

Clean Franchise Disclosure Document

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FRANCHISE DISCLOSURE DOCUMENT



Apex Fun Run, LLC
An Arizona limited liability company
1 North 1st Street, Suite 790
Phoenix, Arizona 85004
Phone: (855) 786-2739
E-Mail: info@apexfunrun.com
Website: www.apexfunrun.com

As an Apex Fun Run franchisee, you will operate a business that provides a fundraising solution for schools while developing students into leaders utilizing a proprietary two-week curriculum that includes health, fitness and leadership training.

The total investment necessary to begin operation of an Apex Fun Run franchise ranges from \$65,500 to \$98,200. This includes \$44,500 that must be paid to us.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Jeremy Barnhart, 10225 N. 130th Way, Scottsdale, Arizona 85259, 480-347-0243, Jeremy@APEXFUNRUN.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, DC 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 be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: _____, 2016

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 "G" 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 THAT ALL DISAGREEMENTS BE SETTLED BY ARBITRATION OR LITIGATION IN ARIZONA. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE OR LITIGATE WITH US IN ARIZONA THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT ARIZONA 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. EVEN THOUGH THE FRANCHISE AGREEMENT PROVIDES THAT "HOME STATE" LAW APPLIES, LOCAL LAW MAY SUPERSEDE IT IN YOUR STATE. PLEASE REFER TO ANY STATE-SPECIFIC ADDENDUM THAT MAY BE ATTACHED TO THIS DISCLOSURE DOCUMENT FOR DETAILS.

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

Effective Date: _____, 2016

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EXHIBITS

EXHIBIT "A"	APEX FUN RUN FRANCHISE AGREEMENT
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EXHIBIT "E"	FRANCHISEE DISCLOSURE QUESTIONNAIRE
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ITEM 1 FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, “we,” “us” and “the Company” mean APEX FUN RUN, LLC - the franchisor. “You” means the person who buys an Apex Fun Run franchise - the franchisee, and includes your partners if you are a partnership, your shareholders if you are a corporation, and your members if you are a limited liability company.

Corporate Information and Business History

We are an Arizona limited liability company that was organized on August 1, 2012. From March 15, 2011 to July 1, 2012, our affiliate, All Star Fun Run, LLC (“AFR”) operated a business in Texas under the name “ALL STAR FUN RUN”. On July 1, 2012, AFR began doing business under the name “APEX FUN RUN”. AFR has assigned to us all rights to use the mark “APEX FUN RUN”. Our principal place of business is 1 North 1st St., Suite 790, Phoenix, Arizona, 85004 and our phone number is (855) 786-2739. Our agent for service of process is Scott Donnell, who has a principal business address located at 1 North 1st Street, Suite 790, Phoenix, Arizona 85004.

We began offering Apex Fun Run franchises in 2012. We have never offered franchises in any other line of business.

We do not directly operate an Apex Fun Run business. However, our affiliate, AFR, has operated a company-owned Apex Fun Run team since March of 2011 (initially under the name ALL STAR FUN RUN). AFR currently operates Apex Fun Runs in Phoenix, Arizona. Our other affiliate, Apex Fun Run Franchise Number 25 LLC (“Apex 25”), has operated an Apex Fun Run business in the State of Washington.

We provide team development, marketing, operational support and assistance to Apex Fun Run teams. We are not engaged in any business other than offering Apex Fun Run franchises and administering the Apex Fun Run franchise system.

Parents, Affiliates and Predecessors

We have no parent companies or predecessors. We do not have any affiliates that offer franchises in any line of business or that provide products or services to our franchisees.

The Franchise

If we award you an Apex Fun Run franchise, you will establish and operate a business that provides a fundraising solution for schools while developing students into leaders utilizing a proprietary two-week curriculum that includes health, fitness and leadership training. The franchised business you will operate is referred to in this Disclosure Document as your “Business”. You will develop one or more Apex Fun Run teams that will provide the leadership training at the schools within your territory and conduct the fun runs. Apex Fun Run teams are generally operated out of home offices. Therefore, we do not require that you lease or purchase a separate office or commercial space.

Apex Fun Run teams may utilize only products we approve. The approved product line includes a number of prizes and other items used in conjunction with the Apex Fun Run events. You will market these products through your teams. The program culminates with a positive, energetic, motivated, fundraising fun run, which is performed at/for the elementary school. The program is designed to provide leadership skills for the students as well as generate much needed funds for the school’s operations. These runs occur over a two week period, beginning with a pep rally and ending with the Fun Run. They are amazing events to energize and unify schools and provide much needed benefits to the students, parents, teachers and administrators. Revenues are generated

by donations from individuals or businesses that sponsor the students participating in the fun run event. These revenues are collected by the schools and then shared with the franchisee.

Your key personnel will include “Team Leaders” and a “Sales Professional”. Your Team Leader will be responsible for directing and supervising your staff, conducting Apex Fun Runs and otherwise managing and supervising your Business. Your Sales Professional will be responsible for marketing your Business to schools. Your Managing Owner (defined in Item 15) may also serve as a Team Leader and Sales Professional although or you may hire employees or engage independent contractors to serve in these roles.

We currently have five different Apex Fun Run programs, including “Apex Live”, “Apex Flex”, “Apex Leadership Company”, “Anython” and “Middle School Color Battles”. Prior to 2016, we only offered the Apex Live and Flex programs.

Apex Live

Apex Live is the traditional, full-service program that raises the most money for schools. With Apex Live, a team of three athletes coordinates the entire two-week program, including live rallies, lessons, race day with jerseys for every student and staff member, prize handouts, follow up and collections. With Apex Live, the school retains between 40% to 60% of the revenues generated with the remaining balance paid to the franchisee. This is the core product for Apex Fun Run.

Apex Flex

Apex Flex is our program for lower-income schools where we still provide a hassle-free, two-week experience from rally to run. However, with Apex Flex we are able to lower our initial costs by up to 50% by providing ticker stickers instead of jerseys, automating videos to save labor, etc. In addition, 1 Apex team can serve 3 schools at the same time (an Apex team can typically only serve 1 school at a time under Apex Live). This allows us to serve over twice as many schools across America that we were not able to previously serve with the Apex Live platform. With Apex Flex, the school retains between 50% and 75% of the revenues generated with the balance paid to the franchisee.

Apex Leadership Company

Apex Leadership Company (ALC) is a monthly leadership and recess program that uses PBIS best practices to give behavior coaching to students in a fun and exciting way. PBIS stands for Positive Behavior Interventions and Supports, and all Apex employees receive this training for how to work with students. ALC is paid for by the school districts, grant money and PTO funds; schools pay for a certain amount of days per month where an Apex Athlete comes to campus to work with students from each class and coordinates the recess games. ALC is our first product for all elementary schools, including Title I schools, and it also serves as a great supporting product for Apex Live and Flex schools.

Anython

Anython is our fundraising platform for any sports team, club or group that is not an elementary school. Many school parents request our services for more than just their school (soccer team, varsity football, youth group, sorority, etc), and Anython is our all-purpose solution for them. With Anython, we are able to help fundraise for any group activity (hit-athons, freethrow-athons, lift-athons, golf-marathons, serve-athons, etc). Each group keeps around 70-77% of the funds, and the costs to run them are very minimal. Anython is a great tool to fill in gaps in your program for after school, weekends, over breaks and during the summer.

Middle School Color Battles

Middle School Color Battles are the solution for middle schools that require a little bit different program than Apex Live and Flex. This program was created for the older middle school environment, which requires different challenges, online sharing, pay-to-play fundraising, and a unique schedule that fits with the middle school classroom schedule. The program is 2 weeks long, requires 1 Apex Athlete and it fits into the Fun Run schedule.

If we award you an Apex franchise, you must sign a franchise agreement (the "Franchise Agreement") and operate your Business in accordance with the terms of the Franchise Agreement. We will grant you a license to use certain logos, service marks and trademarks, including the service marks "APEX," "APEX FUN RUN," "ANYTHON" and the associated logo shown on the cover page of this Disclosure Document (collectively, the "Marks"), in the operation of your Business. The form of Franchise Agreement is attached to this Disclosure Document as EXHIBIT "A".

We have developed a distinct and proprietary system (the "System") for the operation of an Apex Fun Run business. Distinctive characteristics of the System include logo, color schemes, layouts, designs, prizes, themes, curriculum, equipment specifications, techniques, methods, confidential information and procedures that we have developed, all of which we may periodically change, improve, update and further develop from time to time. The operational aspects of an Apex Fun Run franchise are contained within our confidential Operating Manual (the "Manual"). You will operate your franchise as an independent business using the Marks, the System, the Apex Fun Run name, as well as the support, guidance and other methods and materials provided or developed by us.

General Market for the Product Offered

We believe that the market for school fundraising events, including Apex Fun Run products, is expanding. The rate of development, however, may vary at different times and from place to place. You will compete with other school fundraising products. Most Apex Fun Run teams may be operated throughout the year; however sales may fluctuate during the year. Some Apex Fun Run teams operate only during traditional school years. The target market for the products and services offered by our franchisees includes elementary schools, middle schools and the students who attend those schools, as well as organizations that have fundraising needs.

Laws and Regulations

You must comply with all federal and state licensing and other regulatory requirements relating to the operation of your Business. In some cases, states or local school districts may require fingerprints and background checks for you and your team members that work with the students. We are not aware of any other industry-specific laws that apply to an Apex Fun Run business. There may be other local, state and/or federal laws or regulations pertaining to your Business with which you must comply. We strongly suggest that you investigate these laws before buying this franchise.

ITEM 2 BUSINESS EXPERIENCE

President: Scott Donnell

Scott Donnell has served as our President since our inception in August of 2012. Mr. Donnell founded our Apex Fun Run affiliate, AFR, in December 2010. He also has served as a minority owner of our affiliate Apex 25 since June of 2014.

Vice President of Franchise Development/CFO: Jeremy Barnhart

Jeremy Barnhart has served as our Vice President of Franchise Development and Chief Financial Officer since our inception in August 2012. Mr. Barnhart was previously Owner and President of Willowbrook LLC, a real estate development company located in Scottsdale, Arizona from January 2007 to June 2012.

Marketing Director: Lisa Barnhart

Lisa Barnhart is our Marketing Director and has served in that capacity since August of 2012. From January 2007 to June 2012, she was the Marketing Director for A&J Biz LLC located in Scottsdale, Arizona.

Director of Quality Control and Operations: Scott Mackowski

Scott Mackowski is our Director of Quality Control and Operations and has served in that capacity since January 2016. From August 2006 to November 2015, he was the CEO of Superior Plus Inc. located in Phoenix, Arizona.

ITEM 3 LITIGATION

IN THE MATTER OF DETERMINING whether there has been a violation of the Franchise Investment Protection Act of Washington by: APEX FUN RUN, LLC

In response to an application for franchise registration that we filed with the Securities Division of the Washington Department of Financial Institutions (the "Division") in December of 2014, the Division inquired as to the circumstances surrounding the prior sale of an Apex Fun Run business located in Washington that is jointly owned by Scott Donnell (our President) and a third party. The Division concluded that: (i) the franchise was sold at a time that a previously filed application for franchise registration was pending but not yet approved (so the offering was not registered at the time of sale); and (ii) the franchisee was not presented with a franchise disclosure document that met the requirements of Washington law (RCW 19.100.140) at least 14 calendar days prior to the execution of the franchise agreement. On April 23, 2015, we entered into a Consent Order with the Division (Order No.: S-15-1656-15-C001), pursuant to which we agreed to cease and desist from any violations of the registration and disclosure requirements of the Franchise Investment Protection Act of Washington and we agreed to pay the Division \$1,000 for the costs and expenses incurred by the Division in investigation of the matter.

Other than the 1 action listed above, no litigation is required to be disclosed in this Item. California law requires additional disclosures related to the information contained in Item 3. These additional disclosures appear in the California Addendum that is attached to this Disclosure Document as EXHIBIT "H".

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

The initial franchise fee for a single franchise is \$44,500, which must be paid in a lump sum at the time you sign the Franchise Agreement. If we agree, you may purchase additional franchises for the following reduced initial franchise fees, if you purchase them at the same time as you purchase your initial franchise:

- Initial or later-purchased unit - \$44,500
- 1st additional unit (if purchased at same time as initial unit) - \$39,500

- 2nd or additional units (if purchased at same time as initial unit) - \$34,500

The initial franchise fee is paid for your franchise rights and covers certain of our administrative expenses incurred in granting your franchise, including brokerage fees, training costs, legal fees for preparing your Franchise Agreement and expenses related to our lost or deferred opportunities to award franchises to others. The initial franchise fee is nonrefundable and uniformly imposed on franchisees. However, in 2016 our standard initial franchise fee (before adding the new programs referenced in this Disclosure Document) was: (i) \$39,500 for initial or later purchased unit; (ii) \$34,500 for a 1st additional unit (if purchased at same time as initial unit); or (iii) \$29,500 for a 2nd or additional units (if purchased at same time as initial unit).

ITEM 6 OTHER FEES

Type of Fee (1)	Amount	Due Date	Remarks
Royalty	8% of Gross Revenue (12% of Gross Revenues generated from sales outside your territory)	Payable on Friday for the preceding week	See Note 2.
Administrative Support Fee	\$75 per contracted school per year	On billing	See Note 3.
Product purchases	Varies based on items purchased	On billing	At this time you do not purchase any inventory, equipment, supplies or other items from us or an affiliate of ours. However, we may require you to do so in the future.
Additional training or support fee	Up to \$500 per person per day plus reimbursement of costs (for on-site training/support)	On billing	See Note 4.
Annual Convention / Meeting Fee	\$150 to \$300 per convention or meeting	On billing	You must attend our regional meetings and annual conventions, if, when, and where we schedule them. In addition to the fee, you are responsible for all costs incurred by you and your employees while attending.
Renewal Fee	\$5,000	On renewal	Payable when you renew.
Transfer Fee	\$5,000	On closing of transfer	Payable when you transfer or sell your franchise. Transfer fee is limited to our costs incurred for transfers to an entity you own or transfers between existing owners.
Sales Launch Fee	\$3,000	On billing (only after signing of first 2 schools)	Payable to either Franchisor or Franchisee who helps with sales launch and signing of first 2 schools in the market. See Note 5.
Management Fee	3% of Gross Revenues, plus our out-of-pocket costs	On billing	See Note 6.
Fine	Up to \$500 per incident	On billing	Payable if you fail to comply with a mandatory standard or operating procedure and you do not cure the non-compliance within the time period we require. It is also payable if you fail to submit timely reports.
Audit	Cost of Audit	On billing	Payable if audit shows an understatement of at least 5% of Gross Revenues. You must also pay any past due amount plus applicable late fees.

Type of Fee (1)	Amount	Due Date	Remarks
Late Fee	\$100 per late payment plus default interest at lesser of 1.5% per month or the maximum rate allowed by law	As incurred	See Note 7.
Non-Competition Breach	Fee equal to: (i) our then-current initial franchise fee; plus (ii) 8% of the gross revenue of any competitive business you operate in violation of our non-competition covenants for the duration of the non-competition period	On demand	Payable if you violate our in-term or post-termination non-competition covenants.
Attorney's Fees and Costs	Will vary with circumstances	Upon demand	You must reimburse us for all attorneys' fees and other costs we incur relating to your breach of any term of the Franchise Agreement or any other agreement with us or our affiliates.
Indemnification	Varies under circumstances	As incurred	You must defend us and reimburse us for all claims, obligations, and damages directly or indirectly arising out of your operations or your breach of the Franchise Agreement, except to the extent they arise as a result of our own gross negligence or willful misconduct.
Insurance	Varies	On billing	If you do not pay the insurance premiums you owe on the insurance policies we require, we may pay the premiums and charge you for the premiums we paid.

Notes:

1. Except as otherwise provided, we impose all fees and all fees are payable to us and nonrefundable. All fees are uniformly imposed on all franchisees.
2. "Gross Revenues" means the gross amount of all of your sales or other income from whatever source derived, from or in connection with the operation of your Business and any business conducted by your Apex Fun Run team, whether by check, cash, credit, charge account, barter, exchange, or otherwise. Gross Revenues include amounts you receive from the sale of goods and merchandise, promotional or otherwise, and for services performed by your Apex Fun Run team, together with the amount of all fundraising receipts that are paid to you. Gross Revenues will not include the amount of any: (i) sales tax, to the extent you add such taxes to the selling price and actually pay them to the taxing authority; or (ii) refunds, allowances, or discounts to customers (including coupon sales), provided you have previously included the related sales in your Gross Revenues; or (iii) fundraising receipts that are retained by the schools. For purposes of paying the royalty fees, our week begins Monday and ends Sunday. You must report your weekly sales to us on Tuesday, for the preceding week. We will generally draft the royalty fees from your bank account on Friday. You must pay the royalty fees by electronic funds transfer or by other means that we specify. We may periodically specify other dates for reporting and payment of the royalty fees.
3. You agree to pay us the administrative support fee for each school that you contract with. The fee is

payable once per year for each contracting school and is due the month in which you are scheduled to conduct the Apex program at the school. In exchange for this fee, our support personnel will provide you with a variety of administrative services, including answering all email inquiries sent to our website to ensure timely responses, consistent messaging and accurate information (rather than forwarding the emails to you to respond to), assisting with uploading of new employee data, obtaining employee background checks, etc.

4. You may request, or we may recommend or require, additional training. We may provide the training in Phoenix, Arizona or another location we designate. We may also provide special support beyond what is required under the Franchise Agreement. We may charge you the daily fee for all training (other than our pre-opening initial training program) and special support that we provide. If we provide on-site training or support, you must also reimburse us for all costs incurred by our representative for meals, travel and lodging. You are responsible for all expenses and costs that your trainees incur for training, including wages, travel, living expenses, fringe benefits and salary expenses.
5. We will provide you with a sales launch consultant who will make 2 visits to your market to help you launch your sales efforts through drop byes, launch lunches or sales meetings in an effort to get your first schools signed quickly. The consultant may either be a representative of ours or a veteran franchisee. We will pay for the travel costs and initial payment to the consultant. At the time you sign your first 2 schools, you will pay the consultant the \$3,000 sales launch fee.
6. If you either abandon the Business or fail to comply with any provision of the Franchise Agreement and do not cure the failure within the time period we specify in our notice to you, we may, but are not required to, assume management of the Business. If we manage your Business, we may do so for any period of time we believe is appropriate, and you must pay us, in addition to the Royalty Fee, a management fee of 3% of the Gross Revenues generated by the Business plus our out-of-pocket costs.
7. If you fail to make any payment when due, you must pay us a late fee of \$100 per late payment plus default interest at the rate specified above. In addition, you must pay us an additional \$50 NSF fee for each electronic funds transfer returned for non-sufficient funds and for each check or draft returned for non-sufficient funds. The NSF fee is payable only if your electronic funds transfer from your depository account or any check you remit to us is returned for non-sufficient funds.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee ²	\$44,500	Lump sum	On signing	Us
Vehicle ³	\$0 to \$3,000	Monthly lease payments	Monthly	Suppliers
Trailer ⁴	\$1,000 to \$2,000	Lump sum	Before opening	Suppliers
Computer system ⁵	\$0 to \$1,000	Lump sum	Before opening	Suppliers
Other equipment ⁶	\$8,000 to \$10,000	Lump sum	Before opening	Suppliers
Storage ⁷	\$0 to \$200	Monthly	Before opening and monthly	Suppliers
Marketing ⁸	\$1,500 to \$6,000	As incurred	As incurred	Third parties

YOUR ESTIMATED INITIAL INVESTMENT				
Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Opening Inventory ⁹	\$5,000 to \$15,000	Lump sum	As incurred (after contracting with schools)	Suppliers
Insurance premiums ¹⁰	\$500 to \$3,500	As arranged	As incurred	Insurance company/ Agent
Professional services fees ¹¹	\$0 to \$3,000	As arranged	As incurred	Professionals
Travel and living expenses during training ¹²	\$2,000 to \$5,000	As arranged	As incurred	Third parties
Additional funds (for 3 months) ¹³	\$3,000 to \$5,000	As incurred	As incurred	Third parties
Total Estimated Initial Investment¹⁴	\$65,500 to \$98,200			

Notes:

1. We do not offer direct or indirect financing for any of these items. None of the fees payable to us are refundable. We are unaware of any fees payable to third party suppliers that are refundable.
2. If we agree, you may purchase additional franchises for the following reduced initial franchise fees, if you purchase them at the same time as you purchase your initial franchise:
 - Initial or later-purchased unit - \$44,500
 - 1st additional unit (if purchased at same time as initial unit) - \$39,500
 - 2nd or additional units (if purchased at same time as initial unit) - \$34,500
3. You will need to have access to a vehicle to travel to schools and Apex Fun Run events. You may own or lease this vehicle or you may rent it on a temporary basis. We do not have any standards or specifications for your vehicle. However, you must have a tow package to enable you to tow your trailer to fun run events. The low estimate assumes you already have an adequate vehicle (in which case you will not incur any additional expense) while the high estimate assumes you will lease a new or used vehicle and includes the initial down payment and first 3 months of lease payments.
4. You will need to purchase a trailer that meets our standards and specifications. You will use the trailer to transport prizes, equipment and other supplies to schools and Apex Fun Run events. At this time, we do not require wraps (i.e., branded decals) for your vehicle or trailer.
5. You must purchase a computer system that meets our standards and specifications. Because our standards and specifications are minimal, we assume most franchisees will already have a satisfactory computer system. We do not require that you purchase any specialized software other than Google Docs and Google Calendar (which do not require any additional cost).
6. This estimates your expenses for the equipment that you will need to purchase to run an event, such as Apex Tunnels, Apex orange and blue flags, checkered flags, bang sticks, banners, beach balls, Apex Fun Run pens, Apex team shirts, Apex themed suits, speakers and stands, sound board, microphones and cables, extension cords, cones and saucers, water jugs, tents, clipboards, tables prize cards and collection bins.
7. Some franchisees store their inventory of prizes and equipment at their homes while others choose to store these items at a separate storage facility. The low estimate assumes you store these items in your

home while the high estimate assumes you choose to purchase storage space.

8. You should expect to spend \$1,500 to \$6,000 in marketing to launch your new territory. This may be spent with luncheons, dropping off Starbucks at schools, or a variety of other ideas which are included in the Manual. This investment will vary based on your decisions of types of events planned and the amount you choose to spend on each. We will provide a sales launch partner who may be a representative of ours or may be an assigned veteran Franchisee, who will be paid \$3,000 upon signing of your first 2 schools. We do not require that you spend any minimum amount of money on local marketing. We also do not require that you contribute to a marketing fund or participate in a marketing cooperative.
9. The initial inventory for an Apex Fun Run franchise includes various prizes for students, packages for teachers, and t-shirts provided to students for the Fun Runs. As with any business, you will purchase inventory continuously as long as you operate your Business. You will be invoiced monthly for the items that are necessary for your next month's schools based on the number of students and percentage of free and reduced lunch for those schools.
10. Before you open your Business, you must obtain certain insurance coverages that we require, with coverage limits, endorsements, and other terms and conditions we require. Our insurance underwriter has provided us with estimates of the costs for the insurance we require; however, insurance costs vary widely and depend on a number of factors, including without limitation the carrier you choose, the amount of your deductibles, the area where your Business is located, the number of persons you employ, and your insurer's evaluation of the risk of insuring you. As a result, you should consult your own insurance broker to review the estimates. The low estimate above assumes you pay premiums on a semi-annual basis while the high estimate assumes you pay the full annual premium up front.
11. You should retain the services of an attorney and other consultants to advise and assist you in entering into the agreement(s), forming a business entity and purchasing and establishing your Business. However, our experience has shown that some franchisees choose not to hire a professional for these purposes.
12. This item estimates the expenses you will incur in attending the "hands on" portion of our initial training program, which lasts approximately 5 to 7 days. The remainder of our initial training program is conducted remotely. You will need to arrange for transportation, food and lodging for your designated attendees. The costs you incur will depend on the distance you must travel and the type of accommodations you choose. The low estimate assumes 4 people attend training and you choose lower end accommodations while the high estimate assumes 5 people attend and you chose slightly higher end accommodations.
13. Cash flow from your operations may not be adequate to cover your operating and other costs during the initial period of your Business. You may need capital to support ongoing expenses like payroll, to the extent that these costs are not covered by sales revenue. New businesses often generate a negative cash flow. We estimate that the amount shown in this estimate will be sufficient to cover ongoing expenses for the start-up period of the Business, which we calculate to be 3 months. This is only an estimate, however, and you may need additional working capital during this start-up period or after.
14. These estimated ranges (including Additional Funds) are based on our experience and information provided by our franchisees. We have assumed you will have 1 team. If you have more Apex teams, your initial investment will increase. Costs are changing constantly. You should obtain current cost information at the time you purchase your franchise. We encourage you to make a diligent investigation of the Apex Fun Run franchise opportunity. You should visit existing Apex Fun Run franchises, and

consult appropriate business advisors, like attorneys or accountants who are qualified to assist you in carefully evaluating these figures, before you make any decision to purchase a franchise from us.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Source Restricted Purchases and Leases - Generally

We require that you purchase or lease certain “source restricted” goods and services for the development and ongoing operation of your Business. By “source restricted,” we mean that the good or service must meet our specifications and/or must be purchased from an approved or designated supplier (in some cases, an exclusive designated supplier, which may be us or an affiliate). Our specifications and list of approved and designated suppliers are contained in the Manual. We will notify you within 30 days of any changes to our specifications or list of approved or designated suppliers. We may notify you of these changes in various ways, including written or electronic correspondence, verbal or telephonic notification, amendments or updates to the Manual, bulletins, or other means of communication.

