-8544
David Thomas	7125 Lake Dr	Matthews	NC	28104-	(919) 563-5669
Scott Nelson	5073 Lockwood Boulevard	Youngstown	OH	44511-	(330) 322-5176
Matt Ringle/ Chad Bolles	25955 Cherbourg Lane	Perrysburg	OH	43551-	(419) 779-3590
Larry Barnes	814 Arthur	Trenton	OH	45067-	(513) 988-0739
Jeff & Tricia Howard	1131 N Ironwood Avenue	Broken Arrow	OK	74012-	(918) 630-5465
Janelle Tomason	88123 5th St	Veneta	OR	97487-	(541) 508-6663
Kane Miller/ Paul Adolini	P O Box 147	Waynesboro	PA	17268-	(717) 404-1086
Jose & Reyna Herrera	407 Blanco St	Duncanville	TX	75137-	(214) 609-5588
Robert Hamilton	719 Misty Creek	Richmond	TX	77406-	(346) 901-1186
Shonah Reed	29711 Roland Orchard Ct	Spring	TX	77386-	(832) 736-0960
Chad & Kim Horton	58 Apricot Ct	Lake Jackson	TX	77566-	(979) 299-6818
Josh & Nikki Cook	145 Kimball Lane	Christiansburg	VA	24073-	(540) 250-1458

Exhibit P

Index of Defined Words and Phrases

Defined Word or Phrase	Page on Which Terms Defined
American Specialty	22
APA	1
APA 8-Ball League	3
APA 9-Ball League	3
APA Licensed Vendor	14
APA Marks	1
APA Merchandise	14
APA Pool League	3
Basic Weekly Fee	3
Canadian Poolplayers Association or CPA	2
Championship Tournaments	1
Crofts	5
Croft Action	5
Deposit	7
Devore Action	6
Franchised League	2
Host Locations	1
IFA	7
Insurance Program	22
Interim Team Count Growth Requirement	33
Japanese Poolplayers Association or JPA	2
League Operators	1
LOAB	57
Local Sponsors	22
Maintenance	15
Manager	37
Members	1
National Account Program	32
OAA	32
Operations Manual	3
Players Fund	3
PoolDawg	
Proprietary Information	37
Renewal	39
Software Program	1
Standard Format Teams	33
System	1
Team Count Growth Requirement	33
Territory	2
Us	1
VetFran Program	7
We	1

Weekly Team Fee	3
WQ	10
You	2

The words and phrases listed below are defined on the page of the Franchise Disclosure Document set forth opposite the word or phrase

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THE FRANCHISOR IS AMERICAN POOLPLAYERS ASSOCIATION, INC , LOCATED AT 1000 LAKE ST LOUIS BLVD , LAKE ST LOUIS, MO 63367 ITS TELEPHONE NUMBER IS (636) 625-8611

ISSUANCE DATE MARCH 20, 2017

THE FRANCHISE SELLER FOR THIS OFFERING IS KEVIN HINKEBEIN, DIRECTOR OF DEVELOPMENT, AMERICAN POOLPLAYERS ASSOCIATION, INC , 1000 LAKE ST LOUIS BLVD , LAKE ST LOUIS, MO 63367, TELEPHONE NO (636) 625-8611 (EXT 5120)

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I HAVE RECEIVED A DISCLOSURE DOCUMENT DATED MARCH 20, 2017, THAT INCLUDED THE FOLLOWING EXHIBITS

A List of State Agencies
B Agents for Service of Process
C Franchise Agreement
D State Addendum (if applicable)
E APA Addendum
F Franchisee Ownership Schedule
G Guaranty & Assumption Agreement of Franchisee's Owners/Spouses
H Confidentiality and Non-Competition Agreement
I Software License Agreement
J Authorization Agreement for Direct Payments
K Confidentiality Agreement
L League Operator Manual, Table of Contents
M Franchisee Release upon Renewal or Transfer
N APA Financial Statements
O List of Franchisees
P Index of Defined Words and Phrases
Q Receipts

_____
Signature of Prospective Franchisee

_____
Print Name

_____
Date (do not leave blank)

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