We expect changes in the demands of consumers, the market, and business and economic conditions. As a result, we may change the Apex Fun Run System, including miscellaneous items you offer; the prizes, products, equipment, services, and supplies we require you to use; and the sources from which you purchase them, and you must comply with all the changes we make.

Supplier Criteria

Our criteria for evaluating a supplier include standards for quality, delivery, performance, design, appearance and price of the product or service as well as the dependability, reputation and financial viability of the supplier. The supplier must demonstrate they have adequate capacity to supply our franchisees’ quantity and delivery needs and meet our quality standards. Upon your request, we will provide you with any objective specifications pertaining to our evaluation of a supplier, although certain important subjective criteria (e.g., product appearance, design, functionality, etc.) are important to our evaluation but cannot be described in writing.

If you want to purchase or lease a source restricted item from a non-approved supplier, you must send us a written request for approval and submit any additional information that we request. We may require that you send us samples from the supplier for testing. We may also require that we be allowed to inspect the supplier’s facilities. We will notify you of our approval or disapproval within 30 days after we receive your request for approval plus all additional information and samples that we require. We may, at our option, re-inspect the facilities and products of any approved supplier and revoke our approval if the supplier fails to meet any of our then-current criteria. We do not charge you any fee associated with our review of a supplier.

Current Source Restricted Items

As described below in more detail, we currently require that you purchase or lease the following source restricted goods and services: inventory, vehicle and trailer, equipment, signs and marketing materials, computer equipment, insurance and in certain limited circumstances, bookkeeping services. We estimate that nearly 90% of the total purchases and leases that will be required to establish your Business and 80% of your ongoing operating expenses will consist of source restricted goods or services.

Inventory

All of your inventory, including prizes for students; packages for teachers and t-shirts provided to students for Fun Runs, must meet our standards and specifications. You must purchase these items only from approved or designated suppliers. We may designate ourselves or an affiliate as the exclusive supplier for these items in the

future. You may not utilize any inventory items that we have not approved.

Vehicle and Trailer

You must purchase, lease or rent on a temporary basis a vehicle and trailer that you will use to transport inventory and equipment to the schools. Your vehicle must have a tow package to allow you to connect your trailer. We have no other standards or specifications for your vehicle and you may purchase, lease or rent your vehicle from any supplier of your choosing. You must also purchase a trailer that must meet our standards and specifications (essentially dimensions and storage capacity). You may purchase your trailer from any supplier of your choosing.

Equipment

All of your equipment must meet our standards and specifications. We may require that you use certain brands of equipment for certain items. Your equipment must be purchased from third party suppliers that we approve or designate. We may designate ourselves or an affiliate as an exclusive supplier for equipment in the future.

Signs and Marketing Material

All of your signs and marketing materials must comply with our standards and requirements. We must approve all of your marketing materials before you use them. You must purchase all signs and branded marketing materials exclusively from us, although we may allow or require you to purchase these items from an unaffiliated supplier in the future.

Computer Equipment

Your computer must meet our standards and specifications. You must purchase all software that we specify. You may purchase your computer hardware and software from any supplier of your choosing.

Insurance Policies

You must obtain the insurance coverage that we require from time to time (whether in the Franchise Agreement or in the Manual). You must purchase these policies from a carrier rated "A" or better by Alfred M. Best and Company Inc. The required coverage currently includes: commercial general liability insurance, including products liability and contractual liability, with minimum liability protection of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; automobile liability and property damage insurance containing minimum liability protection of \$1,000,000 combined single limit per occurrence (for all vehicles owned, leased, rented or used by you in your Business); workers' compensation (coverage B) as required by law; and any other limits and coverage that we periodically require. The required coverage and policies are subject to change. All insurance policies must be endorsed to: (i) name us (and our members, officers, directors, and employees) as additional insureds; (ii) contain a waiver by the insurance carrier of all subrogation rights against us; and (iii) provide that we receive at least 30 days' prior written notice of the termination, expiration, cancellation or modification of the policy. You must also obtain and maintain unemployment compensation, disability insurance, social security, and other insurance coverages required by law.

Bookkeeping Services

If you default on your obligations under the Franchise Agreement related to late payment of any amounts you owe us, or related to late or inadequate reporting, we may, in addition to any of our other rights under the Franchise Agreement, require you to obtain third-party accounting or bookkeeping services from a party we designate for a period of 12 months from the date of each notice of default, regardless of whether you cured the

prior default. We do not otherwise require that you purchase accounting or bookkeeping services from approved or designated suppliers.

Purchase Agreements

We have negotiated purchase agreements with suppliers, including price terms, for certain items you must purchase, including prizes, equipment and supplies. in bulk at discounted prices and resell them to you at our cost plus a reasonable markup for our service, which will not exceed 20% of the cost of the item. Our current designated supplier for all equipment and inventory items you purchase (other than non-branded items) pays us an administrative fee equal to 20% of the purchase price for these items.

In the future, we may negotiate relationships with other suppliers to enable our affiliates and franchisees to purchase other items directly from the third party suppliers at the discounted prices that we negotiate. If we succeed, you will be able to purchase these items at the discounted prices that we negotiate (less any rebates or other consideration paid to us).

There are no purchasing cooperatives, although we reserve the right to establish one or more purchasing cooperatives in the future. You do not receive any material benefits for using designated or approved suppliers other than having access to any discounted pricing that we negotiate.

Franchisor Revenues from Source Restricted Purchases

At this time, neither we nor any affiliate of ours is a designated or approved supplier for any required purchases or leases by franchisees. In prior years, we were the exclusive supplier for certain branded equipment and supplies that franchisees were required to purchase. However, we outsourced this function to an unaffiliated third party supplier. We may designate ourselves as an approved or designated supplier for certain items in the future. No persons affiliated with us are currently approved suppliers. There are no approved or designated suppliers in which any of our officers owns an interest.

We may receive rebates, payments or other material benefits from suppliers based on franchisee purchases and we have no obligation to pass them on to our franchisees or use them in any particular manner unless we have agreed with a supplier to use them in a particular manner.

Our total revenues during the fiscal year ended June 30, 2016 were \$ _____. During the fiscal year ended June 30, 2016, we received a total of \$ _____ in revenue from franchisee purchases from designated or approved suppliers (including purchases from us), which represents ____% of our total revenues.

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 other items in this Disclosure Document.

OBLIGATION	SECTIONS IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Not Applicable	Items 7 & 11
b. Pre opening purchases/leases	Section 6.3, 7.1, 12.6 & 16.1	Items 5, 7, 8 & 11
c. Site development and other pre opening requirements	Section 7.3	Item 6, 7 & 11
d. Initial and ongoing training	Section 5	Items 6 & 11

OBLIGATION	SECTIONS IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
e. Opening	Section 7.3	Item 11
f. Fees	Section 4.2, 5.8, 6.6, 6.8, 12.6, 12.8, 12.10, 14, 15.8, 16.1, 17.2 & 20.2	Items 5 & 6
g. Compliance with standards and policies/Operating Manuals	Section 6.1, 11.1, 12 & 18.1	Items 11, 14 & 16
h. Trademarks and proprietary information	Section 18	Items 13 & 14
i. Restrictions on products/services offered	Section 12.3	Item 16
j. Warranty and client service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Section 13	Item 12
l. Ongoing product/service purchases	Section 12.6	Items 6 & 8
m. Maintenance, appearance and remodeling requirements	Section 12.7	Item 11
n. Insurance	Section 16.1	Items 6, 7 & 8
o. Advertising	Section 11	Items 6, 7 & 11
p. Indemnification	Section 19	Item 6
q. Owner's participation/ management/staffing	Section 8	Items 11 & 15
r. Records/reports	Section 16.2 & 16.3	Item 6
s. Inspections/audits	Section 17	Items 6 & 11
t. Transfer	Section 20	Item 17
u. Renewal	Section 4	Item 17
v. Post termination obligations	Section 22	Item 17
w. Non competition covenants	Section 15	Item 17
x. Dispute resolution	Section 23	Item 17
y. Franchise Owner Agreement (brand protection covenants, transfer restrictions and financial assurance for owners and spouses)	ATTACHMENT "C"	Item 15

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee any of your notes, leases or obligations.

ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Before you open your Franchise, we will:

(1) Provide you with our "System Standards" that you must use or satisfy before you open your Business. The System Standards may include minimum standards for: (i) communications with schools; (ii) completion of Fun Run; (iii) rebooking of schools; (iv) other items of equipment required for the operation of the Business; (v) financial performance; (vi) leadership training curriculum; (vii) other matters as we deem appropriate. (Section 12.1 & 12.2)

(2) Provide you with the Fun Run Theme that was developed for the current school year that may be used in advertising. We do not pay for any advertising and must approve any advertising before it is used. The theme and prizes are only for the current school year and are not allowed to be used in any subsequent school year, as we develop a new theme, curriculum and prizes each year for you, which helps you rebook schools. (Section 6.2)

(3) Provide you with the names and contact information of any suppliers you are required or authorized to use to supply you with products or services complying with System Standards. (Sections 12.2)

(4) Provide our initial training program. (Section 5.1) See section below entitled "Training Program" for additional information.

(5) Loan you one copy of, or provide you with electronic access to, the Manual. The Manual may consist of printed manuals, computerized documents or software, information we provide on the internet or an extranet, audiotapes, videotapes, or any other medium we adopt periodically for use with the Apex Fun Run System and designate as part of the Manual. (Section 6.1) The Table of Contents of the Manual (including the total number pages of the Operations Manual) is attached to this disclosure document as EXHIBIT "C".

During the operation of your Franchise, we will:

(1) Provide your Managing Owner, Team Leader and Sales Professional with additional training or retraining, at a location and time convenient for us. (Section 5)

(2) Provide you with a sales launch consultant, who will make 2 visits to your market to help you launch your sales efforts through drop byes, launch lunches or sales meetings in an effort to get your first schools signed quickly. We will pay for travel costs and initial payment to consultant, who may be a representative of ours or a veteran Franchisee, and you will pay them \$3,000 once your first 2 schools are signed. If you require additional local sales support, you will pay us in advance: (i) a standard fee (\$500/day) and (ii) all travel expenses (flights, hotel, meals, transportation). (Section 6.4)

(3) At our discretion, provide you with on-site visits and consultation by an Area Representative or an Apex Fun Run Franchise Business Consultant for 2 days during one of your first events (Pep rally or Teacher huddle or Theme day or Race day) held during the first 90 days of operation. (Section 6.5)

(4) Provide you with the prizes and supplies you have purchased from us for your Fun Run events. (Section 6.3)

(5) Provide you reasonable periodic advice and assistance in the ongoing operation of the Business to the extent we determine such advice and assistance is necessary. (Section 6.7) Our assistance may include advice and guidance on: (i) methods of signing schools; (ii) training your employees; (iii) advertising and promotional programs; and (iv) administrative, bookkeeping, accounting, and general operating procedures. We may provide our assistance in the Manual, in periodic updates or in bulletins, in emails, in extranet postings, or as we otherwise distribute information to the Apex Fun Run System generally. We will not charge you for this operating assistance; however, we may charge you a reasonable fee (up to \$500 per day) for special operating assistance that we determine is necessary due to your failure to comply with the Franchise Agreement or System Standards, or special operating assistance you request in excess of the assistance we normally provide. (Section 5.8)

(6) Evaluate suppliers you propose to use and the products, services, supplies, or materials they offer. (Section 12.6)

We are not obligated to provide you with any supervision, assistance, or services related to the ongoing operation of your Business, except as described above and in the Franchise Agreement. We may, however, voluntarily provide you with services, which we may add to, delete from, or modify at our discretion. We may delegate any of our obligations under the Franchise Agreement or any other agreement to any of our designees, employees, or other authorized entities, as we deem appropriate.

Advertising and Marketing (Section 11)

We do not require that you spend any minimum amount of money on local marketing of your Business. We will provide you with marketing techniques and strategies in the Manual and during initial training. We will also create and make available to you advertising and marketing materials for your purchase. In the future, we may make these materials available over the Internet (in which case you must arrange for printing the materials and paying all printing costs). Alternatively, we may enter into relationships with third party suppliers who will create the advertising or marketing materials for your purchase.

You will also have an opportunity to create advertising for your own use, provided we approve it in advance. You may not use any advertising materials that have not been approved by us. You must submit to us any advertising materials that you prepare or modify and we will have 30 days to review and either approve or reject the materials. Our failure to disapprove any advertising materials within the 30-day period will constitute our approval of the materials. We may disapprove of advertising materials we previously approved and you must stop using them within 3 days after notice from us.

At this time, we do not allow our franchisees to maintain their own websites or market their Apex Fun Run businesses on the Internet. Therefore, you may not maintain a website, conduct e-commerce, or otherwise maintain a presence or advertise on the Internet or any other public computer network. If we change our policy at a later date to allow franchisees to maintain their own websites or market on the Internet, you may do so only if you comply with all of the website and Internet requirements that we specify. In that case, we may require that you sign an amendment to the Franchise Agreement or a separate Internet usage agreement that will govern your ability to maintain a website and/or market on the Internet.

You may market your Business through approved social media sites, but you must comply with any social media policy that we adopt from time to time.

We have not established, and you are not required to contribute to, a marketing fund or marketing cooperative. We are not required to spend any of our funds on marketing in your territory.

Computer Systems

You are required to purchase a computer system (your “Computer System”) that consists of the following items: 1 late model desktop or laptop with Microsoft Windows XP or the current Microsoft Operating System or MAC, Microsoft Office 2003 (Word, Excel, PowerPoint) or better, Google docs and Google Calendar. The Computer System will generally be used to communicate with us via email, receive electronic information that we send, utilize the Internet, store and print business documents and forms, record operating data and appointments, schedule events and appointments and prepare operational reports. Your Computer System will collect basic operational data, such as contact information for schools, inventory data and operational data. We will not have independent access to the data collected on your Computer System. However, we may inspect your Computer System and access the data as part of an inspection.

We estimate the cost of your Computer System will range from \$500 to \$1,000. However, we anticipate most franchisees will already own an adequate computer system, in which case no additional cost will be incurred. There is no cost for using Google Docs or Google Calendar. We estimate you will pay between \$20 and \$50 per

month for Internet access. You must also, at your cost, maintain membership in a designated third party network and maintain an active email account as assigned by us at a cost of approximately \$5/month/user (i.e. Joe@apexfunrun.com). Neither we nor any other party has any obligation to provide ongoing maintenance, repairs, upgrades or updates to your Computer System. We are not aware of any optional or required maintenance, updating, upgrading or support contracts relating to your Computer System.

You must maintain the Computer System in good working order at your cost. During the term of your franchise, you may be required to upgrade or update your computer hardware and/or software to conform to our then-current specifications. There are no contractual limitations on the frequency or cost of these updates or upgrades. We reserve the right to change the software or technology that you must use or add new software or technology at any time.

Training (Apex University) (Section 5)

Overview

We will provide an initial training program for up to 2 of your owners (one of whom must be your Managing Owner) and 3 team members. Your Managing Owner and your Team Leaders must complete the initial training program to our satisfaction and pass the Apex University tests. If your Managing Owner and/or Team Leader do not successfully complete the initial training, we may terminate the Franchise Agreement on written notice to you. Our initial training program also includes marketing/sales techniques training that we provide to your Sales Professional.

Our initial training program consists of two phases. The first phase is conducted remotely and is designed to teach you how to solicit and contract with schools. This training typically lasts 3 to 4 days and includes self-study as well as videos and live training via Skype. The second phase includes approximately 5 to 7 days of "hands on" training at a certified Apex Fun Run training site that we designate in Phoenix, Arizona (or at any other location we designate). This includes classroom training and the on-the-job portion of our initial training program. The on-the-job phase of training consists of training in performing a pep rally as well as an actual Fun Run, which will provide you with the actual experience of a Fun Run to see exactly what goes into the product and service we provide schools.

The Managing Owner must attend and successfully complete: (i) the remotely conducted training within 30 days after you sign the Franchise Agreement and prior to contacting and marketing the Apex Fun Run program to schools in your territory; and (ii) the "hands on" training prior to conducting your first Apex Fun Run event. Your Sales Professional must attend and successfully complete our marketing/sales techniques training program prior to contacting and marketing the Apex Fun Run program to schools in your territory. Each Team Leader must attend and successfully complete our initial training program before he or she may serve a school.

Currently, we intend to offer the initial training program at least monthly assuming sufficient demand.

Training Topics

You will receive the following training before you open your Apex Fun Run Business:

TRAINING PROGRAM
(Phase 1)

Subject	Hours of Classroom Training	Hours on the job Training	Location
Marketing/Sales Techniques	8	0	Phoenix
Administrative and Business Skills	8	0	Phoenix
Dashboard	8	0	Phoenix
Leadership curriculum	8	0	Phoenix
Employee Policies	8	0	Phoenix
Teacher Huddle	0	4	Phoenix
Pep Rally	0	4	Phoenix
Theme curriculum days	0	8	Phoenix
Fun Run day	0	8	Phoenix
TOTAL	40 hours	24 Hours	

Training Materials

For the classroom training, the training materials will consist of the Manual and handouts. In addition, there is a self-study handbook for you to complete during the initial phase of our on-the-job training, and monthly follow-up telephone calls from the Apex Fun Run University training staff during your first year of operation. You will not be charged an additional fee for any of the training materials.

Instructors

Our current lead instructor is Mr. Scott Donnell who is our founder and President. As our founder, he has been with us since our inception. Scott provides sales and marketing training and has approximately 7 years of experience in the industry.

Lisa Barnhart also provides sales and marketing training. She joined us in July 2012 and currently serves as our Marketing Director. She has approximately 22 years of experience in the marketing industry, include serving in various marketing roles with the accounting firm Deloitte, the law firms of Gallagher & Kennedy and Lewis & Roca and most recently A&J Biz LLC.

Jeremy Barnhart provides training in the area of financial operations. He serves as our Vice President of Franchise Development and CFO since our inception in July 2012. He has approximately 26 years of experience in the financial industry, including with the firms McGladrey & Pullen, American Express Tax & Business Services and Deloitte.

Nick Moore provides operations and quality control training, including how to conduct an Apex fun run. He joined us in February 2016. Prior to joining Apex, he had 5 years of experience working for the Arizona and Denver, Colorado franchisees of Apex Fun Run as a Team Leader.

In addition to the instructors listed above, from time to time we have certain franchisees provide instruction. These franchisees would only include those have been in operation for at least 1 year and have demonstrated a firm understanding of our system.

Ongoing Training

After you complete initial training, we will provide ongoing training via weekly conference calls. Currently, we also conduct an annual refresher training program via webinar and checklists that must be attended. If you want additional training or retraining for your Managing Owner or Team Leader, we may provide it at a location and time convenient for us. If we agree to provide additional training, we may provide such additional training at your facility or ours.

We may require your Managing Owner and previously-trained or experienced Team Leaders to attend periodic refresher training courses. We will provide this training at the times and locations we designate. We also require that all new or replacement Team Leader you hire, or any new Managing Owner you appoint, complete all or part of our standard initial training program (at our discretion). You may send your new or replacement personnel to attend training at our corporate headquarters or you can send them to any Booya Certified Trainer located elsewhere in the country. We will have an annual training to roll out the new year's theme, prizes and curriculum, which your Managing Owner, Team Leaders and other team members must attend. This will generally occur in early August of each year.

Training Fees and Costs

We will provide the pre-opening initial training program at no additional charge. However, you must pay us (or our Booya Certified Trainer, if applicable, a training fee of up to \$500 per person per day: (i) for each person who we retrain after he or she failed initial training on a prior attempt and (ii) for each person you send to initial training after you open (such as a new Managing Owners or Team Leaders). We may charge you a training fee of up to \$500 per person per day for: (i) providing system-wide refresher or additional training courses; (ii) conducting remedial training that is required due to your defaults or operational deficiencies; (iii) providing additional training that you request; or (iv) providing training for the roll out of the new year's theme, prizes and curriculum (however, this training will not exceed \$500 per person total). If we provide any training at your location, you must also reimburse us for all costs that we incur for food, lodging and travel. You are also responsible for all food, lodging and travel costs that your owners and employees incur while attending a training program together with all salary and fringe benefits for your employees.

Site Selection

The Apex Fun Run franchise is a home based opportunity. We do not require that you purchase or lease an office or separate commercial space although you may do so in your discretion. We do not approve the site or provide you with an area in which you must identify a site. We do not have any standards, specifications or other requirements for your office if you choose to establish a separate office or commercial facility. Some franchisees may rent storage space for their equipment and inventory although this is not required. We do not have and standards, specifications or other requirements for storage space.

Opening (Section 7.3)

You must open your Business by contacting and marketing the Apex Fun Run program to schools in your territory within 60 days after you sign the Franchise Agreement. We may terminate your Franchise Agreement if you fail to meet this deadline. You may not conduct your first Apex Fun Run event before: (i) successful completion of the initial training program by your Managing Owner, Team Leaders (who will participate in that Fun Run event) and Sales Professional; (ii) you obtain all required licenses, permits and other governmental approvals; (iii) you purchase all required insurance; and (iv) you purchase, lease or rent all required equipment, inventory and operating supplies. Your Business will be deemed to be open when you begin contacting schools to market the Apex Fun Run program. We anticipate that a typical franchisee will open his or her business within 15 to 30 days after signing the Franchise Agreement. Some of the factors that may affect this time are

completion of training, obtaining insurance, and complying with local laws and regulations.

ITEM 12 TERRITORY

Your Territory

Each Franchise Agreement grants you the right to operate your Business and contract with schools that are located in your assigned territory, which will be defined by and includes the zip codes listed on ATTACHMENT "B" to your Franchise Agreement. We define our territories according to a point system, with each territory including a minimum of 200 points. The points are assigned based on the percentage of free or reduced lunches of the schools included in the territory. Specifically, the points are allocated as follows:

- Schools with less than 30% free or reduced lunches – 3 points each;
- Schools with more than 30% but less than 55% free or reduced lunches – 2 points each;
- Schools with more than 55% but less than 75% free or reduced lunches – 1 point each; and
- Schools with more than 75% free or reduced lunches – 0 points each.

You may relocate your territory with our prior written approval, which we will not unreasonably withhold. If we allow you to relocate, we will attempt to assign you a comparable geographic territory, but only if such a territory is available and not held by another franchisee.

Exclusive Rights

Your territory will be exclusive. No person other than you will be authorized to contract with schools that are located in your territory for purposes of conducting an Apex Fun Run.

Alternative Channels of Distribution

We will not sell or license others to sell competitive or identical goods or services (whether under the Marks or under different trademarks) through alternative channels of distribution, such as the Internet or catalog sales.

Restrictions on Your Sales and Marketing Activities

You are not permitted to market or sell through alternative channels of distribution, such as the Internet or catalog sales. All of your marketing activities must be primarily directed towards schools within your territory. Your marketing activities are also subject to the additional restrictions described in Item 11 under the Section entitled "Local Advertising."

You may contract with and provide fundraising services to schools that are physically located outside your territory, but only if: (i) the school contacts you without being solicited by you or you have a personal relationship with an administrator, teacher or PTO member at the school; and (ii) the school is not located within a territory operated by us or assigned to another franchisee. If you contract with a school outside of your territory and another franchisee subsequently purchases the territory in which the school is located, you must transition the school to the franchisee in the manner that we specify unless the franchisee consents to you continuing to service that school.

There are no other restrictions on your right to solicit customers, whether from inside or outside of your territory.

Minimum Performance Requirements

We require that you meet certain minimum performance requirements, including the following:

- You must contract with at least 1 school within 6 months after signing the franchise agreement;
- You must rebook at least 50% of the schools where you completed a fun run the prior year;
- You must collect at least 70% of the dollars pledged in all but 2 schools in any 6 month period; and
- You must generate minimum royalties in the amount of: (i) \$9,000 during your 1st year of operation; and (ii) \$18,000 for each subsequent year of operation.

If you fail to meet any of these requirements, we may terminate your Franchise Agreement.

In addition to the minimum performance requirements listed above, you must meet the following minimum performance requirements with respect to the Anython program.

By the end of your second year of operation, you must generate \$2,500 in royalties using Anython for organizations or middle schools. You must continue to generate \$2,500 in royalties for each year of operation thereafter.

If you fail to meet the minimum performance requirements listed above with respect to Anython, we may terminate your right to operate the Anython program (but we will not terminate your Franchise Agreement), in which case we or another licensee or franchisee may conduct Anython within your territory.

Additional Territories

You are not granted any options, rights of first refusal or similar rights to acquire additional territories or franchises. If we allow you to purchase additional franchises, you may be entitled to receive the discounted initial franchise fee disclosed in Item 5 for your second and subsequent territories (but only if all franchises are purchased at the same time).

Competitive Businesses Under Different Marks

Our President, Scott Donnell, founded Anython LLC as an online fundraising platform for groups, clubs and other organizations. Anython allows participants to conduct their own fundraising efforts by connecting pledges with fundraising events. The Anython business is conducted under the name "Anython." Franchisees may refer fundraising organizations to Anython (including organizations located outside the franchisee's territory) and receive a commission, although they may not refer schools located in another franchisee's territory. The amount of the commission may vary from time to time but currently ranges from 2% to 25% of the revenues generated (the specific commission may vary depending on the specific product involved). The details of the Anython referral program (and the policies for participation in the program by franchisees) may be set forth in the Manual and changed by us from time to time. Anython is an online business conducted solely by Anython LLC. Anython does not operate through a franchise system. Anython LLC is an affiliate of ours and has a principal business address located at 1 North 1st Street, # 790, Phoenix, Arizona 85004.

Except as disclosed above, neither we nor any affiliate of ours intends to operate or franchise another business under a different trademark that sells products or services similar to the products or services offered by Apex Fun Run franchisees. However, we reserve the right to do so in the future.

ITEM 13 TRADEMARKS, SERVICE MARKS, TRADE NAMES

We registered the following trademarks on the United States Patent and Trademark Office principal register:

MARK	REGISTRATION NUMBER	REGISTRATION DATE (RENEWAL DATE)
APEX	4316674	April 9, 2013
APEX FUN RUN	4374895	July 30, 2013
	4374896	July 30, 2013
ANYTHON	4814008	September 15, 2015

All required affidavits for the registered Marks have been filed.

We grant you the right to operate a franchise under the name “APEX FUN RUN” and logo shown on the cover page of this Disclosure Document. By trademark, we mean trade names, trademarks, service marks, and logotypes used to identify your Apex Fun Run franchise or the products or services sold at your Business. We may change the trademarks you may use from time to time (including by discontinuing use of the Marks listed in this Item 13). If this happens, you must change to the new trademark at your expense (we have no obligation to reimburse you for these expenses).

You must follow our rules when using the Marks. You cannot use our name or mark as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You may not use the “Apex” or “Apex Fun Run” name relating to the sale of any product or service that is not previously authorized by us in writing.

You must notify us immediately when you learn about an infringing or challenging use of the Marks. We will take the action we think appropriate, but we are not required to take any action if we do not feel it is warranted. We may require your assistance, but you are not permitted to control any proceeding or litigation relating to our Marks. You must not directly or indirectly contest our right to the Marks.

We will indemnify you against, and reimburse you for certain amounts if you are held liable in a judicial or administrative proceeding arising out of your use of the Marks in strict compliance with the Franchise Agreement and Manual. Our indemnity will cover damages for which you are held liable, reasonable legal fees you incur in defending against the claim, and your costs to change signage and other written materials to comply with a court order. However, our indemnity and reimbursement obligation shall be limited to a maximum of \$3,000. Our indemnification obligation will only apply if you notify us of the claim or proceeding in writing in a timely manner (i.e., no later than 10 days after learning of the claim), we control the response to the claim, and you are in full compliance with the Franchise Agreement and Manual.

There are no currently effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; no pending infringements, oppositions or cancellations; and no pending material litigation involving any of the Marks. We do not know of any infringing uses that could materially affect your use of the Marks. There are no agreements that materially limit our right to use or sublicense the use of the Marks.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

No patents or pending patent applications are material to the franchise.

Copyrights

Although we have not filed an application for copyright registration for the Manual, our website or our marketing materials, we do claim a common law copyright to these items.

Proprietary Information

During the term of your Franchise Agreement, we will allow you to use our proprietary information relating to the development, marketing and operation of an Apex Fun Run franchise, including, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manual.

Use and Protection of Copyrights and Proprietary Information

You are required to maintain the confidentiality of all of our proprietary information and use it only in strict compliance with the terms of the Franchise Agreement and the Manual. This information consists of the Manual and its systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications which are part of the franchise System Standards. Also confidential are records of customers and billings, methods of advertising and promotion, instructional materials, and other matters. Much of our proprietary information is contained in the Manual. You must restrict employee access to the Manual on a need-to-know basis, and take reasonable steps to prevent unauthorized disclosure or copying of any information in any printed or computerized Manual. All of your employees officers, directors, partners, members, independent contractors and other persons associated with you or your Business who may have access to our confidential information must sign our Confidentiality Agreement, the form of which is attached to the Franchise Agreement as ATTACHMENT "E". You may not disclose any information contained in the Manual to anyone not employed by you relating to your Business. Similarly, you may only utilize our copyrights in strict compliance with the terms of the Franchise Agreement and the Manual. You may only utilize this intellectual property relating to the development, marketing and operation of your Business. We have the right to modify or discontinue the use of all materials used in the Apex Fun Run System and you must comply with our standards for their use as modified.

You must promptly tell us when you learn about unauthorized use of our copyrights or proprietary information. We are not obligated to act, but will respond to this information as we deem appropriate. You are not permitted to control any proceeding or litigation alleging the unauthorized use of any of our proprietary information.

We will indemnify you against, and reimburse you for certain amounts if you are held liable in a judicial or administrative proceeding arising out of your use of our copyrighted items in strict compliance with the Franchise Agreement and Manual. Our indemnity will cover damages for which you are held liable, reasonable legal fees you incur in defending against the claim, and your costs to change signage and other written materials to comply with a court order. However, our indemnity and reimbursement obligation shall be limited to a maximum of \$3,000. Our indemnification obligation will only apply if you notify us of the claim or proceeding in writing in a timely manner (i.e., no later than 10 days after learning of the claim), we control the response to the claim and you are in full compliance with the Franchise Agreement and Manual.

There are no current material determinations of the United States Copyright Office or a court regarding our

copyrights. There are no agreements that limit our right to use or sublicense the use of our copyrights or proprietary information. We are not aware of any superior rights or infringing uses of any copyright that could materially affect your use of the copyrights.

ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

The Franchise Agreement requires that you designate an owner who will be primarily responsible for management and supervision of the Business (the "Managing Owner"). The Managing Owner must hold at least a 25% ownership interest in the franchise. The Managing Owner must either: (i) be directly and personally involved with the operation of your Business; or (ii) supervise and manage your Team Leaders and other staff. Either the Managing Owner or a Team Leader must be actively involved with the operation of the Business on a full time basis and provide on-site management and supervision.

Your Business must have at least one Team Leader and one Sales Professional that you designate. The Managing Owner (or another owner) may serve as a Team Leader and/or Sales Professional (if he or she has the appropriate background experience) but it is not required. Your Team Leaders and Sales Professionals do not need to have an ownership interest in the franchise.

The Managing Owner and each Team Leader and Sales Professional must attend and successfully complete all training that we require.

If you are a corporation, partnership, limited liability company, or other legal entity, you must have all your owners sign a Franchise Owner Agreement, the form of which is attached to the Franchise Agreement as ATTACHMENT "C".

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL/PROVIDE

To protect the Apex Fun Run System, we must approve all goods and services that you sell or provide as part of your Business (including prizes that are given away). You must offer and provide all goods and services that we require. You may not sell or provide any goods or services that we have disapproved. We have the unrestricted right to change the goods and/or services that you are required to sell and provide as part of your Business at any time in our sole discretion, and you must comply with any such change. You must only offer the current school year's annual theme and prizes for both Fun Runs and Summer Camps and may not offer any prior year themes, prizes or create custom or local programs to the same school you served in a prior year. You may use any remaining supply of the prior year's prizes for Fun Runs and Summer Camps at new schools that you sign. You must follow our suggestions on fundraising revenue percentage splits you charge your schools except for certain limited time offers.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

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

THE FRANCHISE RELATIONSHIP		
Provision	Section in Franchise Agreement	Summary
(a) Length of the franchise term	Section 4.1	10 years.

THE FRANCHISE RELATIONSHIP		
Provision	Section in Franchise Agreement	Summary
(b) Renewal or extension of the term	Section 4.1 & 4.2	You will have the option to renew the franchise for renewal terms of 5 years each, if you meet certain conditions at time of renewal.
(c) Requirements for you to renew or extend	Section 4.1 & 4.2	You must: not be in default; give us timely notice; sign our then-current form of franchise agreement and related documents (e.g., Franchise Owner Agreement, etc.); sign a general release; pay the renewal fee; upgrade your equipment to comply with our then-current standards and specifications. If you renew, you may be required to sign a contract with materially different terms and conditions than the original contract.
(d) Termination by you	Section 21.1	You can terminate if we breach any of the terms or conditions of the Franchise Agreement and fail to cure the breach within 60 days.
(e) Termination by us without cause	Section 21.4	We can terminate without cause if you and we mutually agree to terminate.
(f) Termination by us with cause	Section 21.2 & 21.3	We can terminate only if you default.
(g) "Cause" defined-curable defaults	Section 21.2 & 21.3	You have 10 days to cure any monetary default and 72 hours to cure and health or safety hazard. You have 60 days to cure any other default (other than defaults described below under "non-curable defaults").
(h) "Cause" defined-non-curable defaults	Section 21.2	The following defaults cannot be cured: failure to successfully complete training; failure to open in timely manner; insolvency, bankruptcy or seizure of assets; abandonment of franchise (including failure to complete a Fun Run in any 6-month period); failure to complete a Fun Run for a school as contracted; failure to follow program scripts or making statements against our corporate values or mission; failure to complete required classroom time for an Apex Fun Run or deviation from required curriculum; failure to maintain required license or permit; conviction of certain types of crimes or subject of certain administrative actions; failure to comply with material law; commission of act that may adversely affect reputation of System or Marks; material misrepresentations; improper removal of money from business, school or customer; 2nd underreporting of any amount due by at least 3%; intentional understatement of or failure to report Gross Revenues; unauthorized transfers; unauthorized use of our intellectual property; violation of brand protection covenant; breach of Franchise Owner Agreement by owner or spouse; failure to meet any minimum performance requirement; committing same default twice in 12-month period or receiving 3 default notices in any 12 month period; or termination of any other agreement between you and us or an affiliate due to your default.
(i) Your obligations on termination/nonrenewal	Section 22	Obligations include: complete deidentification; cease use of intellectual property; return of Manuals and all branded materials; assignment of telephone numbers, listings and domain names; assignment of customer information and accounts; cancellation of fictitious names; and payment of amounts due (also see "r", below).
(j) Assignment of agreement by us	Section 20.1	No restriction on our right to assign.
(k) "Transfer" by you – defined	Section 20.2 & Attachment A (definition of "Transfer")	Includes transfer of contract or assets, or ownership change.

THE FRANCHISE RELATIONSHIP		
Provision	Section in Franchise Agreement	Summary
(l) Our approval of transfer by you	Section 20.2, 20.3 & Attachment A (definition of "Transfer")	If certain conditions are met, you may transfer to a newly-formed entity owned by you, or in certain instances, to an existing owner, without our approval. We have the right to approve all other transfers but will not unreasonably withhold approval.
(m) Conditions for our approval of transfer	Section 20.2	Transferee must: meet our qualifications; successfully complete training (or commit to do so); obtain all required licenses and permits; and sign a new franchise agreement for the remainder of the term (or at our option, take assignment of existing franchise agreement). You must: be in compliance with Franchise Agreement; pay us the transfer fee; and sign a general release and subordination agreement. We must notify you that we do not intend to exercise our right of first refusal.
(n) Our right of first refusal to acquire your business	Section 20.5	We can match any offer.
(o) Our option to purchase your business	Section 22.2	We have an option on termination or expiration of your Franchise Agreement to purchase the assets of your Business.
(p) Your death or disability	Section 20.4	Within 180 days, franchise must be assigned by estate to an assignee in compliance with conditions for other transfers. We may designate manager to operate the Business prior to transfer.
(q) Non-competition covenants during the term of the franchise	Section 15.2 & 15.3	No involvement in competing business; comply with non-solicitation and non-disclosure covenants.
(r) Non-competition covenants after the franchise is terminated or expires	Section 15.2, 15.4 & 22.1	For 2 years after termination or expiration of your Franchise Agreement, you may not have any direct or indirect interest in any competing business within your territory or the territory of any other Apex Fun Run franchisee; comply with non-solicitation and non-disclosure covenants; cease use of intellectual property.
(s) Modification of the agreement	Section 25.3 & 25.8	Requires writing signed by both parties (except for unilateral changes to Manual or unilateral reduction of scope of restrictive covenants by us). Other modifications primarily to comply with various states laws.
(t) Integration/ merger clause	Section 25.8	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreements is intended to disclaim any of the representations we made in this Disclosure Document.
(u) Dispute resolution by arbitration or mediation	Section 23	All disputes must be mediated or arbitrated before litigation, except for certain disputes involving our intellectual property or compliance with restrictive covenants (except as otherwise disclosed in EXHIBIT "H" to this Disclosure Document).
(v) Choice of forum	Section 23	All mediation, arbitration and litigation must take place in county where we maintain our principal place of business (currently, Maricopa County, Arizona) at time dispute arises (except as otherwise disclosed in EXHIBIT "H" to this Disclosure Document).
(w) Choice of law	Section 25.1	Arizona law applies (except as otherwise disclosed in EXHIBIT "H" to this Disclosure Document).

ITEM 18 PUBLIC FIGURES

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

ITEM 19**FINANCIAL PERFORMANCE REPRESENTATIONS**

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

The following table presents certain financial performance information for 11 Apex Fun Run businesses for the period of time commencing on July 1, 2015 and ending on June 30, 2016 (the "Measuring Year").

The table only includes the financial performance data for franchisees who met both of the following criteria: (i) the franchisee was in operation from July 1, 2014 through June 30, 2016; and (ii) to our knowledge, the franchisee met the minimum performance requirements imposed under their Franchise Agreement during the Measuring Year (each, a "Qualifying Franchisee").

As of June 30, 2016, we had a total of 75 franchisees in operation. Of this number, only 11 were Qualifying Franchisees. Of the 18 franchisees whose data was not included, 15 of these franchisees were not Qualifying Franchisees because they had not been in operation from July 1, 2014 through June 30, 2016, and the remaining 3 of these franchisees were not Qualifying Franchisees because they did not, to our knowledge, meet the minimum performance requirements imposed under their Franchise Agreements during the Measuring Year.

Measure Year – July 1, 2015 to June 30, 2016			
Franchisee	Number of Territories Operated	Number of Schools Served	Gross Revenues
Franchisee #1	6 territories	92	\$1,264,652
Franchisee #2	2 territories	56	\$860,320
Franchisee #3	1 territory	25	\$447,527
Franchisee #4	1 territory	51	\$877,173
Franchisee #5	4 territories	18	\$333,082
Franchisee #6	1 territory	30	\$570,708
Franchisee #7	2 territories	25	\$425,636
Franchisee #8	1 territory	39	\$409,668
Franchisee #9	3 territories	33	\$808,349
Franchisee #10	2 territories	30	\$454,807
Franchisee #11	3 territories	23	\$393,707

Based upon the above, the average Gross Revenues on a “per territory” basis for the Qualifying Franchisees was \$263,293.42. Of the franchisees whose data was presented, 54.5% of the franchisees exceeded this average.

Notes:

1. In making the above financial performance representation, we have relied upon financial statements prepared and sent to us by our franchisees. Neither we nor any independent certified public accountant has independently audited or verified the information. This information may not be representative of the revenue information of these businesses in any other years or time periods.
2. For purposes of the information above, the term “Gross Revenues” has the same meaning given to that term in the Franchise Agreement.
3. The financial performance representation does not include any expense information.

Different operational results may be caused by a number of factors, including:

- the size of your territory;
- the number and size of schools within your territory;
- the percentage of schools in your territory you contract with;
- the percentage of free and reduced lunch for the schools in your territory;
- the demographics of your territory;
- the success of your collections efforts;
- the level of brand awareness and acceptance within your territory;
- the length of time the business has been operated;
- the number of your team members;
- the presence of other fund raising alternatives being offered within your territory; and
- the effectiveness of your and your team’s marketing and fundraising efforts and the overall quality of the management and skills of you and your employees.

The above list of factors that may affect your results is not an exclusive list. You should consult with your advisors to develop your own estimates for your Business.

The revenue figures are based on the historical results from the Apex Fun Run businesses described above. They should not be considered as the actual or potential sales that other Apex Fun Run businesses may achieve.

Some Apex Fun Run businesses have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

A new franchisee’s individual financial results may differ from the results stated in this financial performance representation.

Written substantiation for this financial performance representation will be made available to you upon your reasonable written request.

Other than the preceding financial performance representation, we do not make any financial performance

representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jeremy Barnhart at 10225 N. 130th Way, Scottsdale, Arizona 85259 or by phone (480-347-0243) or email (Jeremy@APEXFUNRUN.com), the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 1 - SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2013/2014 TO 2015/2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2013/2014	10	22	+12
	2014/2015	22	57	+35
	2015/2016	57	75	+18
Company-Owned	2013/2014	6	7	+1
	2014/2015	7	1	-6
	2015/2016	1	2	+1
Total Outlets	2013/2014	16	29	+13
	2014/2015	29	58	+29
	2015/2016	58	77	+19

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2013/2014 TO 2015/2016

State	Year	Number of Transfers
California	2013/2014	0
	2014/2015	0
	2015/2016	3
Texas	2013/2014	0
	2014/2015	0
	2015/2016	5
Total	2013/2014	0
	2014/2015	0
	2015/2016	8

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2013/2014 TO 2015/2016

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Arizona	2013/2014	0	0	0	0	0	0	0
	2014/2015	0	8	0	0	0	0	8
	2015/2016	8	0	0	0	0	0	8
California	2013/2014	7	4	0	0	0	0	11
	2014/2015	11	11	0	0	0	0	22
	2015/2016	22	4	0	0	0	0	26
Colorado	2013/2014	0	2	0	0	0	0	2

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2013/2014 TO 2015/2016

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Connecticut	2014/2015	2	2	0	0	0	0	4
	2015/2016	4	1	0	0	0	0	5
	2013/2014	0	1	0	0	0	0	1
	2014/2015	1	0	0	0	0	0	1
	2015/2016	1	0	0	0	0	0	1
Florida	2013/2014	0	0	0	0	0	0	0
	2014/2015	0	0	0	0	0	0	0
	2015/2016	0	1	0	0	0	0	1
Georgia	2013/2014	0	0	0	0	0	0	0
	2014/2015	0	1	0	0	0	0	1
	2015/2016	1	0	0	0	0	0	1
Illinois	2013/2014	0	0	0	0	0	0	0
	2014/2015	0	0	0	0	0	0	0
	2015/2016	0	2	0	0	0	0	2
Kansas	2013/2014	0	1	0	0	0	0	1
	2014/2015	1	0	0	0	0	0	1
	2015/2016	1	1	0	0	0	0	2
Minnesota	2013/2014	0	1	0	0	0	0	1
	2014/2015	1	2	0	0	0	0	3
	2015/2016	3	1	0	0	0	0	4
Missouri	2013/2014	0	0	0	0	0	0	0
	2014/2015	0	0	0	0	0	0	0
	2015/2016	0	1	0	0	0	0	1
Nevada	2013/2014	1	0	0	0	0	0	1
	2014/2015	1	0	0	0	0	0	1
	2015/2016	1	2	0	0	0	0	3
New Jersey	2013/2014	0	0	0	0	0	0	0
	2014/2015	0	0	0	0	0	0	0
	2015/2016	0	3	0	0	0	0	3
North Carolina	2013/2014	0	0	0	0	0	0	0
	2014/2015	0	2	0	0	0	0	2
	2015/2016	2	0	2	0	0	0	0
Tennessee	2013/2014	0	0	0	0	0	0	0
	2014/2015	0	3	0	0	0	0	3
	2015/2016	3	1	0	0	0	0	4
Texas	2013/2014	2	1	0	0	0	0	3
	2014/2015	3	4	0	0	0	0	7
	2015/2016	7	2	0	0	0	0	9
Utah	2013/2014	0	1	0	0	0	0	1
	2014/2015	1	0	0	0	0	0	1
	2015/2016	1	0	0	0	0	0	1
Virginia	2013/2014	0	0	0	0	0	0	0
	2014/2015	0	1	0	0	0	0	1
	2015/2016	1	1	0	0	0	0	2
Washington	2013/2014	0	1	0	0	0	0	1
	2014/2015	1	1	0	0	0	0	2

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2013/2014 TO 2015/2016

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Totals	2015/2016	2	0	0	0	0	0	2
	2013/2014	10	12	0	0	0	0	22
	2014/2015	22	35	0	0	0	0	57
	2015/2016	57	20	2	0	0	0	75

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2013/2014 TO 2015/2016

State	Year	Outlets At Start Of Year	Outlets Opened	Outlets Re-Acquired From Franchisees	Outlets Closed	Outlets Sold To Franchisees	Outlets At End Of Year
Arizona	2013/2014	4	2	0	0	0	6
	2014/2015	6	0	0	0	6	0
	2015/2016	0	0	0	0	0	0
Texas	2013/2014	2	0	0	0	2	0
	2014/2015	0	0	0	0	0	0
	2015/2016	0	0	0	0	0	0
Washington	2013/2014	0	1	0	0	0	1
	2014/2015	1	0	0	0	0	1
	2015/2016	1	1	0	0	0	2
Totals	2013/2014	6	3	0	0	2	7
	2014/2015	7	0	0	0	6	1
	2015/2016	1	1	0	0	0	2

TABLE 5 - PROJECTED OPENINGS AS OF JUNE 30, 2016

State	Franchise Agreements Signed But Outlets Not Open as of 6/30/15	Projected New Franchised Outlets In 2016	Projected New Company-Owned Outlets In 2016
California	0	0	0
Colorado	0	0	0
Connecticut	0	1	0
Florida	0	3	0
Georgia	0	2	0
Illinois	0	4	0
Indiana	0	2	0
Kansas	0	0	0
Massachusetts	0	1	0
Michigan	0	1	0
Minnesota	0	0	0
Missouri	0	2	0
New Jersey	0	2	0
New York	0	2	0
North Carolina	0	2	0

TABLE 5 - PROJECTED OPENINGS AS OF JUNE 30, 2016			
State	Franchise Agreements Signed But Outlets Not Open as of 6/30/15	Projected New Franchised Outlets In 2016	Projected New Company-Owned Outlets In 2016
Ohio	0	1	0
Oregon	0	1	0
Pennsylvania	0	2	0
Tennessee	0	0	0
Texas	0	2	0
Virginia	0	2	0
Washington	0	1	0
Wisconsin	0	2	0
Totals	0	33	0

Notes to Tables:

1. Our fiscal year ends on June 30th. All references to years in these tables refer to June 30th of that year. The outlets listed in Table 1 through Table 4 only refer to outlets that are open on the relevant date.

2. The transfers listed in Table 2 only refer to outlets that were transferred after opening. No franchisees transferred their franchise agreements for unopened outlets in 2013, 2014 or 2015.

3. The transactions listed in Table 3 only refer to franchisees that left the system after opening their outlet. No franchisees left the system prior to opening their outlets in 2013, 2014 or 2015.

4. The affiliate owned outlet in Arizona was sold to by our affiliate to a third party franchisee in March of 2014 and then reacquired by the affiliate 3 months later. Because the affiliate owned the outlet at the beginning and end of the relevant fiscal year, Table 3 and Table 4 only reflect ownership of the outlet as an affiliate-owned outlet.

5. The outlets listed in the 2nd column in Table 5 ("Franchise Agreements Signed But Outlet Not Opened") include all franchise Agreements that were signed for unopened outlets as of June 30, 2016. The outlets listed in the 3rd column in Table 5 ("Projected New Franchised Outlets in the Next Fiscal Year") include all outlets that we expect to open during the current fiscal year, including any outlets listed in the 2nd column that we expect to open this fiscal year.

6. Some of our franchisees operate multiple territories. For purposes of the Item 20 tables, each separate territory is listed as a separate outlet, even though multiple territories can be operated by a single franchisee.

7. Certain franchisees operate a partial territory. For purposes of the Item 20 tables, each of these partial territories are referenced as a single outlet.

A list of all current Apex Fun Run franchisees is attached to this Disclosure Document as EXHIBIT "D", including their names and the addresses and telephone numbers of their outlets as of June 30, 2016. There are no franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experience as a franchisee in our franchise system. There are no (i) trademark-specific franchisee organizations associated with the franchise system being offered that we have created, sponsored or endorsed or (ii) independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Audited financial statements of Apex Fun Run LLC for the fiscal years ended June 30, 2016, June 30, 2015 and June 30, 2014 are attached to this Disclosure Document as EXHIBIT "B".

ITEM 22 CONTRACTS

Attached to this Disclosure Document (or the Franchise Agreement attached to this Disclosure Document) are copies of the following franchise and other contracts or agreements proposed for use or in use in this state:

Exhibits to Disclosure Document

EXHIBIT "A"	Franchise Agreement
EXHIBIT "E"	Franchisee Disclosure Questionnaire
EXHIBIT "F"	General Release
EXHIBIT "H"	State Addendum

Exhibits to Franchise Agreement

ATTACHMENT "C"	Franchise Owner Agreement
ATTACHMENT "D"	ACH Authorization Form
ATTACHMENT "E"	Confidentiality Agreement

ITEM 23 RECEIPTS

EXHIBIT "I" to this Disclosure Document are detachable receipts. You are to sign both, keep one copy and return the other copy to us.

EXHIBIT "A"
TO DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

[See Attached]



APEX FUN RUN FRANCHISE AGREEMENT

FRANCHISEE: _____

DATE: _____

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ATTACHMENT "B"	Site Selection and Territory
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APEX FUN RUN FRANCHISE AGREEMENT

This Apex Fun Run Franchise Agreement (this "Agreement") is entered into as of _____, 20____ (the "Effective Date") between Apex Fun Run, LLC, an Arizona limited liability company ("we" or "us") and _____, a(n) _____ ("you").

1. DEFINITIONS. Capitalized terms used in this Agreement are defined either in the body of this Agreement or in ATTACHMENT "A". For capitalized terms that are defined in the body of this Agreement, ATTACHMENT "A" lists the Sections of this Agreement in which such terms are defined.

2. GRANT OF FRANCHISE. We hereby grant you a license to own and operate an Apex Fun Run franchise (your "Business") using our Intellectual Property. As an Apex Fun Run franchisee, you will establish and operate a business that provides a fundraising solution for schools while developing students into leaders utilizing a proprietary two-week curriculum that includes health, fitness and leadership training. You will develop one or more Apex Fun Run teams that will provide the leadership training at the schools and conduct the fun runs. You will operate your Business within, and contract with schools located within, the geographic area identified in ATTACHMENT "B" (your "Territory"). You may contract with and provide fundraising services to schools that are physically located outside your Territory ("Extraterritorial Sales"), but only if: (i) the school contacts you without being solicited by you or you have a personal relationship with an administrator, teacher or PTO member at the school; and (ii) the school is not located within a territory operated by us or assigned to another franchisee. If you contract with a school outside of your Territory and another franchisee subsequently purchases the territory in which the school is located, you must transition the school to the franchisee in the manner that we specify unless the franchisee consents to you continuing to service that school. We reserve all rights not expressly granted to you.

3. TERRITORIAL RIGHTS AND LIMITATIONS. Your Territory will be exclusive, meaning that no person other than you will be authorized to contract with schools that are located in your Territory for purposes of conducting an Apex Fun Run.

4. TERM AND RENEWAL

4.1. Generally. The term of this Agreement will begin on the Effective Date and expire ten (10) years thereafter (the "Term"). If this Agreement is the initial franchise agreement for your Business, you may enter into an unlimited number of successor franchise agreements (each, a "Successor Agreement") as long as you meet the conditions for renewal specified below in each instance. The Successor Agreement shall be the current form of franchise agreement that we use in granting Apex Fun Run franchises as of the expiration of the Term or renewal term, as applicable. The terms and conditions of the Successor Agreement may vary materially and substantially from the terms and conditions of this Agreement. Each renewal term will be five (5) years. If this Agreement is a Successor Agreement, the renewal provisions in your original franchise agreement will dictate the length of the Term of this Agreement as well as your remaining renewal rights, if any.

4.2. Renewal Requirements. In order to enter into a Successor Agreement, you and the Owners (as applicable) must: (i) notify us in writing of your desire to enter into a Successor Agreement not less than 180 days nor more than 360 days before the expiration of the Term or renewal term, as applicable; (ii) not be in default under this Agreement or any other agreement with us or any affiliate of ours at the time you send the renewal notice or the time you sign the Successor Agreement; (iii) sign the Successor Agreement and all ancillary documents that we require franchisees to sign; (iv) sign a General Release; (v) pay us a \$5,000 renewal fee; (vi) upgrade all of your equipment and supplies to comply with our then-current standards and specifications; and (vii) take any additional action that we reasonably require.

4.3. Interim Term. If you do not sign a Successor Agreement after the expiration of the Term and you continue to accept the benefits of this Agreement, then at our option, this Agreement may be treated either as: (i) expired as of the date of the expiration with you then operating without a franchise to do so and in

violation of our rights; or (ii) continued on a month-to-month basis (the "Interim Term") until either party provides the other party with 30 days' prior written notice of the party's intention to terminate the Interim Term. In the latter case, all of your obligations will remain in full force and effect during the Interim Term as if this Agreement had not expired, and all obligations and restrictions imposed on you upon the expiration or termination of this Agreement will be deemed to take effect upon the termination of the Interim Term.

Except as otherwise permitted by this Section 4, you have no right to continue to operate your Business following the expiration of the Term.

5. TRAINING AND ANNUAL CONVENTION

5.1. Initial Training Program. Your Managing Owner must attend and successfully complete our initial training program, including: (i) approximately three (3) to four (4) days of remotely conducted training to teach you how to solicit and contract with schools; and (ii) approximately five (5) to seven (7) days of "hands on" training at a certified Apex Fun Run training site that we designate. The Managing Owner must complete: (i) the remotely conducted training within 30 days after the Effective Date and prior to contacting and marketing the Apex Fun Run program to schools; and (ii) the "hands on" training prior to conducting your first Apex Fun Run event. Your Sales Professional must attend and successfully complete our marketing/sales techniques training program prior to contacting and marketing the Apex Fun Run program to schools. Each Team Leader must successfully complete our initial training program before he or she may serve a school.

5.2. Weekly Training Calls. At no additional charge, we will conduct periodic training via conference calls. Your participation on these calls is mandatory.

5.3. Initial Training For New Owners/Team Leaders. If you appoint a new Managing Owner or hire a new Team Leader after we conduct our pre-opening initial training program, the new Managing Owner or Team Leader, as applicable, must promptly attend and successfully complete our then-current initial training program prior to working with a school (utilizing untrained Team Leaders is a material default under this Agreement). New Team Leaders may either be trained at our headquarters or by any Booya certified trainer located elsewhere in the country.

5.4. Periodic Training. We may offer periodic refresher or additional training courses for your Managing Owner and Team Leaders. We will have an annual training program to roll out the new year's theme, prizes and curriculum. Currently, we also conduct an annual refresher training program via webinar and checklists that must be attended. Attendance at our periodic training programs is mandatory.

5.5. Additional Training Upon Request. Upon your written request, we may provide additional assistance or training to you at a mutually convenient time.

5.6. Remedial Training. If we conduct an inspection or evaluation of your Business and determine that you are not operating your Business in compliance with this Agreement and/or the Manual, we may, at our option, require that your Managing Owner and Team Leaders attend remedial training that is relevant to your operational deficiencies.

5.7. Conferences. We may hold periodic national or regional conferences, as well as an annual convention, to discuss various business issues and operational and general business concerns affecting Apex Fun Run franchisees. Attendance at these conferences is mandatory.

5.8. Training Fees and Expenses. We will provide our pre-opening initial training program at no additional charge. You must pay us a training/support fee of up to \$500 per person per day for: (i) each person that attends our initial training program after you open your Business (such as new Managing Owners or Team Leaders); (ii) any person who must retake initial training after failing to successfully complete training on a prior attempt; (iii) any remedial training that we require based on your operational deficiencies; (iv) each person

to whom we provide additional training that you request; (v) each person who attends any system-wide or additional training that we conduct; (vi) providing training for the roll out of the new year's theme, prizes and curriculum (however, this training will not exceed \$500 per person total); and (vii) for any specialized support that you request beyond what we are required to provide under this Agreement. We may charge you a conference registration fee of up to \$300 per conference or convention. If we agree to provide onsite training or assistance, you must reimburse us for all costs incurred by our representative for meals, travel and lodging. You are responsible for all expenses and costs that your trainees incur for training or attending conferences/conventions, including wages, travel and living expenses. All training fees and expense reimbursements are due 10 days after invoicing.

6. OTHER FRANCHISOR ASSISTANCE

6.1. Manual. During the Term, we will lend you or provide you with electronic access to our confidential Operating Manual (the "Manual"). The Manual will help you establish and operate your Business. The information in the Manual is confidential and proprietary and may not be disclosed to third parties without our prior approval.

6.2. Fun Run Theme. On an annual basis, we will provide you with the Fun Run Theme that we develop for the current school year that may be used in advertising. The theme and prizes are only for the current school year and may not be used in any subsequent school year. We will develop a new theme, curriculum and prizes each year for you, which helps you rebook schools.

6.3. Inventory. You will purchase your entire supply of inventory items (such as prizes, teacher packages, t-shirts worn by students during Apex Fun Runs, etc.) exclusively from the supplier that we designate (which may be us or an affiliate of ours).

6.4. Sales Support. After opening, we will provide you with one (1) day of local on-site sales support at meetings you have scheduled with decision makers at a minimum of three (3) schools in your Territory. You must have at least three (3) confirmed meetings scheduled before we visit. We will provide this initial sales support visit at no additional charge.

6.5. Event Consultation. We may, but need not, send a representative to your Territory to provide up to two (2) days of on-site consultation during one of your first events (Pep rally or Teacher huddle or Theme day or Race day).

6.6. Administrative Support. Our support personnel will provide you with a variety of administrative services, including answering all email inquiries sent to our website to ensure timely responses, consistent messaging and accurate information (rather than forwarding the emails to you to respond to), assisting with uploading of new employee data, obtaining employee background checks and such other tasks that we reasonably determine from time to time. In consideration of these services, you agree to pay us an administrative support fee for each school that you contract with. The amount of the administrative support fee is \$75 per contracted school per year. The administrative support fee is due the month in which you are scheduled to conduct the Apex program at the school.

6.7. General Guidance. We will provide periodic guidance and recommendations on ways to improve the marketing and/or operation of your Business, including in the areas of: (i) methods of signing schools; (ii) training your employees; (iii) advertising and promotional programs; and (iv) administrative, bookkeeping, accounting, and general operating procedures. We may provide our assistance in the Manual, live consultation or in any other manner we deem appropriate.

6.8. Purchase Agreements. We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for us and our franchisees. If we succeed in negotiating a purchase agreement, we will arrange for you to be able to purchase the goods directly from the supplier at the discounted prices that we

negotiate (subject to any rebates the supplier pays to us). We may also purchase certain items from suppliers in bulk and resell them to you at our cost plus shipping fees and a reasonable markup.

7. ESTABLISHING YOUR APEX FUN RUN BUSINESS

7.1. Equipment. Prior to opening, we will arrange with a third party supplier to provide you with the branded equipment, supplies and other materials necessary to conduct your events. You must purchase this equipment from the supplier we designate (which may be us or an affiliate of ours). You must also purchase, lease or rent (on a temporary basis) a vehicle to travel to schools and Apex Fun Run events. You must have a tow package to enable you to tow your trailer to Apex Fun Run events. You will use the trailer to transport prizes, equipment and other supplies to schools and Apex Fun Run events. You must also purchase or lease all other equipment and supplies that we designate for purposes of operating your Business.

7.2. Storage Space. You may wish to obtain storage space to store your supply of prizes, inventory and other equipment. Your storage space may be in your home or you may rent commercial storage space.

7.3. Opening. You must begin contacting and marketing the Apex Fun Run program to schools in your Territory within 60 days after the Effective Date. You may not conduct your first Apex Fun Run event before: (i) successful completion of the initial training program by your Managing Owner, Team Leaders (who will participate in the Fun Run Event) and Sales Professional; (ii) you purchase all required insurance; (iii) you obtain all required licenses, permits and other governmental approvals; (iv) you purchase, lease or rent all required equipment, inventory and operating supplies. BY VIRTUE OF OPENING YOUR BUSINESS, YOU ACKNOWLEDGE THAT WE HAVE FULFILLED ALL OF OUR PRE-OPENING OBLIGATIONS TO YOU.

8. MANAGEMENT AND STAFFING.

8.1. Owner Participation. At least one of your individual owners must serve as your Managing Owner. Your Managing Owner must either: (i) be directly and personally involved with the operation of your Business; or (ii) supervise and manage your Team Leaders and other staff. Either the Managing Owner or a Team Leader must be actively involved in the operation of the Business on a full time basis and provide on-site management and supervision. Any new Managing Owner that we approve must successfully complete the initial training program.

8.2. Team Leaders. You must designate at least one (1) individual to serve as a “Team Leader” who will be responsible for directing and supervising your staff, conducting Apex Fun Runs and otherwise managing and supervising your Business. The Managing Owner may serve as your Team Leader or you may hire or contract with a third party to serve as a Team Leader. Your Team Leader must complete all training that we require. The Managing Owner must assume responsibility for the daily on-site management, and supervision of your Business if the Team Leader is unable to perform his or her duties due to death, disability, termination of employment, or for any other reason, until such time that you obtain a suitable replacement Team Leader.

8.3. Sales Professional. You must designate at least one (1) individual to serve as your “Sales Professional” who will be responsible for marketing your Business to schools. Your Sales Professional must complete all training that we require. Your Managing Owner or Team Leader may serve as your Sales Professional or you may hire or contract with a third party to serve as your Sales Professional.

8.4. Employees. You must hire, train, and supervise honest, reliable, competent and courteous employees for the operation of your Business. You must pay all wages, commissions, fringe benefits, worker's compensation premiums and payroll taxes (and other withholdings required by law) due for your employees. These employees will be employees of yours and not of ours. You must ensure that a sufficient number of trained employees are available to meet the operational standards and requirements of your Business at all times. You must ensure that your employees perform their duties in compliance with the terms of the Manual and any

other materials applicable to employees that we communicate to you. You may give your employees only the minimum amount of information and material from the Manual that is necessary to enable them to perform their assigned tasks. You must ensure that your employees do not make or retain any copies of the Manual or any portion of the Manual. We do not control the day to day activities of your employees or the manner in which they perform their assigned tasks. We also do not control the hiring or firing of your employees. You have sole responsibility and authority for all employment related decisions, including employee selection and promotion, hours worked, rates of pay and other benefits, work assignments, training and working conditions. You must require that your employees review and sign any acknowledgment form we prescribe that explains the nature of the franchise relationship and notifies the employee that you are his or her sole employer.

8.5. Interim Manager. We have the right, but not the obligation, to designate an individual of our choosing (an "Interim Manager") to manage your Business if either: (i) your Managing Owner ceases to perform the responsibilities of a Managing Owner (whether due to retirement, death, disability, or for any other reason) and you fail to find an adequate replacement Managing Owner within 30 days; or (ii) you are in material breach. The Interim Manager will cease to manage your Business at such time that you hire an adequate replacement Managing Owner who has completed training or you cure the material breach, as applicable. If we appoint an Interim Manager, you agree to pay us (in addition to the royalty fee) an additional 3% of Gross Revenues generated by the Business while under the management of an Interim Manager. The Interim Manager will have no liability to you except for gross negligence or willful misconduct. We will have no liability to you for the activities of an Interim Manager unless we are grossly negligent in appointing the Interim Manager.

9. FRANCHISEE AS ENTITY. If you are an Entity, you agree to provide us with a list of all of your Owners. Upon our request, you must provide us with a resolution of the Entity authorizing the execution of this Agreement, a copy of the Entity's organizational documents and a current Certificate of Good Standing (or the functional equivalent thereof). You represent that the Entity is duly formed and validly existing under the laws of the state of its formation or incorporation.

10. FRANCHISE OWNER AGREEMENT. If you are an Entity, all Owners (whether direct or indirect) and their spouses must sign a Franchise Owner Agreement, the current form of which is attached as ATTACHMENT "C".

11. ADVERTISING & MARKETING.

11.1. Your Marketing Activities.

(a) Generally. Although you are encouraged to engage in local advertising, you are not required to spend any minimum amount on local advertising to promote your Business. With our assistance, you may develop and implement a grand opening promotion to introduce your Business within your Territory within 120 days after you begin operating your Business.

(b) Standards for Advertising. All advertisements and promotions that you create or use must be completely factual and conform to the highest standards of ethical advertising and comply with all federal, state and local laws. You must ensure that your advertisements and promotional materials do not infringe upon the intellectual property rights of others.

(c) Approval of Advertising. Before you use them, we must approve all advertising and promotional materials that we did not prepare or previously approve (including materials that we prepared or approved and you modify). We will be deemed to have approved the materials if we fail to issue our disapproval within 30 days after receipt. You may not use any advertising or promotional materials that we have disapproved (including materials that we previously approved and later disapprove) and you must cease use of any such materials within three (3) days after notification from us.

(d) Internet and Websites. You may market your Business through approved social media

channels in accordance with our social media policy. We may require that you utilize our designated supplier for social media marketing services. At this time, we do not allow our franchisees to maintain their own websites or market their Apex Fun Run businesses on the Internet (other than through approved social media outlets). Accordingly, you may not maintain a website, conduct e-commerce, or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with your Business. If we change our policy at a later date to allow franchisees to maintain their own websites or market on the Internet, you may do so only if you comply with all of the website and Internet requirements that we specify. In that case, we may require that you sign an amendment to this Agreement that will govern your ability to maintain a website and/or market on the Internet. The Apex program is currently administered through our website, which has been designed, hosted and maintained by a third party supplier. You understand that, from time to time, events outside of our control may cause errors in functionality of the website or may cause the website to cease to perform altogether. You hereby waive any and all claims against us for any damages caused by problems associated with our website.

11.2. Marketing Assistance From Us. We will provide you with marketing techniques and strategies in the Manual and during initial training. We will also create and make available to you advertising and marketing materials for your purchase. In the future, we may make these materials available over the Internet (in which case you must arrange for printing the materials and paying all printing costs). Alternatively, we may enter into relationships with third party suppliers who will create the advertising or marketing materials for your purchase.

12. OPERATING STANDARDS.

12.1. Generally. You agree to operate your Business: (i) in a manner that will promote the goodwill of the Marks; and (ii) in full compliance with our standards and all other terms of this Agreement and the Manual. Our system standards (which may be set forth in the Manual) may regulate a variety of aspects of your Business, including: Fun Run design, layout, décor and appearance; types, models and brands of prizes, signs, materials and supplies; scripts used for pep rallies; curriculum for leadership training in classrooms; standards for reporting results of runs; standards and practices for communications with parents, teachers and school administrators; cooperation with and participation in sales, marketing, advertising and promotional programs and materials used in those programs; staffing levels for your Business and matters relating to managing the Business; qualifications, training, dress, mandatory uniforms and appearance of Team Leaders and employees; days and hours of operation; bookkeeping, accounting, data processing and record keeping systems; computer hardware and software; connections to the internet or to proprietary networks; forms, methods, formats, content and frequency of reports of Gross Revenues, financial performance and condition; adherence to the Manual or written directions; and furnishing tax returns and other operating and financial information to us; or regulation of any other aspect of the operation and maintenance of the Business that we deem appropriate.

12.2. Operating Manual. You agree to establish and operate your Business in accordance with the Manual. The Manual may contain, among other things: (i) a description of the authorized goods and services that you may offer at your Business; (ii) mandatory and suggested specifications, operating procedures, and quality standards for products, services and procedures that we prescribe from time to time for Apex Fun Run franchisees; (iii) system standards; (iv) mandatory reporting and insurance requirements; and (v) a written list of goods and services (or specifications for goods and services) you must purchase for the development and operation of your Business and a list of any designated or approved suppliers for these goods or services. We can modify the Manual at any time. The modifications will become binding 30 days after we send you notice of the modification. All mandatory provisions contained in the Manual (whether they are included now or in the future) are binding on you.

12.3. Authorized Goods and Services. You agree to offer or use all goods, services and prizes that we require from time to time in our commercially reasonable discretion. The currently authorized programs include Apex Live, Apex Flex, Apex Leadership Company, Anython and Middle School Color Battles. You may not offer or provide any other goods or services (including prizes that are given away) without our prior

written permission. You may not use your Business or permit your Business to be used for any purpose other than offering the goods and services that we authorize. We may, without obligation to do so, add, modify or delete authorized goods and services, and you must do the same upon notice from us. Our addition, modification or deletion of one or more goods or services shall not constitute a termination of the franchise or this Agreement. You must only offer the current school year's annual theme and prizes for both Fun Runs and Summer Camps. You may not offer any prior year's themes, prizes or create custom or local programs. Upon our request, you agree to participate at your expense in any market research and test-marketing programs that we specify, including promoting and using test-market products and providing us with related reports and information. Currently, we allow you to refer groups, clubs and other organizations to Anython, which is an online fundraising platform, and receive commissions from revenues generated from such referrals. You may not refer any school to Anython that is located in the territory of another Apex Fun Run business. The details of the Anython referral program (and the policies for participation in the program by franchisees and commissions paid) may be set forth in the Manual and changed by us from time to time. We may terminate the Anython referral program at any time.

12.4. Pricing. We may periodically offer suggestions to you regarding the fundraising revenue percentage splits you charge the schools. You are required to follow our suggestions on fundraising revenue percentage splits, except for certain limited time offers, which must be approved in writing by us. You may not charge more than the percentage splits we specify.

12.5. Payment Processing System. We may require that you have each school open a payment processing account, using the specific vendor and system that we specify, to allow the school to collect pledges through credit card payments, which improves percentage and timeliness of collections.

12.6. Suppliers and Purchasing. You agree to purchase or lease all products, supplies, equipment, services and other items specified in the Manual from time to time. If required by the Manual, you agree to purchase certain goods and services only from suppliers designated or approved by us (which may include, or be limited exclusively to, us or our affiliate). You acknowledge that our right to specify the suppliers that you may use is necessary and desirable so that we can control the uniformity and quality of goods and services used, sold or distributed in connection with the development and ongoing operation of Apex Fun Run businesses, maintain the confidentiality of our trade secrets, obtain discounted prices for our franchisees if we choose to do so, and protect the reputation and goodwill associated with the System and the Marks. If we receive rebates or other financial consideration from these suppliers based upon franchisee purchases, we have no obligation to pass these amounts on to you or to use them for your benefit. If you want us to approve a supplier that you propose, you must send us a written notice specifying the supplier's name and qualifications and provide any additional information that we request. We will approve or reject your request within 30 days after we receive your notice and all additional information (and samples) that we require. We shall be deemed to have rejected your request if we fail to issue our approval within the 30-day period.

12.7. Equipment Maintenance and Changes. You agree to maintain all of your equipment in good condition and promptly replace or repair any equipment that is damaged, worn-out or obsolete. We may require that you change your equipment, which may require you to make additional investments. You acknowledge that our ability to require franchisees to make significant changes to their equipment is critical to our ability to administer and change the System and you agree to comply with any such required change within the time period that we reasonably prescribe.

12.8. Software and Technology. You must purchase and use all hardware, software and technology that we specify. We may change the software or technology that you must use at any time. We may also develop proprietary software or technology that must be used by Apex Fun Run franchisees. If this occurs, you agree to enter into a license agreement with us (or an affiliate of ours) and pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees. The terms of the license agreement will govern the terms pursuant to which you may utilize this software or technology. We also reserve the right to enter into a master software or technology license agreement with a third party licensor and then sublicense the software or

technology to you, in which case we may charge you for all amounts that we must pay to the licensor based on your use of the software or technology.

12.9. Complaints. If you receive a complaint from a school, teacher, parent, student or other person in connection with your Business, you must follow the complaint resolution process that we specify to protect the goodwill associated with the Marks. You must promptly notify us in writing of all such complaints.

12.10. Failure to Comply with Standards. You acknowledge the importance of every one of our standards and operating procedures to the reputation and integrity of the System and the goodwill associated with the Marks. If we notify you of a failure to comply with our standards or operating procedures and you fail to correct the non-compliance within the period of time that we require, then, in addition to any other remedies available to us under this Agreement, we may impose a fine of up to \$500 per occurrence.

13. MINIMUM PERFORMANCE REQUIREMENTS. You are required to meet the following minimum performance requirements: (i) contract with at least one (1) school within the first six (6) months after the Effective Date; (ii) you must rebook at least 50% of the schools where you completed an Apex Fun Run the prior year; (iii) you must collect at least 70% of the dollars pledged in all but two (2) schools in any six (6) month period; and (iv) you must generate and pay us minimum royalties in the amount of: (a) \$9,000 per year during your first year of operation; and (b) \$18,000 during each subsequent year of operation for the remainder of the Term. Your failure to comply with any of these requirements constitutes an event of default under this Agreement, in which case we have the right to terminate this Agreement.

By the end of your second year of operation, you must generate \$2,500 in royalties using Anython for organizations or middle schools. You must continue to generate \$2,500 in royalties for each year of operation thereafter.

14. FEES

14.1. Initial Franchise Fee. You agree to pay us a \$44,500 initial franchise fee in one lump sum at the time you sign this Agreement. The initial franchise fee is fully earned by us and non-refundable once this Agreement has been signed.

14.2. Royalty Fee. On the day of each week that we specify (currently Friday), you agree to pay us a royalty fee equal to (a) 8% of your Gross Revenues generated from your Territory *plus* (b) 12% of your Gross Revenues generated from Extraterritorial Sales. If you fail to report your Gross Revenues in a timely manner, we may debit your Account for assumed royalty fees equal to the highest weekly royalty fee reported during the preceding 52-week period. Once actual Gross Revenues are reported: (i) any deficiency in the royalty fee charged for that week will be due and payable immediately together with interest and a late fee; or (ii) any overpayment in the royalty fee charged for that week will be credited against your next royalty payment owed (without interest).

14.3. Other Fees and Payments. You agree to pay all other fees, expense reimbursements and other amounts specified in this Agreement in a timely manner as if fully set forth in this Section 14. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based upon goods or services that you sell or based upon goods or services that we furnish to you (other than income taxes that we pay based on amounts that you pay us under this Agreement).

14.4. Late Fee. If any sums due under this Agreement have not been received by us when due (or there are insufficient funds in your Account to cover any sums owed to us when due) then, in addition to those sums, you must pay us interest on the amounts past due at the rate equal to the lesser of 18% per annum (pro rated on a daily basis), or the highest rate permitted by your State's law. If no due date has been specified by us, then interest begins to run 10 days after we bill you. We will not impose a late fee for any amounts paid pursuant to Section 14.5 if, but only to the extent that, sufficient funds were available in your Account to be

applied towards the payments at the time the payments became due and payable. However, we may impose a late fee for any amounts that we are unable to reasonably determine due to your failure to furnish us with a report required by Section 16.3 within the required period of time or record sales in a timely manner, in which case we may assess a late fee on the entire amount that was due and payable. In addition to interest, we may charge an administrative late fee of \$100 for each late royalty payment. You acknowledge that this Section 14.4 shall not constitute our agreement to accept the late payments after same are due, or a commitment by us to extend credit to or otherwise finance the operation of your Business.

14.5. Method of Payment. You must complete and send us an ACH Authorization Form allowing us to electronically debit a banking account that you designate (your "Account") for: (i) all fees payable to us pursuant to this Agreement (other than the initial franchise fee); and (ii) any amounts that you owe to us or any of our affiliates for the purchase of goods or services. We will debit your Account for these payments on or after the due date. Our current form of ACH Authorization Form is attached to this Agreement as ATTACHMENT "D". You must sign and deliver to us any other documents that we or your bank may require to authorize us to debit your Account for these amounts. You must deposit into the Account all revenues that you generate from the operation of your Business. You must make sufficient funds available for withdrawal by electronic transfer before each due date. If there are insufficient funds in your Account to cover all amounts that you owe, any excess amounts that you owe will be payable upon demand, together with any late charge imposed pursuant to Section 14.4. We may also charge you an additional \$50 NSF fee for each electronic debit or returned check that is not honored due to insufficient funds.

14.6. Application of Payments. We have sole discretion to apply any payments from you to any past due indebtedness of yours or in any other manner we feel appropriate.

15. BRAND PROTECTION COVENANTS.

15.1. Reason for Covenants. You acknowledge that the Intellectual Property and the training and assistance that we provide would not be acquired except through implementation of this Agreement. You also acknowledge that competition by you, the Owners or persons associated with you or the Owners (including family members) could seriously jeopardize the entire franchise system because you and the Owners have received an advantage through knowledge of our day-to-day operations and Know-how related to the System. Accordingly, you and the Owners agree to comply with the covenants described in this Section to protect the Intellectual Property and our franchise system.

15.2. Our Know-how. You and the Owners agree: (i) neither you nor any Owner will use the Know-how in any business or capacity other than the operation of your Business pursuant to this Agreement; (ii) you and the Owners will maintain the confidentiality of the Know-how at all times; (iii) neither you nor any Owner will make unauthorized copies of documents containing any Know-how; (iv) you and the Owners will take all reasonable steps that we require from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you and the Owners will stop using the Know-how immediately upon the expiration, termination or Transfer of this Agreement, and any Owner who ceases to be an Owner before the expiration, termination or Transfer of this Agreement will stop using the Know-how immediately at the time he or she ceases to be an Owner.

15.3. Unfair Competition During Term. You and your Owners agree not to unfairly compete with us during the Term by engaging in any of the following activities ("Prohibited Activities"): (i) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in any Competitive Business, other than owning an interest of 2% or less in a publicly traded company that is a Competitive Business; (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); or (iii) inducing (a) any of our employees or managers (or those of our affiliates or franchisees) to leave their position or (b) any contracted Apex Fun Run school to transfer their business to you or to any other person that is not then a franchisee of ours.

15.4. Unfair Competition After Term. During the Post-Term Restricted Period, you and your Owners agree not to engage in any Prohibited Activities. Notwithstanding the foregoing, you and your Owners may have an interest in a Competitive Business during the Post-Term Restricted Period as long as the Competitive Business is not located within, and does not provide competitive goods or services to schools that are located within, the Restricted Territory. If you or an Owner engages in a Prohibited Activity during the Post-Term Restricted Period (other than having an interest in a Competitive Business that is permitted under this Section), then the Post-Term Restricted Period applicable to you or the non-compliant Owner, as applicable, shall be extended by the period of time during which you or the non-compliant Owner, as applicable, engaged in the Prohibited Activity.

15.5. Immediate Family Members. The Owners acknowledge that they could circumvent the purpose of Section 15 by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). The Owners also acknowledge that it would be difficult for us to prove whether the Owners disclosed the Know-how to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 15 if any member of his or her immediate family engages in any Prohibited Activities during the Term or Post-Term Restricted Period or uses or discloses the Know-how. However, the Owner may rebut this presumption by furnishing evidence conclusively showing that the Owner did not disclose the Know-how to the family member.

15.6. Employees and Others Associated with You. You must ensure that each of your Team Leaders and Sales Professionals, and all of your other employees, officers, directors, partners, members, independent contractors and other persons associated with you or your Business who may have access to our Know-how, sign and send us a Confidentiality Agreement before having access to our Know-how. You must use your best efforts to ensure that these individuals comply with the terms of the Confidentiality Agreements and you must immediately notify us of any breach that comes to your attention. You agree to reimburse us for all reasonable expenses that we incur in enforcing a Confidentiality Agreement, including reasonable attorneys' fees and court costs.

15.7. Covenants Reasonable. You and the Owners acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; (ii) our use and enforcement of covenants similar to those described above with respect to other Apex Fun Run franchisees benefits you and the Owners in that it prevents others from unfairly competing with your Business; and (iii) you and the Owners have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU AND THE OWNERS HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS SECTION 15 AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

15.8. Breach of Covenants. You and the Owners agree that failure to comply with the terms of this Section 15 will cause substantial and irreparable damage to us and/or other Apex Fun Run franchisees for which there is no adequate remedy at law. Therefore, you and the Owners agree that any violation of the terms of this Section 15 will entitle us to injunctive relief. We may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. In addition to the remedies above, you must pay us a fee equal to our then-current initial franchise fee for each Competitive Business operated in violation of this Agreement, plus 8% of the gross revenues generated by such Competitive Business during the period of time that you held an interest in such Competitive Business in violation of this Agreement. Any claim, defense or cause of action that you or an Owner may have against us, regardless of cause or origin, cannot be used as a defense against our enforcement of this Section 15.

16. YOUR OTHER RESPONSIBILITIES

16.1. Insurance. For your protection and ours, you agree to maintain the following insurance policies: (i) comprehensive general liability insurance (including products and contractual liability) against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of your Business, containing minimum liability protection of \$1,000,000 combined single limit per occurrence, and \$2,000,000 in the aggregate; (ii) automobile liability and property damage insurance covering all loss, liability, claim or expense of any kind whatsoever resulting from the use, operation, or maintenance of any automobiles or motor vehicles, owned, leased, rented or used by you, or your officers, directors, employees, partners or agents, in the operation of your Business, containing minimum liability protection of \$1,000,000 combined single limit per occurrence; (iii) worker's compensation insurance and employer's liability insurance as required by law; and (iv) any other insurance that we specify in the Manual from time to time. You agree to provide us with proof of coverage prior to opening, within 10 days of any renewal of a policy and at any other time on demand. You agree to obtain these insurance policies from insurance carriers that are rated A or better by Alfred M. Best & Company, Inc. and that are licensed and admitted in the state in which you operate your Business. All insurance policies must endorsed to: (i) name us (and our members, officers, directors, and employees) as additional insureds; (ii) contain a waiver by the insurance carrier of all subrogation rights against us; and (iii) provide that we receive 30 days' prior written notice of the termination, expiration, cancellation or modification of the policy. If any of your policies fail to meet these criteria, then we may disapprove the policy and you must immediately find additional coverage with an alternative carrier satisfactory to us. Upon 10 days' notice to you, we may increase the minimum protection requirement as of the renewal date of any policy, and require different or additional types of insurance at any time, including excess liability (umbrella) insurance, to reflect inflation, identification of special risks, changes in law or standards or liability, higher damage awards or other relevant changes in circumstances. If you fail to maintain any required insurance coverage, we have the right to obtain the coverage on your behalf (which right shall be at our option and in addition to our other rights and remedies in this Agreement), and you must promptly sign all applications and other forms and instruments required to obtain the insurance and pay to us, within 10 days after invoicing, all costs and premiums that we incur.

16.2. Books and Records. You agree to prepare and maintain for at least two (2) years after their preparation, complete and accurate books, records, accounts and tax returns pertaining to your Business in the format we specify. You must maintain a bookkeeping, accounting and recordkeeping system that complies with our system standards. You must send us copies of your books and records within seven (7) days of our request. If you commit any monetary default under this Agreement or default on any reporting obligation, we may, in addition to any of our other rights and remedies, require you to obtain third-party accounting or bookkeeping services from a party we designate for a period of 12 months from the date of each notice of default, regardless of whether you cured the prior default.

16.3. Reports. You must prepare and provide to us weekly statements of your Gross Revenues for the prior week's operations, together with any other information we require from time to time. We currently require that you submit weekly reports to us every Tuesday for your operations during the preceding week (Monday through Sunday). We may change the date on which you must submit your reports from time to time. You also agree to prepare and send us all other reports that we require in the form and manner that we require. If we require that you purchase a computer or other technology that allows us to electronically retrieve information concerning your sales transactions, you agree that we will have the right to electronically poll your computer and/or automated cash management system to retrieve and compile information regarding the operation of your Business.

16.4. Financial Statements. In addition to your weekly Gross Revenues reports, you agree to prepare and send us the following financial reports: (i) a semi-annual internal balance sheet and profit and loss statement and an annual balance sheet and profit and loss statement reviewed by a certified public accountant; (ii) an annual copy of your signed 1120 or 1120S tax form as filed with the Internal Revenue Service (or any forms which take the place of those forms), all state and local sales and use tax reports you are required to file and,

upon our request, copies of all tax returns or reports filed by you for the periods specified in our notice. All financial statements must be: (i) verified and signed by you certifying to us that the information is true, complete, and accurate; and (ii) submitted in any format that we reasonably require. If you submit materially inaccurate financial statements, then we may require that your future financial statements be reviewed or audited (at our discretion) by a certified public accountant. You agree to send us a copy of any financial statement required by this Section upon request. You authorize us to disclose the financial statements, reports, and operating data to prospective franchisees, regulatory agencies and others at our discretion, provided the disclosure is not prohibited by applicable law.

16.5. Legal Compliance. You must secure and maintain in force all required licenses, permits and regulatory approvals for the operation of your Business and operate and manage your Business in full compliance with all applicable laws, ordinances, rules and regulations. You must notify us in writing within two (2) business days of the beginning of any action, suit, investigation or proceeding, or of the issuance of any order, writ, injunction, disciplinary action, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation of your Business or your financial condition. You must immediately deliver to us a copy of any inspection report, warning, certificate or rating by any governmental agency involving any health or safety law, rule or regulation that reflects your failure to fully comply with the law, rule or regulation.

17. INSPECTION AND AUDIT

17.1. Inspections. To ensure compliance with this Agreement, we or our representatives will have the right to monitor and evaluate your operations and inspect or examine your books, records, accounts and tax returns. Our evaluation may include watching, recording and participating in your Apex Fun Runs, pep rallies, leadership training and other events and activities, contacting and speaking with the teachers and schools you have contracted with as well as students (and their parents) who participate in the program and your employees and independent contractors. We may conduct our evaluation at any time and without prior notice. During the course of our inspections, we and our representatives will use reasonable efforts to minimize our interference with the operation of your Business, and you and your employees will cooperate and not interfere with our inspection. You consent to us accessing your computer system and retrieving any information that we deem appropriate in conducting the inspection.

17.2. Audit. We have the right, at any time, to have an independent audit made of your books and financial records. You agree to fully cooperate with us and any third parties that we hire to conduct the audit. If an audit reveals an understatement of your Gross Revenues or any amount that you owe us, you agree to immediately pay to us any additional fees that you owe us together with any late fee and interest payable pursuant to Section 14.4. Any audit will be performed at our cost and expense unless the audit: (i) is necessitated by your failure to provide the information requested or to preserve records or file reports as required by this Agreement; or (ii) reveals an understatement of any amount due to us by at least 5% over the period of the audit, in which case you agree to reimburse us for the cost of the audit or inspection, including without limitation, reasonable accounting and attorneys' fees and travel and lodging expenses that we or our representatives incur. The audit cost reimbursements will be due 10 days after invoicing. We shall not be deemed to have waived our right to terminate this Agreement by accepting reimbursements of our audit costs.

18. INTELLECTUAL PROPERTY

18.1. Ownership and Use of Intellectual Property. You acknowledge that: (i) we are the sole and exclusive owner of the Intellectual Property and the goodwill associated with the Marks; (ii) your right to use the Intellectual Property is derived solely from this Agreement; and (iii) your right to use the Intellectual Property is limited to a license granted by us to operate your Business during the Term pursuant to, and only in compliance with, this Agreement, the Manual, and all applicable standards, specifications and operating procedures that we prescribe from time to time. You may not use any of the Intellectual Property in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized by us. Any

unauthorized use of the Intellectual Property constitutes an infringement of our rights. You agree to comply with all provisions of the Manual governing your use of the Intellectual Property. This Agreement does not confer to you any goodwill, title or interest in any of the Intellectual Property.

18.2. Changes to Intellectual Property. We have the right to modify the Intellectual Property at any time in our sole and absolute discretion, including by changing the Marks, the System, the Copyrights or the Know-how. If we modify or discontinue use of any of the Intellectual Property, then you must comply with any such instructions from us within 30 days at your expense. We will not be liable to you for any expenses, losses or damages that you incur (including the loss of any goodwill associated with a Mark) because of any addition, modification, substitution or discontinuation of the Intellectual Property.

18.3. Use of Marks. You agree to use the Marks as the sole identification of your Business; provided, however that you must identify yourself as the independent owner of your Business in the manner that we prescribe. You may not use any Marks in any modified form or as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed to you by this Agreement). You agree to: (i) prominently display the Marks on or in connection with any media advertising, promotional materials, posters and displays, receipts, stationery and forms that we designate and in the manner that we prescribe to give notice of trade and service mark registrations and copyrights; and (ii) obtain any fictitious or assumed name registrations required under applicable law. You may not use the Marks in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument or other legal obligation or in any manner that is likely to confuse or result in liability to us for any indebtedness or obligation of yours.

18.4. Use of Know-how. We will disclose the Know-how to you in the initial training program, the Manual, and in other guidance furnished to you during the Term. You agree that you will not acquire any interest in the Know-how other than the right to utilize it in strict accordance with the terms of this Agreement in the development and operation of your Business. You acknowledge that the Know-how is proprietary and is disclosed to you solely for use in the development and operation of your Business during the Term.

18.5. Improvements. If you conceive of or develop any improvements or additions to the marketing, method of operation or the services or products offered by an Apex Fun Run business (collectively, "Improvements"), you agree to promptly and fully disclose the Improvements to us without disclosing the Improvements to others. You must obtain our approval prior to using any such Improvements. Any Improvement that we approve may be used by us and any third parties that we authorize to operate an Apex Fun Run franchise, without any obligation to pay you royalties or other fees. You must assign to us or our designee, without charge, all rights to any such Improvement, including the right to grant sublicenses. In return, we will authorize you to use any Improvements that we or other franchisees develop that we authorize for general use in connection with the operation of an Apex Fun Run business.

18.6. Notification of Infringements and Claims. You must immediately notify us of any: (i) apparent infringement of any of the Intellectual Property; (ii) challenge to your use of any of the Intellectual Property; or (iii) claim by any person of any rights in any of the Intellectual Property. You may not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim. We will have sole discretion to take such action as we deem appropriate. We have the right to exclusively control any litigation, Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge or claim. You agree to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interest in any such litigation, Patent and Trademark Office proceeding or other proceeding, or to otherwise protect and maintain our interest in the Intellectual Property.

19. INDEMNITY. You agree to indemnify the Indemnified Parties and hold them harmless for, from and against any and all Losses and Expenses incurred by any of them as a result of or in connection with any of the following: (i) the marketing, use or operation of your Business or your performance and/or breach of any of

your obligations under this Agreement; (ii) any other Claim arising from alleged violations of your relationship with and responsibility to us; or (iii) any Claim relating to taxes or penalties assessed by any governmental entity against us that are directly related to your failure to pay or perform functions required of you under this Agreement. The Indemnified Parties shall have the right, in their sole discretion to: (i) retain counsel of their own choosing to represent them with respect to any Claim; and (ii) control the response thereto and the defense thereof, including the right to enter into an agreement to settle such Claim. You may participate in such defense at your own expense. You agree to give your full cooperation to the Indemnified Parties in assisting the Indemnified Parties with the defense of any such Claim, and to reimburse the Indemnified Parties for all of their costs and expenses in defending any such Claim, including court costs and reasonable attorneys' fees, within 10 days of the date of each invoice delivered by such Indemnified Party to you enumerating such costs, expenses and attorneys' fees.

Provided that you are not in default under this Agreement or any other agreement with us, we will indemnify you and your Owners and hold them harmless for, from and against any and all Losses and Expenses incurred by any of them as a result of or in connection with any Claim asserted against you and/or your Owners based upon the violation of any third party's intellectual property rights caused by your use of our Marks or items bearing our Copyrights in strict compliance with the terms of this Agreement and the Manual. You must notify us of any such Claim within 10 days of learning of the Claim and fully cooperate with us in the defense of such Claim or else we shall not be obligated to indemnify you. The maximum amount of our indemnification obligation hereunder shall be limited to \$3,000.

20. TRANSFERS

20.1. By Us. This Agreement and the franchise is fully assignable by us (without prior notice to you) and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we shall, subsequent to any such assignment, remain liable for the performance of our obligations under this Agreement up to the effective date of the assignment. We may also delegate some or all of our obligations under this Agreement to one or more persons without assigning the Agreement.

20.2. By You. You understand that the rights and duties created by this Agreement are personal to you and the Owners and that we have granted the franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and your Owners. Therefore, neither you nor any Owner may engage in any Transfer other than a Permitted Transfer without our prior written approval. Any Transfer (other than a Permitted Transfer) without our approval shall be void and constitute a breach of this Agreement. We will not unreasonably withhold our approval of any proposed Transfer, provided that the following conditions are all satisfied:

(i) the proposed transferee is, in our opinion, an individual of good moral character, who has sufficient business experience, aptitude and financial resources to own and operate an Apex Fun Run business and otherwise meets all of our then applicable standards for franchisees;

(ii) you and your Owners are in full compliance with the terms of this Agreement and all other agreements with us or our affiliate;

(iii) all of the owners of the transferee have successfully completed, or made arrangements to attend, the initial training program;

(iv) the transferee and its owners, to the extent necessary, have obtained all licenses and permits required by applicable law in order to own and operate the Business;

(v) the transferee and its owners sign our then-current form of franchise agreement (unless we, in our sole discretion, instruct you to assign this Agreement to the transferee), except that: (a) the Term and renewal term(s) shall be the Term and renewal term(s) remaining under this Agreement; and (b) the transferee

need not pay a separate initial franchise fee;

- (vi) you or the transferee pay us a transfer fee equal to \$5,000;
- (vii) you and your Owners sign a General Release for all claims arising before or contemporaneously with the Transfer;
- (viii) you enter into an agreement with us to subordinate the transferee's obligations to you to the transferee's financial obligations owed to us pursuant to the franchise agreement;
- (ix) we do not elect to exercise our right of first refusal described in Section 20.5; and
- (x) you or the transferring Owner, as applicable, and the transferee have satisfied any other conditions we reasonably require as a condition to our approval of the Transfer.

Our consent to a Transfer shall not constitute a waiver of any claims we may have against the transferor, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of the franchise by the transferee.

20.3. Permitted Transfers. You may engage in a Permitted Transfer without our prior approval, but you must give us at least 10 days prior written notice. You and the Owners (and the transferee) agree to sign all documents that we reasonably request to effectuate and document the Permitted Transfer and you agree to pay us a transfer fee equal to our actual costs incurred in documenting the transfer (which in no event will exceed the transfer fee listed in Section 20.2(vi)).

20.4. Death or Disability of an Owner. Upon the death or permanent disability of an Owner, the Owner's ownership interest in you or the franchise, as applicable, must be assigned to another Owner or to a third party approved by us within 180 days. Any assignment to a third party will be subject to all of the terms and conditions of Section 20.2 unless the assignment qualifies as a Permitted Transfer. For purposes of this Section, an Owner is deemed to have a "permanent disability" only if the person has a medical or mental problem that prevents the person from substantially complying with his or her obligations under this Agreement or otherwise operating the Business in the manner required by this Agreement and the Manual for a continuous period of at least three (3) months.

20.5. Our Right of First Refusal. If you or an Owner desires to engage in a Transfer, you or the Owner, as applicable, must obtain a bona fide, signed written offer from the fully disclosed purchaser and submit an exact copy of the offer to us. We will have 30 days after receipt of the offer to decide whether we will purchase the interest in your Business or the ownership interest in you for the same price and upon the same terms contained in the offer (however, we may substitute cash for any form of payment proposed in the offer). If we notify you that we intend to purchase the interest within the 30-day period, you or the Owner, as applicable, must sell the interest to us. We will have at least an additional 30 days to prepare for closing. We will be entitled to receive from you or the Owner, as applicable, all customary representations and warranties given by you as the seller of the assets or the Owner as the seller of the ownership interest or, at our election, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to and on the terms of the offer, subject to the requirements of Section 20.2 (including our approval of the transferee). However, if the sale to the purchaser is not completed within 120 days after delivery of the offer to us, or there is a material change in the terms of the sale, we will again have the right of first refusal specified in this Section. Our right of first refusal in this Section shall not apply to any Permitted Transfer.

21. TERMINATION

21.1. By You. You may terminate this Agreement if we materially breach this Agreement and fail to

cure the breach within 60 days after you send us a written notice specifying the nature of the breach. If you terminate this Agreement, you must still comply with your post-termination obligations described in Section 22 and all other obligations that survive the expiration or termination of this Agreement.

21.2. Termination By Us Without Cure Period. We may, in our sole discretion, terminate this Agreement upon five (5) days' written notice, without opportunity to cure, for any of the following reasons, all of which constitute material events of default under this Agreement:

(i) if the Managing Owner and/or Team Leader fails to satisfactorily complete the initial training program in the manner required by Section 5.1;

(ii) if you fail to open your Business within the time period required by Section 7.3;

(iii) if you become insolvent by reason of your inability to pay your debts as they become due or you file a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any law, or are the subject of an involuntary bankruptcy (which may or may not be enforceable under the Bankruptcy Act of 1978);

(iv) if your Business, or a substantial portion of the assets associated with your Business, are seized, taken over or foreclosed by a government official in the exercise of his or her duties, or seized, taken over or foreclosed by a creditor, lienholder or lessor; or a final judgment against you in the amount of \$10,000 or more remains unsatisfied for 30 days (unless a supersedes or other appeal bond has been filed); or a levy of execution has been made upon the license granted by this Agreement or upon any property used in your Business, and it is not discharged within 30 days of the levy;

(v) if you abandon or fail to operate your Business for three (3) consecutive business days, unless the failure is due to an event of force majeure or another reason that we approve (you are also deemed to have abandoned the business if you fail to sign a school or complete an Apex Fun Run in any six (6) month period);

(vi) if you fail to complete an Apex Fun Run for a school as contracted;

(vii) if you fail to follow the program scripts as provided for Pep Rally, Team Days and Fun Runs or make any statements at such events that go against our corporate values or the mission of the organization as reflected in our Manual;

(viii) if you fail to complete the required classroom time for an Apex Fun Run or deviate from the curriculum that we provide;

(ix) if a regulatory authority suspends or revokes a license or permit held by you or an Owner that is required to operate the Business, even if you or the Owner still maintain appeal rights;

(x) if you or an Owner (a) is convicted of or pleads no contest to a felony, a crime involving moral turpitude or any other material crime or (b) is subject to any material administrative disciplinary action or (c) fails to comply with any material federal, state or local law or regulation applicable to your Business;

(xi) if you or an Owner commits an act that can reasonably be expected to adversely affect the reputation of the System or the goodwill associated with the Marks;

(xii) if you manage or operate your Business in a manner that presents a health or safety hazard to your customers, employees or the public and do not begin to cure the issue immediately and complete the cure within 72 hours (or any lesser period of time required by law);

(xiii) if you or an Owner make any material misrepresentation to us, whether occurring before or after being granted the franchise;

(xiv) if you fail to pay any amount owed to us or an affiliate of ours within ten (10) days after receipt of a demand for payment;

(xv) if you or any of your Owners or officers improperly removes money from your Business or any school or other customer;

(xvi) if you underreport any amount owed to us by at least three percent (3%), after having already committed a similar breach that had been cured in accordance with Section 21.3;

(xvii) if you intentionally understate Gross Revenues in any report or financial statement or if you intentionally fail to report Gross Revenues to us, maintain intentionally false books or records or otherwise defraud us;

(xviii) if you make an unauthorized Transfer;

(xix) if you make an unauthorized use of the Intellectual Property;

(xx) if you breach any of the brand protection covenants described in Section 15;

(xxi) if any Owner, or the spouse of any Owner, breaches a Franchise Owner Agreement;

(xxii) if you fail to meet any minimum performance requirements described in Section 13 (other than your failure to meet the minimum performance requirements specifically applicable to the Anython program);

(xxiii) if you commit the same default two (2) or more times within any 12-month period (regardless of whether such default(s) is cured) or if we send you valid notice of default more than three (3) times in any 12-month period (regardless of whether such default(s) is cured); or

(xxiv) if we terminate any other agreement between you and us or if any affiliate of ours terminates any agreement between you and the affiliate because of your default.

21.3. Additional Conditions of Termination. In addition to our termination rights in Section 21.2, we may, in our sole discretion, terminate this Agreement upon 60 days' written notice if you or an Owner fail to comply with any other provision of this Agreement (including any mandatory provision in the Manual) or any other agreement with us, unless such default is cured, as determined by us in our sole discretion, within such 60-day notice period. If we deliver a notice of default to you pursuant to this Section 21.3, we may suspend performance of any of our obligations under this Agreement until you fully cure the breach.

21.4. Mutual Agreement to Terminate. If you and we mutually agree in writing to terminate this Agreement, you and we will be deemed to have waived any required notice period.

22. POST-TERM OBLIGATIONS.

22.1. Obligations of You and the Owners. After the termination, expiration or Transfer of this Agreement, you and the Owners agree to:

(i) immediately cease to use the Intellectual Property;

(ii) pay us all amounts that you owe us;

(iii) comply with all covenants described in Section 15 that apply after the expiration, termination or Transfer of this Agreement or the disposal of an ownership interest by an Owner;

(iv) return all copies of the Manual, or any portions thereof, as well as all signs, sign faces, brochures, handbooks, drawings, advertising and promotional materials, forms, and any other materials bearing or containing any of the Marks, Copyrights or other identification relating to an Apex Fun Run business, unless we allow you to transfer such items to an approved transferee;

(v) take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any of the Marks;

(vi) provide us with a list of all of your current, former and prospective schools and your contacts at such schools;

(vii) upon our request, assign all Apex Fun Run contracts with your schools to us (unless we allow you to transfer those contracts to an approved transferee);

(viii) notify all telephone companies, listing agencies and domain name registration companies (collectively, the "Agencies") of the termination or expiration of your right to use: (a) the telephone numbers and/or domain names, if applicable, related to the operation of your Business; and (b) any regular, classified or other telephone directory listings associated with the Marks (you hereby authorize the Agencies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate as your attorney-in-fact to direct the Agencies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so); and

(ix) provide us with satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Agreement.

22.2. Right to Purchase Assets. Upon termination or expiration of this Agreement for any reason, we will have the right, but not the obligation, to purchase all or part of the assets of your Business exercisable by written notice delivered to you at any time prior to the effective date of termination (unless we terminate you for cause, in which case, we may deliver notice at any time up to 30 days following the effective date of termination). There will be no compensation for goodwill, and the purchase price for the assets will be equal to their fair market value less goodwill. If you and we cannot agree on the purchase price for the assets within 10 days following our exercise of this option, an independent appraiser that we designate will determine the fair market value and you and we will share equally the cost of the appraiser. The appraiser's decision will be final and binding with no appeal. The closing of the purchase will take place at the location and on the date we choose. At closing, you will deliver a bill of sale for the assets in a form acceptable to us. We will be entitled to set-off against the purchase price any amount you owe us or our affiliates, and to pay all or a portion of the purchase price to satisfy claims of your unpaid creditors.

23. DISPUTE RESOLUTION. The parties agree to submit any claim, dispute or disagreement, including any matter pertaining to the interpretation of this Agreement or issues relating to the offer and sale of the franchise or the relationship between the parties (a "Dispute") to mediation before a mutually-agreeable mediator prior to arbitration. If the Dispute is not resolved by mediation within 90 days after either party makes a demand for mediation, the parties will submit the dispute to mandatory and binding arbitration conducted pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The party filing the arbitration must initially bear the cost of any arbitration fees or costs. The arbitrators will not have authority to award exemplary or punitive damages. Notwithstanding the foregoing, any Dispute that involves an alleged breach of Section 15 or Section 18 will not be subject to mediation or arbitration unless otherwise agreed to by both parties, and either party may immediately file a lawsuit in accordance with this Section with respect to any alleged breach of Section 15 or Section 18. All mediation, arbitration and litigation shall take place in the county in which we maintain our principal place of business at the time the Dispute arises (currently, Maricopa County,

Arizona) and the parties irrevocably waive any objection to such venue. If we or you must enforce this Agreement in a judicial or arbitration proceeding, the substantially prevailing party will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees. In addition, if you breach any term of this Agreement or any other agreement with us or an affiliate of ours, you agree to reimburse us for all reasonable legal fees and other expenses we incur relating to such breach, regardless of whether the breach is cured prior to the commencement of any dispute resolution proceedings. UNLESS PROHIBITED BY APPLICABLE LAW, ANY DISPUTE (OTHER THAN FOR PAYMENT OF MONIES OWED OR A VIOLATION OF SECTION 15 OR SECTION 18) MUST BE BROUGHT BY FILING A WRITTEN DEMAND FOR ARBITRATION (OR IF PERMITTED, LITIGATION) WITHIN ONE (1) YEAR FOLLOWING THE CONDUCT, ACT OR OTHER EVENT OR OCCURRENCE GIVING RISE TO THE CLAIM, OR THE RIGHT TO ANY REMEDY WILL BE DEEMED FOREVER WAIVED AND BARRED. WE AND YOU IRREVOCABLY WAIVE: (I) TRIAL BY JURY; AND (II) THE RIGHT TO ARBITRATE OR LITIGATE ON A CLASS ACTION BASIS, IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES.

24. YOUR REPRESENTATIONS. YOU HEREBY REPRESENT THAT: (i) YOU HAVE NOT RECEIVED OR RELIED UPON ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT, EXCEPT FOR ANY INFORMATION DISCLOSED IN THE FRANCHISE DISCLOSURE DOCUMENT; (ii) YOU HAVE NO KNOWLEDGE OF ANY REPRESENTATIONS BY US OR ANY OF OUR OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES OR REPRESENTATIVES ABOUT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT THAT ARE CONTRARY TO THE TERMS OF THIS AGREEMENT OR THE FRANCHISE DISCLOSURE DOCUMENT; (iii) YOU RECEIVED (1) AN EXACT COPY OF THIS AGREEMENT AND ITS ATTACHMENTS AT LEAST SEVEN (7) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT IS EXECUTED; AND (2) OUR FRANCHISE DISCLOSURE DOCUMENT AT THE EARLIER OF (A) 14 CALENDAR DAYS BEFORE YOU SIGNED A BINDING AGREEMENT OR PAID ANY MONEY TO US OR OUR AFFILIATES OR (B) AT SUCH EARLIER TIME IN THE SALES PROCESS THAT YOU REQUESTED A COPY; (iv) YOU ARE AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE FRANCHISEES OF OURS MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT AND CONSEQUENTLY THAT OUR OBLIGATIONS AND RIGHTS WITH RESPECT TO OUR VARIOUS FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES; (v) YOU ARE AWARE OF THE FACT THAT WE MAY HAVE NEGOTIATED TERMS OR OFFERED CONCESSIONS TO OTHER FRANCHISEES AND WE HAVE NO OBLIGATION TO OFFER YOU THE SAME OR SIMILAR NEGOTIATED TERMS OR CONCESSIONS; AND (vi) YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT AND RECOGNIZE THAT IT INVOLVES BUSINESS RISKS, MAKING THE SUCCESS OF THE VENTURE LARGELY DEPENDENT UPON YOUR OWN BUSINESS ABILITIES, EFFORTS AND JUDGMENTS, AND THE SERVICES OF YOU AND THOSE YOU EMPLOY.

25. GENERAL PROVISIONS

25.1. Governing Law. Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Agreement and the franchise relationship shall be governed by the laws of the State of Arizona (without reference to its principles of conflicts of law), but any law of the State of Arizona that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

25.2. Relationship of the Parties. You understand and agree that nothing in this Agreement creates a fiduciary relationship between you and us or is intended to make either party a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. During the Term, you must conspicuously identify yourself at your base of operations, and in all dealings with third parties,

as a franchisee of ours and the independent owner of your Business. You agree to place such other notices of independent ownership on such forms, stationery, advertising, business cards and other materials as we may require from time to time. Neither we nor you are permitted to make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other, or represent that our relationship is other than franchisor and franchisee. In addition, neither we nor you will be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized by this Agreement.

25.3. Severability and Substitution. Each section, subsection, term and provision of this Agreement, and any portion thereof, shall be considered severable. If any applicable and binding law imposes mandatory, non-waivable terms or conditions that conflict with a provision of this Agreement, the terms or conditions required by such law shall govern to the extent of the inconsistency and supersede the conflicting provision of this Agreement. If a court concludes that any promise or covenant in this Agreement is unreasonable and unenforceable: (i) the court may modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable; or (ii) we may unilaterally modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable.

25.4. Waivers. We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other. Any waiver granted by us shall be without prejudice to any other rights we may have. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant in this Agreement or to declare any breach of this Agreement to be a default and to terminate the franchise before the expiration of its term) by virtue of: (i) any custom or practice of the parties at variance with the terms of this Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement, including any mandatory specification, standard, or operating procedure; (iii) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, relating to other Apex Fun Run franchisees; or (iv) the acceptance by us of any payments due from you after breach of this Agreement.

25.5. Approvals. Whenever this Agreement requires our approval, you must make a timely written request for approval, and the approval must be in writing in order to bind us. Except as otherwise expressly provided in this Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have disapproved your request. If we deny approval and you seek legal redress for the denial, the only relief to which you may be entitled is to acquire our approval. You are not entitled to any other relief or damages for our denial of approval.

25.6. Force Majeure. Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our or your obligations results from any event of force majeure. Any delay resulting from an event of force majeure will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable under the circumstances.

25.7. Binding Effect. This Agreement is binding upon the parties to this Agreement and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement; provided, however, that the additional insureds listed in Section 16.1 and the Indemnified Parties are intended third party beneficiaries under this Agreement with respect to Section 16.1 and Section 19, respectively.

25.8. Integration. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT, EXCEPT AS PERMITTED BY SECTION 12.2 AND SECTION 25.3, BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. Any e-mail correspondence or other form of informal electronic communication shall not be deemed to modify this Agreement unless such communication is signed by both parties and specifically states that it is intended to modify this Agreement. The attachment(s) are part of this Agreement, which, together with any Amendments or

Addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Agreement. As referenced above, all mandatory provisions of the Manual are part of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contract relations, whether by agreement or by implication, other than as set forth above. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Agreement, would affect the economic terms of this bargain. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document. To the extent that any provision in the California State Addendum is inconsistent with any provision in this Agreement, the provision in the California State Addendum shall control.

25.9. Covenant of Good Faith. If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (i) this Agreement (and the relationship of the parties that is inherent in this Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may affect favorably or adversely your interests; (ii) we will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees generally (including ourselves and our affiliates if applicable), and specifically without considering your individual interests or the individual interests of any other particular franchisee; (iii) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

25.10. Rights of Parties are Cumulative. The rights of the parties under this Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Agreement will preclude any other right or remedy available under this Agreement or by law.

25.11. Survival. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement (or the Transfer of an ownership interest in the franchise) shall continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire, including, without limitation, Section 14, Section 15, Section 17, Section 19, Section 22, Section 23 and Section 25.

25.12. Construction. The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term "you" as used in this Agreement is applicable to one or more persons or an Entity, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

25.13. Time of Essence. Time is of the essence in this Agreement and every term thereof.

25.14. Counterparts. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

25.15. Notice. All notices given under this Agreement must be in writing, delivered by hand or first class mail, to the following addresses (which may be changed upon 10 business days' prior written notice):

YOU:

As set forth below your signature on this Agreement

US: Apex Fun Run, LLC
1 North 1st Street, Suite 790
Phoenix, Arizona 85004

WITH A COPY TO: Daniel Warshawsky
Warshawsky Seltzer, PLLC
9943 East Bell Road
Scottsdale, Arizona 85260

Notice shall be considered given at the time delivered by hand, or one (1) business day after sending by fax, e-mail or comparable electronic system, or three (3) business days after placed in the mail, postage prepaid, by certified mail with a return receipt requested.

The parties to this Agreement have executed this Agreement effective as of the Effective Date first above written.

FRANCHISOR:

Apex Fun Run, LLC, an Arizona limited liability company

By: _____
Name: _____
Its: _____

YOU (If you are an entity):

_____,
a(n) _____
By: _____
Name: _____
Its: _____

YOU (If you are not an entity):

Name: _____

Name: _____

Name: _____

Franchisee's Principal Business Address:

ATTACHMENT "A"
TO FRANCHISE AGREEMENT

DEFINITIONS

"*Account*" is defined in Section 14.5.

"*Agencies*" is defined in Section 22.1(viii).

"*Agreement*" is defined in the Introductory Paragraph.

"*Business*" is defined in Section 2.

"*Claim*" or "*Claims*" means any and all claims, actions, demands, assessments, litigation, or other form of regulatory or adjudicatory procedures, claims, demands, assessments, investigations, or formal or informal inquiries.

"*Competitive Business*" means any business competitive with us (or competitive with any of our affiliates or our franchisees) that: (i) provides fundraising solutions for schools; or (ii) licenses, franchises, finances or otherwise assists third parties to operate a business that provides fundraising solutions for schools.

"*Confidentiality Agreement*" means our form of Confidentiality Agreement, the most current form of which is attached to this Agreement as ATTACHMENT "E".

"*Copyrights*" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Apex Fun Run franchisees to use, sell or display in connection with the marketing and/or operation of an Apex Fun Run business, whether now in existence or created in the future.

"*Dispute*" is defined in Section 23.

"*Effective Date*" is defined in the Introductory Paragraph.

"*Entity*" means a corporation, partnership, limited liability company or other form of association.

"*Extraterritorial Sales*" is defined in Section 2.

"*General Release*" means our current form of general release of all claims against us and our affiliates and subsidiaries, and our and their respective members, officers, directors, agents and employees, in both their corporate and individual capacities.

"*Gross Revenues*" means the gross amount of all of your sales or other income from whatever source derived, from or in connection with the operation of your Business and any business conducted by your Apex Fun Run team, whether by check, cash, credit, charge account, barter, exchange, or otherwise. Gross Revenues include amounts you receive from the sale of goods and merchandise, promotional or otherwise, and for services performed by your Apex Fun Run team, together with the amount of all fundraising receipts that are paid to you. Gross Revenues will not include the amount of any: (i) sales tax, to the extent you add such taxes to the selling price and actually pay them to the taxing authority; or (ii) refunds, allowances, or discounts to customers (including coupon sales), provided you have previously included the related sales in your Gross Revenues; or (iii) fundraising receipts that are retained by the schools.

"*Improvements*" is defined in Section 18.5.

"*Indemnified Party*" or "*Indemnified Parties*" means us and each of our past, present and future owners, members, officers, directors, employees and agents, as well as our parent companies, subsidiaries and affiliates, and each of their past, present and future owners, members, officers, directors, employees and agents.

"*Intellectual Property*" means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements.

"*Interim Manager*" is defined in Section 8.5.

"Interim Term" is defined in Section 4.3.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, marketing and/or operation of an Apex Fun Run business, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manual.

"Losses and Expenses" means all compensatory, exemplary, and punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against Claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs, damages, liabilities and expenses associated with any of the foregoing losses and expenses or incurred by an Indemnified Party as an indemnifiable event.

"Managing Owner" means the Owner that you designate and we approve who is primarily responsible for the daily management and supervision of the Business. The Managing Owner must hold at least a 25% ownership interest in the franchisee Entity while serving as the Managing Owner.

"Manual" is defined in Section 6.1.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of an Apex Fun Run business, including "Apex," "Apex Fun Run," the associated Apex Fun Run logo and any other trademarks, service marks or trade names that we designate for use in an Apex Fun Run business.

"Owner" or *"Owners"* means any individual who owns a direct or indirect ownership interest in the franchise or the Entity that is the franchisee under this Agreement. "Owner" includes both passive and active owners.

"Permitted Transfer" means: (i) a Transfer from one Owner to another Owner who was an approved Owner prior to such Transfer, other than a Transfer that results in the Managing Owner holding less than a 25% interest in the franchisee Entity; and/or (ii) a Transfer to a newly established Entity for which the Owners collectively own and control 100% of the ownership interests and voting power.

"Post-Term Restricted Period" means, with respect to you, a period of two (2) years after the termination, expiration or Transfer of this Agreement; provided, however, that if a court of competent jurisdiction determines that the two-year Post-Term Restricted Period is too long to be enforceable, then the "Post-Term Restricted Period" means, with respect to you, a period of one (1) year after the termination, expiration or Transfer of this Agreement. "Post-Term Restricted Period" means, with respect to an Owner, a period of two (2) years after the earlier to occur of (i) the termination, expiration or Transfer of this Agreement or (ii) the Owner's Transfer of his or her entire ownership interest in the franchise or the Entity that is the franchisee, as applicable; provided, however, that if a court of competent jurisdiction determines that the two-year Post-Term Restricted Period is too long to be enforceable, then the "Post-Term Restricted Period" means, with respect to an Owner, a period of one (1) year after the earlier to occur of (i) the termination, expiration or Transfer of this Agreement or (ii) the Owner's Transfer of his or her entire ownership interest in the franchise or the Entity that is the franchisee, as applicable.

"Prohibited Activities" is defined in Section 15.3.

"Restricted Territory" means the geographic area within: (i) your Territory; and (ii) the assigned territory of any other Apex Fun Run franchise existing as of the Effective Date; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the "Restricted Territory" means the geographic area within your Territory.

"Sales Professional" is defined in Section 8.3.

"Successor Agreement" is defined in Section 4.1.

"System" means our proprietary and confidential system using the Marks and consisting of color schemes, layouts, designs, prizes, themes, curriculum, equipment specifications, techniques, methods and procedures we have developed for the operation of a fundraising franchise operating under the trade name "Apex Fun Run" and completing Fun Runs for schools, all of which we may periodically change, improve, update and develop further from time to time.

"Team Leader" is defined in Section 8.2.

"Term" is defined in Section 4.1.

"Territory" is defined in Section 2.

"Transfer" means any direct or indirect, voluntary or involuntary (including by judicial award, order or decree), assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of the franchise (or any interest therein), the Business (or any portion thereof) or an ownership interest in an Entity that is the franchisee, including by merger or consolidation, by issuance of additional securities representing an ownership interest in the Entity that is the franchisee, or by operation of law, will or a trust upon the death of an Owner (including the laws of intestate succession).

"We" or "us" is defined in the Introductory Paragraph.

"You" is defined in the Introductory Paragraph.

ATTACHMENT "B"
TO FRANCHISE AGREEMENT

TERRITORY

The Territory referenced in the Franchise Agreement shall consist of the geographic area comprised by the following zip codes:

[_____]

*** If there are any changes to the zip codes that define your Territory during the term of the Franchise Agreement or any renewal term, then, unless otherwise agreed to by you and us in writing, the boundaries of your Territory shall remain defined by the zip codes in effect as of the Effective Date.

ATTACHMENT "C"
TO FRANCHISE AGREEMENT
FRANCHISE OWNER AGREEMENT

[See Attached]

FRANCHISE OWNER AGREEMENT

This Franchise Owner Agreement (this "Agreement") is entered into by: (i) each of the undersigned owners of Franchisee (defined below); and (ii) the spouse of each such owner, in favor of Apex Fun Run, LLC, an Arizona limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement. Each signatory to this Agreement is referred to as "you".

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"*Competitive Business*" means any business competitive with us (or competitive with any of our affiliates or our franchisees) that: (i) provides fundraising solutions for schools; or (ii) licenses, franchises, finances or otherwise assists third parties to operate a business that provides fundraising solutions for schools.

"*Copyrights*" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Apex Fun Run franchisees to use, sell or display in connection with the marketing and/or operation of an Apex Fun Run business, whether now in existence or created in the future.

"*Franchise Agreement*" means the Apex Fun Run Franchise Agreement executed by Franchisee with an effective date of _____.

"*Franchised Business*" means the Apex Fun Run franchise operated by Franchisee pursuant to the Franchise Agreement.

"*Franchisee*" means _____.

"*Improvements*" means any additions, modifications or improvements to (i) the goods or services offered at an Apex Fun Run business, (ii) the method of operation of an Apex Fun Run business or (iii) any marketing or promotional ideas relating to an Apex Fun Run business, whether developed by you, Franchisee or any other person.

"*Intellectual Property*" means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements.

"*Know-how*" means all of our trade secrets and other proprietary information relating to the development, marketing and/or operation of an Apex Fun Run business, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manual.

"*Manual*" means our confidential operations manual for the operation of an Apex Fun Run business.

"*Marks*" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of an Apex Fun Run business, including "Apex," "Apex Fun Run," the associated Apex Fun Run logo and any other trademarks, service marks or trade names that we designate for use in an Apex Fun Run business.

"*Prohibited Activities*" means any or all of the following: (i) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of 2% or less in a publicly traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing (a) any of our employees or managers (or those of our affiliates or franchisees) to leave their position or (b) any contracted Apex Fun Run school to transfer their business to you or to any other person that is not then a franchisee of ours.

"*Restricted Period*" means the two (2) year period after the earliest to occur of the following: (i) the termination or expiration of the Franchise Agreement; (ii) the date on which Franchisee assigns the Franchise Agreement to another person with respect to whom neither you nor your spouse holds any direct or indirect ownership interest; or (iii) the date on which you cease to be an owner of Franchisee or your spouse ceases to be an owner of Franchisee, as applicable; provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the "Restricted Period" means the one (1) year period

after the earliest to occur of the following: (i) the termination or expiration of the Franchise Agreement; (ii) the date on which Franchisee assigns the Franchise Agreement to another person with respect to whom neither you nor your spouse holds any direct or indirect ownership interest; or (iii) the date on which you cease to be an owner of Franchisee or your spouse ceases to be an owner of Franchisee, as applicable.

"Restricted Territory" means the geographic area within: (i) Franchisee's Territory; and (ii) the assigned territory of any other Apex Fun Run franchise existing as of the date of this Agreement; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the "Restricted Territory" means the geographic area within Franchisee's Territory.

"System" means our proprietary and confidential system using the Marks and consisting of color schemes, layouts, designs, prizes, themes, curriculum, equipment specifications, techniques, methods and procedures we have developed for the operation of a fundraising franchise operating under the trade name "Apex Fun Run" and completing Fun Runs for schools, all of which we may periodically change, improve, update and develop further from time to time.

2. Background. In your capacity as an owner of Franchisee, or the spouse of an owner of Franchisee, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In addition, you understand that certain terms of the Franchise Agreement apply to "owners" and not just Franchisee. You agree to comply with the terms of this Agreement in order to: (i) avoid damaging our System by engaging in unfair competition; and (ii) bind yourself to the terms of the Franchise Agreement applicable to owners.

3. Brand Protection Covenants.

(a) Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the Franchised Business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer an owner of Franchisee or your spouse is an owner of Franchisee, as applicable. You further agree that you will not use the Intellectual Property for any purpose other than the development and operation of the Franchised Business pursuant to the terms of the Franchise Agreement and Manual. You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize, and sublicense the same.

(b) Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are an owner of Franchisee or while your spouse is an owner of Franchisee, as applicable, by engaging in any Prohibited Activities.

(c) Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to schools that are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the prohibited activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach).

(d) Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., parent, sibling, child, or

grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

(e) Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.** Although you and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic are, we may at any time unilaterally modify the terms of the system protection covenants in Section 3 of this Agreement, upon written notice to you, by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under Section 3 of this Agreement to ensure that the terms and covenants are enforceable under applicable law

(f) Breach. You agree that failure to comply with the covenants in this Section 3 will cause substantial and irreparable damage to us and/or other Apex Fun Run franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. In addition to the remedies above, you must pay us a fee equal to our then-current initial franchise fee for each Competitive Business operated in violation of this Agreement, plus 8% of the gross revenues generated by such Competitive Business during the period of time that you held an interest in such Competitive Business in violation of this Agreement. None of the remedies available to us under this Section are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

4. Transfer Restrictions. If you are an owner of Franchisee, you acknowledge that we must approve all persons who hold a direct or indirect ownership interest in Franchisee. Accordingly, you agree that you will not, directly or indirectly or by operation of law, sell, assign, mortgage, pledge or in any manner transfer any direct or indirect ownership interest in Franchisee except in accordance with the terms and conditions set forth in Section 20.2 or Section 20.3, as applicable, of the Franchise Agreement.

5. Financial Security. In order to secure Franchisee's financial obligations under the Franchise Agreement and all ancillary agreements executed by Franchisee in connection with the Franchise Agreement, including, but not limited to, any agreement for the purchase of goods or services from us or an affiliate of ours and any promissory note related to payments owed to us (collectively, the "Secured Agreements"), you, jointly and severally, personally and unconditionally: (a) guarantee to us and our successor and assigns, that Franchisee shall punctually fulfil all of its payment and other financial obligations under the Secured Agreement; and (b) agree to be personally bound by, and personally liable for, each and every monetary provision in the Secured Agreements. You waive: (1) acceptance and notice of acceptance by us of the foregoing undertakings; (2) notice of demand for payment of any indebtedness guaranteed; (3) protest and notice of default to any party with respect to the indebtedness guaranteed; (4) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed. You agree that: (1) your direct and immediate liability under this guaranty shall be joint and several with Franchisee and all other signatories to

this Agreement; (2) you will render any payment required under the Secured Agreements upon demand if Franchisee fails or refuses punctually to do so; (3) your liability shall not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (4) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or to any other person, including 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 guarantee, which shall be continuing and irrevocable during the term of each of the Secured Agreements and following the termination, expiration or transfer of each of the Secured Agreements to the extent any financial obligations under any such Secured Agreements survive such termination, expiration or transfer. This guaranty will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Secured Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

6. Dispute Resolution. Any dispute between the parties relating to this Agreement shall be brought in accordance with the dispute resolution procedures set forth in the Franchise Agreement. Notwithstanding the foregoing, if any of the dispute resolution procedures set forth in the Franchise Agreement conflict with any of the terms of this Agreement, the terms of this Agreement shall prevail. **You acknowledge and agree that a breach of this Agreement by you shall constitute a material event of default under the Franchise Agreement, permitting us to terminate the Franchise Agreement in accordance with the terms thereof.**

7. Miscellaneous.

(a) If either party hires an attorney or files suit against the other party in relating to an alleging a breach of this Agreement, the losing party agrees to pay the prevailing party's reasonable attorneys' fees and costs incurred in connection with such breach.

(b) This Agreement will be governed by, construed and enforced under the laws of Arizona and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

(d) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

(e) You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Franchise Agreement and any such delivery shall be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice shall be delivered in the manner and to the address listed in the Franchise Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date or dates set forth below.

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

ATTACHMENT "D"
TO FRANCHISE AGREEMENT
ACH AUTHORIZATION FORM

[See Attached]

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name

Business No.

Franchisee Mailing Address (street)

Franchisee Phone No.

Franchisee Mailing Address (city, state, zip)

Contact Name, Address and Phone number (if different from above)

Franchisee Fax No.

Franchisee E-mail Address

Bank Account Information:

Bank Name

Bank Mailing Address (street, city, state, zip)

Bank Account No. ☐ Checking ☐ Savings
(check one)

Bank Routing No. (9 digits)

Bank Mailing Address (city, state, zip)

Bank Phone No.

Authorization:

Franchisee hereby authorizes Apex Fun Run, LLC ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____

Date: _____

Name: _____

Its: _____

Federal Tax ID Number: _____

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

ATTACHMENT "E"
TO FRANCHISE AGREEMENT
CONFIDENTIALITY AGREEMENT

[See Attached]

CONFIDENTIALITY AGREEMENT

This Agreement (this "Agreement") is entered into by the undersigned ("you") in favor of Apex Fun Run, LLC, an Arizona limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Copyrights" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Apex Fun Run franchisees to use, sell or display in connection with the marketing and/or operation of an Apex Fun Run business, whether now in existence or created in the future.

"Franchisee" means the Apex Fun Run franchisee for whom you are a partner, member, officer, director, employee or independent contractor.

"Improvements" means any additions, modifications or improvements to (i) the goods or services offered at an Apex Fun Run business, (ii) the method of operation of an Apex Fun Run business or (iii) any marketing or promotional ideals relating to an Apex Fun Run business, whether developed by you, Franchisee or any other person.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, marketing and/or operation of an Apex Fun Run business, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manual.

"Manual" means our confidential operations manual for the operation of an Apex Fun Run business.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of an Apex Fun Run business, including "Apex," "Apex Fun Run," the associated Apex Fun Run logo and any other trademarks, service marks or trade names that we designate for use in an Apex Fun Run business.

"System" means our proprietary and confidential system using the Marks and consisting of color schemes, layouts, designs, prizes, themes, curriculum, equipment specifications, techniques, methods and procedures we have developed for the operation of a fundraising franchise operating under the trade name "Apex Fun Run" and completing Fun Runs for schools, all of which we may periodically change, improve, update and develop further from time to time.

2. Background. You are a partner, member, officer, director, employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Know-How and Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the Apex Fun Run business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a partner, member, officer, director, employee or independent contractor of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

4. Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild).

You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

5. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

6. Breach. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Apex Fun Run franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

7. Miscellaneous.

(a) If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

(b) This Agreement will be governed by, construed and enforced under the laws of Arizona and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

[Signature page follows]

This Confidentiality Agreement is executed as of the date set forth below.

RESTRICTED PARTY

By: _____

Name: _____

Date: _____

By signing below, I hereby affirm that I witnessed the person named above execute this Agreement on the date set forth below his or her name.

WITNESS

By: _____

Name: _____

Date: _____

ATTACHMENT "F"
TO FRANCHISE AGREEMENT
STATE ADDENDUM

None.

EXHIBIT "C"
TO DISCLOSURE DOCUMENT
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[See Attached]

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EXHIBIT "D"
TO DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

Part A (Current Franchisees)

Territory(ies)*		Address	Phone	Owner Name(s)
State	City			
Arizona	Phoenix/Tucson/Flagstaff	793 E. Maria Lane Tempe, Arizona 85284	(480) 242-1932	Chris Stewart
California	Fresno/Bakersfield	4037 Chessa Lane Clovis, California 93619	(559) 901-0011	Kim Fletcher
California	Los Angeles	2395 Chiquita Lane Thousand Oaks, California 91362	(310) 403-9951	Ron & Christina Evans
California	Orange County/Temecula	45624 Jaguar Way Temecula, California 92592	(408) 550-0187	Aaron Retford
California	Riverside	23410 Farnham Lane Murrieta, California 92562	(562) 221-5392	Rob & Laci Dallaire
California	San Diego	1880 Froude St. San Diego, California 92107	(408) 621-2244	Casey Furtado
California	San Francisco & Bay Area	1930 Greenfield Ave Los Angeles, California 90025	(952) 240-1341	Mark Madsen
California	Santa Barbara	2686 Hemlock Ave. Morro Bay, California 93442	714-210-9505	Spencer Hollison
California/Nevada	Sacramento/San Diego/Las Vegas	7202 W. Melinda Lane Glendale, Arizona 85308	(602) 321-3721	Kim & Jason Freid
Colorado	Denver	7887 E. Bellevue Ave., #1100 Englewood, Colorado 80111	(720) 724-0954	Mark & Yvonne Whitney
Colorado	Colorado Springs	1306 Chesham Circle Colorado Springs, Colorado 80907	406-570-5037	Kisti Felps
Connecticut	Danbury	7 Ward Drive Danbury, Connecticut 06810	(203) 240-3739	Adam & Shannon Horosky
Florida	Coral Springs	10820 NW 33rd Street Coral Springs, Florida 33065	954-579-5208	Ed Dunne
Illinois	Elgin	1240 Sarasota Dr. Pingree Grove, Illinois 60140	847-845-1179	Drew McCurdy
Kansas/Missouri**	Kansas City	8012 Meadow Lane Leawood, Kansas 66206	(480) 203-5336	Sarah Powell
Minnesota	Minneapolis	4208 Christy Lane Minnetonka, Minnesota 55345	(612) 310-6685	Cinnamon & Steve Glassbrenner
Nevada**	Reno	1320 Thompson Street Carson City, Nevada 89703	775-750-1791	Robyn Ball

Territory(ies)*		Address	Phone	Owner Name(s)
State	City			
New Jersey	NE New Jersey	214 Lorraine Ave Mount Vernon, New York 10552	914-879-4442	Justin Harris
New Jersey	Bordentown	10 Oakbourne Court Bordentown, New Jersey 08505	609-915-6992	Donna O'Connor- Keil
Tennessee	Clarksville	1289 Chinook Circle Clarksville, Tennessee 37042	706-987-7375	Major Robinson
Tennessee/Georgia	Chattanooga/ Knoxville/ Rome	3608 Lerch St. Chattanooga, Tennessee 37411	(423) 693-7485	Todd & Nancy Culver
Texas**	Fort Worth/San Antonio	2104 Simiford St. Fort Worth, Texas 76131	(817) 688-8436	Nathan Hesselgrave
Texas	Houston	119 Fairfield Drive Montgomery, Texas 77356	(832) 275-2836	Shawn & Michelle Fuller
Utah	Salt Lake City	7904 Showcase Lane Sandy, Utah 84094	(801) 792-5113	Susie Carlson
Virginia	Richmond	3216 Trillium Place Glen Allen, Virginia 23060	(804) 241-2615	Don Goding
Virginia	Virginia Beach	1709 Rally Dr. Virginia Beach, Virginia 23454	757-348-5857	Michael Katz
Washington***	Seattle	516 Glen Ave. Snohomish, Washington 98290	(509) 220-8636	Scott Donnell & Curran Scott

* Some franchisees operate multiple territories from a single location (although a separate franchise agreement is executed for each territory). For purposes of clarity, each territory is separately referenced in Item 20 of the Franchise Disclosure Document as a separate outlet.

**These franchisees operate multiple territories, and each also operates a partial territory. For purposes of clarity, each of these partial territories are referenced in Item 20 as a single outlet.

*** This franchisee operates our affiliate Apex Fun Run business in Washington through Apex Fun Run Franchise Number 25 LLC.

Part B (Former Franchisees Who Left System During Prior Fiscal Year)

State	City	Current Business Phone or Last Known Home Phone	Owner Name(s)
California	Los Angeles	(801) 885-9913	Russ Slaugh
North Carolina	Raleigh/Durham	(919) 824-3677	Vernon Waddell
Tennessee	Nashville	(214) 335-7596	Marcus Lucas
Texas	Austin	(337) 378-7475	Ken Wilkerson

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

EXHIBIT "E"
TO DISCLOSURE DOCUMENT
FRANCHISEE DISCLOSURE QUESTIONNAIRE

[See Attached]

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know Apex Fun Run, LLC ("we" or "us), and you are preparing to enter into a Franchise Agreement for the operation of an APEX FUN RUN franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

A. REPRESENTATIONS

- | | | | |
|-------|------|-----|--|
| Yes__ | No__ | 1. | Have you received and personally reviewed the Franchise Agreement and each attachment or schedule attached to it? |
| Yes__ | No__ | 2. | Have you received and personally reviewed the Franchise Disclosure Document we provided? |
| Yes__ | No__ | 3. | Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it? |
| Yes__ | No__ | 4. | Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement? |
| Yes__ | No__ | 5. | Did you receive the Franchise Disclosure Document at least 14 calendar days before signing any agreement relating to the franchise (other than an NDA) or paying any money? |
| Yes__ | No__ | 6. | Did you receive a complete execution copy of the Franchise Agreement at least seven (7) calendar days before you signed it? |
| Yes__ | No__ | 7. | Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor? |
| Yes__ | No__ | 8. | Have you discussed the benefits and risks of developing and operating a APEX FUN RUN franchise with an existing APEX FUN RUN franchisee? |
| Yes__ | No__ | 9. | Do you understand the risks of developing and operating a APEX FUN RUN franchise? |
| Yes__ | No__ | 10. | Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs and other relevant factors? |
| Yes__ | No__ | 11. | Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated in Arizona, if not resolved informally or by mediation? |
| Yes__ | No__ | 12. | Do you understand that you must satisfactorily complete the initial training course before we will allow your franchised business to open or consent to a transfer? |

- Yes__ No__ 13. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a APEX FUN RUN franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
- Yes__ No__ 14. Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
- Yes__ No__ 15. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a APEX FUN RUN franchise will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
- Yes__ No__ 16. Do you understand that the Franchise Agreement and attachments to the Franchise Agreement contain the entire agreement between us and you concerning the franchise for the APEX FUN RUN business, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments to the Franchise Agreement will not be binding?

B. CONTACTS

You have met or spoken with certain AFR employees, and with other persons speaking on AFR's behalf, with respect to the purchase of an AFR franchise. The persons you have met or spoken with are as follows:

_____	_____
_____	_____
_____	_____

If you need additional space, please use the "Explanations" page at the end of this Statement.

You certify, by your signature at the end of this Statement, that except as listed above (and on the "Explanations" page, as applicable), you have not met or spoken with any AFR employees or other persons speaking on AFR's behalf with respect to the purchase of a AFR franchise.

C. DATES

I hereby certify that the following dates are true and correct:

1. The date of my first personal meeting with an AFR representative to discuss the possible purchase of a AFR franchise was:

_____, of the year 20__

Initials: _____

2. The date that I received the AFR Franchise Disclosure Document was:

_____, of the year 20__

Initials: _____

3. The earliest date that I delivered cash, a check, or other consideration to AFR related to the purchase of a AFR franchise was:

_____, of the year 20__

Initials: _____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

You must sign and date this Statement the same day you sign the Franchise Agreement and pay your Initial Franchise Fee.

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated _____

Dated _____

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated _____

Dated _____

EXPLANATION OF ANY RESPONSES [REFER TO QUESTION NUMBER]:

EXHIBIT "F"
TO DISCLOSURE DOCUMENT

GENERAL RELEASE

[See Attached]

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (the "Release") is made as of _____, 20__ by _____, a(n) _____ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Apex Fun Run, LLC, an Arizona limited liability company ("Franchisor," and together with Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement (the "Agreement") pursuant to which Franchisee was granted the right to own and operate a APEX FUN RUN franchise;

WHEREAS, Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee, **[enter into a successor franchise agreement]** and Franchisor has consented to such transfer **[agreed to enter into a successor franchise agreement]**; and

WHEREAS, as a condition to Franchisor's consent to the transfer **[Franchisee's ability to enter into a successor franchise agreement]**, Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent to the transfer **[Franchisor entering into a successor franchise agreement]**, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims or obligations being terminated and released hereunder. [REDACTED] represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries or related companies, divisions and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto.

Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business or their reputation.

Miscellaneous.

Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

This Release shall be construed and governed by the laws of the State of Arizona.

Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

If one or more of the provisions of this Release shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

[Signature Page Follows]

EXHIBIT "G"

TO DISCLOSURE DOCUMENT

AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
Arizona	N/A	Scott Donnell 1 North 1st Street, Suite 790 Phoenix, Arizona 85004
California	California Commissioner of Business Oversight Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 1-866-275-2677	California Commissioner of Business Oversight and CT Corporation System 818 West 7th Street, Suite 1104 Los Angeles, CA, 90017
Hawaii	Commissioner of Securities of the State of Hawaii 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, Hawaii 96813
Illinois	Illinois Attorney General Chief, Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Chief, Franchise Division 500 South Second Street Springfield, IL 62706
Indiana	Secretary of State Securities Division Room E-018 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Secretary of State Securities Division Room E-018 302 West Washington Street Indianapolis, IN 46204
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 (410) 576-6360	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202

State	State Agency	Agent for Service of Process
Michigan	Franchise Administrator Consumer Protection Division 670 Law Building Lansing, MI 48913 (517) 373-7117	Franchise Administrator Consumer Protection Division 670 Law Building Lansing, MI 48913
Minnesota	Department of Commerce Commissioner of Commerce 85 Seventh Place East, #500 St. Paul, MN 55101-3165 (651) 296-4026	Department of Commerce Commissioner of Commerce 85 Seventh Place East, #500 St. Paul, MN 55101-3165
New York	New York Attorney General Investor Protection & Securities Bureau Franchise Section 120 Broadway, 23 rd Floor New York, NY 10271 (212) 416-8236	New York State, Department of State, Division of Corporations, 99 Washington Avenue 6th floor, Albany, New York 12231
North Dakota	North Dakota Securities Department State Capitol, Fifth Floor, Dept 414 600 East Boulevard Avenue Bismarck, North Dakota 58505-0510 (701) 328-4712	North Dakota Securities Department State Capitol, Fifth Floor, Dept 414 600 East Boulevard Avenue Bismarck, North Dakota 58505-0510
Rhode Island	Department of Franchise Regulation 1511 Pontiac Avenue John O. Pastore Complex Bldg 69-1 Cranston, Rhode Island 02920 (401) 462-9527	Department of Franchise Regulation 1511 Pontiac Avenue John O. Pastore Complex Bldg 69-1 Cranston, Rhode Island 02920
South Dakota	Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-4823	Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, South Dakota 57501
Texas	Secretary of State's Office Statutory Documents Section 1019 Brazos St. (78701) P.O. Box 12887 Austin, TX 78711-2887 (512) 475-1769	Scott Donnell 1 North 1st Street, Suite 790 Phoenix, Arizona 85004
Virginia	State Corporation Commission Division of Securities and Retail Franchising 9 th Floor 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor, Richmond, Virginia 23219
Washington	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501

State	State Agency	Agent for Service of Process
Wisconsin	Department of Financial Institutions Division of Securities 201 W Washington Avenue, Suite 500 Madison, WI 53703 (608) 261-9555	Department of Financial Institutions Division of Securities 201 W Washington Avenue, Suite 500 Madison, WI 53703 (608) 261-9555

EXHIBIT "H"
TO DISCLOSURE DOCUMENT
STATE ADDENDUM

California State Addendum to Franchise Agreement and Franchise Disclosure Document

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise to be delivered together with the disclosure document.
2. Neither the franchisor nor any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
3. California Business and Professions Code 20000 through 20043 provides rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, California law will control.
4. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
5. 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.
6. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
7. The franchise agreement requires binding arbitration. The arbitration will occur at Phoenix, Arizona with each party agreeing to share equally all arbitration costs that are part of the arbitration award. Otherwise each party shall bear its own attorneys' fees, expert witness fees and other court or arbitration costs incurred in connection with any arbitration or other legal action between you and us.
8. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
9. The franchise agreement requires application of the laws of Arizona. This provision may not be enforceable under California law.
10. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
11. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).
12. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at <http://www.dbo.ca.gov>.

[Signature Page Follows]

FRANCHISOR

Apex Fun Run, LLC, an Arizona limited liability company

By: _____

Name: _____

Title: _____

[Date]

FRANCHISEE

[Signature]

[Print Name]

[Date]

EXHIBIT "I"
TO DISCLOSURE DOCUMENT

RECEIPTS

[See Attached]

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Apex Fun Run, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If Apex Fun Run, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "G" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are:

Jeremy Barnhart; 1 North 1st Street, Suite 790, Phoenix, AZ 85004; (855)786-2739

Colleen O'Brien; 5136 E 74th Pl, Indianapolis, Indiana 46250; (317) 849-1648

_____;

Issuance Date: _____, 2016

Apex Fun Run, LLC's agent to receive service of process is listed in EXHIBIT "G" to this Disclosure Document.

I received a Franchise Disclosure Document for the State of California that included the following Exhibits:

EXHIBIT "A"	APEX FUN RUN FRANCHISE AGREEMENT
EXHIBIT "B"	FINANCIAL STATEMENTS
EXHIBIT "C"	OPERATIONS MANUAL TABLE OF CONTENTS
EXHIBIT "D"	LIST OF FRANCHISEES
EXHIBIT "E"	FRANCHISEE DISCLOSURE QUESTIONNAIRE
EXHIBIT "F"	GENERAL RELEASE
EXHIBIT "G"	AGENCIES/AGENTS FOR SERVICE OF PROCESS
EXHIBIT "H"	STATE ADDENDUM
EXHIBIT "I"	RECEIPTS

Print Name

Date

(Signature) Prospective Franchise Owner

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Apex Fun Run, LLC.)

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Apex Fun Run, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If Apex Fun Run, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "G" to this Disclosure Document.

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Print Name

Date

(Signature) Prospective Franchise Owner

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Apex Fun Run, LLC.)

Redlined Franchise Disclosure Document

FRANCHISE DISCLOSURE DOCUMENT



Apex Fun Run, LLC
An Arizona limited liability company
1 North 1st Street, Suite 790
Phoenix, Arizona 85004
Phone: (855) 786-2739
E-Mail: info@apexfunrun.com
Website: www.apexfunrun.com

As an Apex Fun Run franchisee, you will operate a business that provides a fundraising solution for schools while developing students into leaders utilizing a proprietary two-week curriculum that includes health, fitness and leadership training.

The total investment necessary to begin operation of an Apex Fun Run franchise ranges from ~~\$60~~\$65,500 to ~~\$86~~\$98,200. This includes ~~\$44,500 to~~ \$45,500 that must be paid to us.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Jeremy Barnhart, 10225 N. 130th Way, Scottsdale, Arizona 85259, 480-347-0243, Jeremy@APEXFUNRUN.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, DC 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 be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: ~~December 21, 2015~~

1, 2016

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 "G" 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 THAT ALL DISAGREEMENTS BE SETTLED BY ARBITRATION OR LITIGATION IN ARIZONA. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE OR LITIGATE WITH US IN ARIZONA THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT ARIZONA 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. EVEN THOUGH THE FRANCHISE AGREEMENT PROVIDES THAT "HOME STATE" LAW APPLIES, LOCAL LAW MAY SUPERSEDE IT IN YOUR STATE. PLEASE REFER TO ANY STATE-SPECIFIC ADDENDUM THAT MAY BE ATTACHED TO THIS DISCLOSURE DOCUMENT FOR DETAILS.

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

Effective Date: _____, 2015~~6~~

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EXHIBITS

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ITEM 1

FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, “we,” “us” and “the Company” mean APEX FUN RUN, LLC - the franchisor. “You” means the person who buys an Apex Fun Run franchise - the franchisee, and includes your partners if you are a partnership, your shareholders if you are a corporation, and your members if you are a limited liability company.

Corporate Information and Business History

We are an Arizona limited liability company that was organized on August 1, 2012. From March 15, 2011 to July 1, 2012, our affiliate, All Star Fun Run, LLC (“AFR”) operated a business in Texas under the name “ALL STAR FUN RUN”. On July 1, 2012, AFR began doing business under the name “APEX FUN RUN”. AFR has assigned to us all rights to use the mark “APEX FUN RUN”. Our principal place of business is 1 North 1st St., Suite 790, Phoenix, Arizona, 85004 and our phone number is (855) 786-2739. Our agent for service of process is Scott Donnell, who has a principal business address located at ~~1503 W. Cheyenne Drive, Chandler, AZ 85224~~ 1 North 1st Street, Suite 790, Phoenix, Arizona 85004.

We began offering Apex Fun Run franchises in 2012. We have never offered franchises in any other line of business.

We do not directly operate an Apex Fun Run business. However, our affiliate, AFR, has operated a company-owned Apex Fun Run team since March of 2011 (initially under the name ALL STAR FUN RUN). AFR currently operates Apex Fun Runs in Phoenix, Arizona. Our other affiliate, Apex Fun Run Franchise Number 25 LLC (“Apex 25”), has operated an Apex Fun Run business in the State of Washington.

We provide team development, marketing, operational support and assistance to Apex Fun Run teams. We are not engaged in any business other than offering Apex Fun Run franchises and administering the Apex Fun Run franchise system.

Parents, Affiliates and Predecessors

We have no parent companies or predecessors. We do not have any affiliates that offer franchises in any line of business or that provide products or services to our franchisees.

The Franchise

If we award you an Apex Fun Run franchise, you will establish and operate a business that provides a fundraising solution for schools while developing students into leaders utilizing a proprietary two-week curriculum that includes health, fitness and leadership training. The franchised business you will operate is referred to in this Disclosure Document as your “Business”. You will develop one or more Apex Fun Run teams that will provide the leadership training at the schools within your territory and conduct the fun runs. Apex Fun Run teams are generally operated out of home offices. Therefore, we do not require that you lease or purchase a separate office or commercial space.

Apex Fun Run teams may utilize only products we approve. The approved product line includes a number of prizes and other items used in conjunction with the Apex Fun Run events. You will market these products through your teams. The program culminates with a positive, energetic, motivated, fundraising fun run, which is performed at/for the elementary school. The program is designed to provide leadership skills for the students as well as generate much needed funds for the school’s operations. These runs occur over a two week period, beginning with a pep rally and ending with the Fun Run. They are amazing events to energize and unify schools and provide much needed benefits to the students, parents, teachers and administrators. Revenues are generated

by donations from individuals or businesses that sponsor the students participating in the fun run event. These revenues are collected by the schools and then shared with the franchisee.

Your key personnel will include "Team Leaders" and a "Sales Professional". Your Team Leader will be responsible for directing and supervising your staff, conducting Apex Fun Runs and otherwise managing and supervising your Business. Your Sales Professional will be responsible for marketing your Business to schools. Your Managing Owner (defined in Item 15) may also serve as a Team Leader and Sales Professional although or you may hire employees or engage independent contractors to serve in these roles.

We currently have ~~three~~^{five} different Apex Fun Run programs, including "Apex Live," "Apex Flex," "~~Apex Leadership Company~~", "~~Anython~~" and "~~Apex One~~" Middle School Color Battles". Prior to 2014~~6~~, we only offered the Apex Live ~~program~~ and Flex programs.

Apex Live

Apex Live is the traditional, full-service program that raises the most money for schools. With Apex Live, a team of three athletes coordinates the entire two-week program, including live rallies, lessons, race day with jerseys for every student and staff member, prize handouts, follow up and collections. With Apex Live, the school retains between 40% to 60% of the revenues generated with the remaining balance paid to the franchisee. This is the core product for Apex Fun Run.

Apex Flex

Apex Flex is our program for lower-income schools where we still provide a hassle-free, two-week experience from rally to run. However, with Apex Flex we are able to lower our initial costs by up to 50% by providing ticker stickers instead of jerseys, automating videos to save labor, etc. In addition, 1 Apex team can serve 3 schools at the same time (an Apex team can typically only serve 1 school at a time under Apex Live). This allows us to serve over twice as many schools across America that we were not able to previously serve with the Apex Live platform. With Apex Flex, the school retains between 50% and 75% of the revenues generated with the balance paid to the franchisee.

Apex ~~One~~ Leadership Company

~~Apex One is a fully automated version of our program for schools that want to coordinate a fun run and leadership fundraiser on their own. This program includes a starter kit that has everything a school needs in order to implement Apex at their school without the presence of an Apex team. The revenues generated are smaller, but the associated costs are even less, allowing Apex to serve many other schools across the country. With Apex One, the school retains between 60% and 85% of the revenues generated with the balance paid to the franchisee.~~

Apex Leadership Company (ALC) is a monthly leadership and recess program that uses PBIS best practices to give behavior coaching to students in a fun and exciting way. PBIS stands for Positive Behavior Interventions and Supports, and all Apex employees receive this training for how to work with students. ALC is paid for by the school districts, grant money and PTO funds; schools pay for a certain amount of days per month where an Apex Athlete comes to campus to work with students from each class and coordinates the recess games. ALC is our first product for all elementary schools, including Title I schools, and it also serves as a great supporting product for Apex Live and Flex schools.

Anython

Anython is our fundraising platform for any sports team, club or group that is not an elementary school. Many

school parents request our services for more than just their school (soccer team, varsity football, youth group, sorority, etc), and Anython is our all-purpose solution for them. With Anython, we are able to help fundraise for any group activity (hit-athons, freethrow-athons, lift-athons, golf-marathons, serve-athons, etc). Each group keeps around 70-77% of the funds, and the costs to run them are very minimal. Anython is a great tool to fill in gaps in your program for after school, weekends, over breaks and during the summer.

Middle School Color Battles

Middle School Color Battles are the solution for middle schools that require a little bit different program than Apex Live and Flex. This program was created for the older middle school environment, which requires different challenges, online sharing, pay-to-play fundraising, and a unique schedule that fits with the middle school classroom schedule. The program is 2 weeks long, requires 1 Apex Athlete and it fits into the Fun Run schedule.

If we award you an Apex franchise, you must sign a franchise agreement (the “Franchise Agreement”) and operate your Business in accordance with the terms of the Franchise Agreement. We will grant you a license to use certain logos, service marks and trademarks, including the service marks “APEX,” “APEX FUN RUN,” “ANYTHON” and the associated logo shown on the cover page of this Disclosure Document (collectively, the “Marks”), in the operation of your Business. The form of Franchise Agreement is attached to this Disclosure Document as EXHIBIT "A".

We have developed a distinct and proprietary system (the “System”) for the operation of an Apex Fun Run business. Distinctive characteristics of the System include logo, color schemes, layouts, designs, prizes, themes, curriculum, equipment specifications, techniques, methods, confidential information and procedures that we have developed, all of which we may periodically change, improve, update and further develop from time to time. The operational aspects of an Apex Fun Run franchise are contained within our confidential Operating Manual (the “Manual”). You will operate your franchise as an independent business using the Marks, the System, the Apex Fun Run name, as well as the support, guidance and other methods and materials provided or developed by us.

General Market for the Product Offered

We believe that the market for school fundraising events, including Apex Fun Run products, is expanding. The rate of development, however, may vary at different times and from place to place. You will compete with other school fundraising products. Most Apex Fun Run teams may be operated throughout the year; however sales may fluctuate during the year. Some Apex Fun Run teams operate only during traditional school years. The target market for the products and services offered by our franchisees includes elementary schools, middle schools and the students who attend those schools, as well as organizations that have fundraising needs.

Laws and Regulations

You must comply with all federal and state licensing and other regulatory requirements relating to the operation of your Business. In some cases, states or local school districts may require fingerprints and background checks for you and your team members that work with the students. We are not aware of any other industry-specific laws that apply to an Apex Fun Run business. There may be other local, state and/or federal laws or regulations pertaining to your Business with which you must comply. We strongly suggest that you investigate these laws before buying this franchise.

ITEM 2 BUSINESS EXPERIENCE

President: Scott Donnell

Scott Donnell has served as our President since our inception in August of 2012. Mr. Donnell founded our Apex Fun Run affiliate, AFR, in December 2010 and remains the majority owner. He also co-founded and has served as a minority owner of our affiliate Apex 25 since June of 2014. ~~From May 2009 to May 2010, Mr. Donnell served as an Account Executive with BizExchange located in Austin, Texas.~~

Vice President of Franchise Development/CFO: Jeremy Barnhart

Jeremy Barnhart ~~became~~has served as our Vice President of Franchise Development and Chief Financial Officer since our inception in August 2012. Mr. Barnhart was previously Owner and President of Willowbrook LLC, a real estate development company located in Scottsdale, Arizona from January 2007 to June 2012.

Marketing Director: Lisa Barnhart

Lisa Barnhart is our Marketing Director and has served in that capacity since August of 2012. From January 2007 to June 2012, she was the Marketing Director for A&J Biz LLC located in Scottsdale, Arizona.

Director of Quality Control and Operations: ~~Mark Weeter~~Scott Mackowski

~~Mark Weeter~~Scott Mackowski is our Director of Quality Control and Operations and has served in that capacity since January 2016. ~~From August of 2015. From May 2003~~2006 to ~~March~~November 2015, he was the ~~Owner~~CEO of ~~Fees In The Sand, LLC~~Superior Plus Inc. located in Phoenix, Arizona.

ITEM 3 LITIGATION

IN THE MATTER OF DETERMINING whether there has been a violation of the Franchise Investment Protection Act of Washington by: APEX FUN RUN, LLC

In response to an application for franchise registration that we filed with the Securities Division of the Washington Department of Financial Institutions (the "Division") in December of 2014, the Division inquired as to the circumstances surrounding the prior sale of an Apex Fun Run business located in Washington that is jointly owned by Scott Donnell (our President) and a third party. The Division concluded that: (i) the franchise was sold at a time that a previously filed application for franchise registration was pending but not yet approved (so the offering was not registered at the time of sale); and (ii) the franchisee was not presented with a franchise disclosure document that met the requirements of Washington law (RCW 19.100.140) at least 14 calendar days prior to the execution of the franchise agreement. On April 23, 2015, we entered into a Consent Order with the Division (Order No.: S-15-1656-15-C001), pursuant to which we agreed to cease and desist from any violations of the registration and disclosure requirements of the Franchise Investment Protection Act of Washington and we agreed to pay the Division \$1,000 for the costs and expenses incurred by the Division in investigation of the matter.

Other than the 1 action listed above, no litigation is required to be disclosed in this Item. California law requires additional disclosures related to the information contained in Item 3. These additional disclosures appear in the California Addendum that is attached to this Disclosure Document as EXHIBIT "H".

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

Initial Franchise Fee

The initial franchise fee for a single franchise is ~~\$3944~~\$500, which must be paid in a lump sum at the time you sign the Franchise Agreement. If we agree, you may purchase additional franchises for the following reduced initial franchise fees, if you purchase them at the same time as you purchase your initial franchise:

- Initial or later-purchased unit - \$3944,500
- 1st additional unit (if purchased at same time as initial unit) - \$3439,500
- 2nd or additional units (if purchased at same time as initial unit) - \$2934,500

The initial franchise fee is paid for your franchise rights and covers certain of our administrative expenses incurred in granting your franchise, including brokerage fees, training costs, legal fees for preparing your Franchise Agreement and expenses related to our lost or deferred opportunities to award franchises to others. The initial franchise fee is nonrefundable and uniformly imposed on franchisees.

Equipment Purchases

~~You must purchase certain branded equipment, supplies, and other materials relating to the opening of your Business exclusively from us. These items are listed on EXHIBIT "C" to this Disclosure Document. The cost of this purchase will range from \$5,000 to \$6,000. In the future, we may allow or require that you purchase team equipment from an unaffiliated supplier. The price for equipment is uniformly imposed and nonrefundable. In addition to these items, we currently require that you purchase all inventory from us (such as prizes, teacher packages, t-shirts worn by students at Fun Runs, etc.). However, your initial inventory purchase is made after you have signed up schools so it is not paid prior to opening. Therefore, the initial amounts you must pay for inventory are disclosed in the Item 7 table but are not listed in Item 5 of this Disclosure Document. However, in 2016 our standard initial franchise fee (before adding the new programs referenced in this Disclosure Document) was: (i) \$39,500 for initial or later purchased unit; (ii) \$34,500 for a 1st additional unit (if purchased at same time as initial unit); or (iii) \$29,500 for a 2nd or additional units (if purchased at same time as initial unit).~~

ITEM 6 OTHER FEES

Type of Fee (1)	Amount	Due Date	Remarks
Royalty	8% of Gross Revenue (12% of Gross Revenues generated from sales outside your territory)	Payable on Friday for the preceding week	See Note 2.
Administrative Support Fee	\$75 per contracted school per year	On billing	See Note 3.
Product purchases	Varies based on items purchased	On billing	You must At this time you do not purchase certain any inventory, equipment, supplies, and or other materials exclusively items from us. We will provide you with updated price lists from time or an affiliate of ours. However, <u>we may require you to time-do so in the future.</u>
Additional training or support fee	Up to \$500 per person per day plus reimbursement of costs (for on-site training/support)	On billing	See Note 4.
Annual Convention / Meeting Fee	\$150 to \$300 per convention or meeting	On billing	You must attend our regional meetings and annual conventions, if, when, and where we schedule them. In addition to the fee, you are responsible for all costs incurred by you and your employees while attending.
Renewal Fee	\$5,000	On renewal	Payable when you renew.

Type of Fee (1)	Amount	Due Date	Remarks
Transfer Fee	\$5,000	On closing of transfer	Payable when you transfer or sell your franchise. Transfer fee is limited to our costs incurred for transfers to an entity you own or transfers between existing owners.
Sales Launch Fee	\$3,000	On billing (only after signing of first 2 schools)	Payable to either Franchisor or Franchisee who helps with sales launch and signing of first 2 schools in the market. See Note 5.
Management Fee	3% of Gross Revenues, plus our out-of-pocket costs	On billing	See Note 5.
Fine	Up to \$500 per incident	On billing	Payable if you fail to comply with a mandatory standard or operating procedure and you do not cure the non-compliance within the time period we require. It is also payable if you fail to submit timely reports.
Audit	Cost of Audit	On billing	Payable if audit shows an understatement of at least 5% of Gross Revenues. You must also pay any past due amount plus applicable late fees.
Late Fee	\$100 per late payment plus default interest at lesser of 1.5% per month or the maximum rate allowed by law	As incurred	See Note 6.
Non-Competition Breach	Fee equal to: (i) our then-current initial franchise fee; plus (ii) 8% of the gross revenue of any competitive business you operate in violation of our non-competition covenants for the duration of the non-competition period	On demand	Payable if you violate our in-term or post-termination non-competition covenants.
Attorney's Fees and Costs	Will vary with circumstances	Upon demand	You must reimburse us for all attorneys' fees and other costs we incur relating to your breach of any term of the Franchise Agreement or any other agreement with us or our affiliates.
Indemnification	Varies under circumstances	As incurred	You must defend us and reimburse us for all claims, obligations, and damages directly or indirectly arising out of your operations or your breach of the Franchise Agreement, except to the extent they arise as a result of our own gross negligence or willful misconduct.
Insurance	Varies	On billing	If you do not pay the insurance premiums you owe on the insurance policies we require, we may pay the premiums and charge you for the premiums we paid.

Notes:

1. Except as otherwise provided, we impose all fees and all fees are payable to us and nonrefundable. All

fees are uniformly imposed on all franchisees.

2. "Gross Revenues" means the gross amount of all of your sales or other income from whatever source derived, from or in connection with the operation of your Business and any business conducted by your Apex Fun Run team, whether by check, cash, credit, charge account, barter, exchange, or otherwise. Gross Revenues include amounts you receive from the sale of goods and merchandise, promotional or otherwise, and for services performed by your Apex Fun Run team, together with the amount of all fundraising receipts that are paid to you. Gross Revenues will not include the amount of any: (i) sales tax, to the extent you add such taxes to the selling price and actually pay them to the taxing authority; or (ii) refunds, allowances, or discounts to customers (including coupon sales), provided you have previously included the related sales in your Gross Revenues; or (iii) fundraising receipts that are retained by the schools. For purposes of paying the royalty fees, our week begins Monday and ends Sunday. You must report your weekly sales to us on Tuesday, for the preceding week. We will generally draft the royalty fees from your bank account on Friday. You must pay the royalty fees by electronic funds transfer or by other means that we specify. We may periodically specify other dates for reporting and payment of the royalty fees.
3. You agree to pay us the administrative support fee for each school that you contract with. The fee is payable once per year for each contracting school and is due the month in which you are scheduled to conduct the Apex program at the school. In exchange for this fee, our support personnel will provide you with a variety of administrative services, including answering all email inquiries sent to our website to ensure timely responses, consistent messaging and accurate information (rather than forwarding the emails to you to respond to), assisting with uploading of new employee data, obtaining employee background checks, etc.
4. You may request, or we may recommend or require, additional training. We may provide the training in Phoenix, Arizona or another location we designate. We may also provide special support beyond what is required under the Franchise Agreement. We may charge you the daily fee for all training (other than our pre-opening initial training program) and special support that we provide. If we provide on-site training or support, you must also reimburse us for all costs incurred by our representative for meals, travel and lodging. You are responsible for all expenses and costs that your trainees incur for training, including wages, travel, living expenses, fringe benefits and salary expenses.
- ~~5~~ 5. We will provide you with a sales launch consultant who will make 2 visits to your market to help you launch your sales efforts through drop byes, launch lunches or sales meetings in an effort to get your first schools signed quickly. The consultant may either be a representative of ours or a veteran franchisee. We will pay for the travel costs and initial payment to the consultant. At the time you sign your first 2 schools, you will pay the consultant the \$3,000 sales launch fee.
6. If you either abandon the Business or fail to comply with any provision of the Franchise Agreement and do not cure the failure within the time period we specify in our notice to you, we may, but are not required to, assume management of the Business. If we manage your Business, we may do so for any period of time we believe is appropriate, and you must pay us, in addition to the Royalty Fee, a management fee of 3% of the Gross Revenues generated by the Business plus our out-of-pocket costs.
- 6 7. If you fail to make any payment when due, you must pay us a late fee of \$100 per late payment plus default interest at the rate specified above. In addition, you must pay us an additional \$50 NSF fee for each electronic funds transfer returned for non-sufficient funds and for each check or draft returned for non-sufficient funds. The NSF fee is payable only if your electronic funds transfer from your depository account or any check you remit to us is returned for non-sufficient funds.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee ²	\$3944,500	Lump sum	On signing	Us
Vehicle ³	\$0 to \$3,000	Monthly lease payments	Monthly	Suppliers
Trailer ⁴	\$1,000 to \$2,000	Lump sum	Before opening	Suppliers
Computer system ⁵	\$0 to \$1,000	Lump sum	Before opening	Suppliers
Other equipment ⁶	\$8,000 to \$10,000	Lump sum	Before opening	Us and suppliers
Storage ⁷	\$0 to \$200	Monthly	Before opening and monthly	Suppliers
Marketing ⁸	\$1,500 to \$46,000	As incurred	As incurred	Third parties
Opening Inventory ⁹	\$5,000 to \$4015,000	Lump sum	As incurred (after contracting with schools)	Us/Suppliers
Insurance premiums ¹⁰	\$500 to \$3,500	As arranged	As incurred	Insurance company/ Agent
Professional services fees ¹¹	\$0 to \$3,000	As arranged	As incurred	Professionals
Travel and living expenses during training ¹²	\$2,000 to \$5,000	As arranged	As incurred	Third parties
Additional funds (for 3 months) ¹³	\$3,000 to \$5,000	As incurred	As incurred	Third parties
Total Estimated Initial Investment ¹⁴	\$6065,500 \$8698,200			

Notes:

- We do not offer direct or indirect financing for any of these items. None of the fees payable to us are refundable. We are unaware of any fees payable to third party suppliers that are refundable.
- If we agree, you may purchase additional franchises for the following reduced initial franchise fees, if you purchase them at the same time as you purchase your initial franchise:
 - Initial or later-purchased unit - ~~\$3944,500~~
 - 1st additional unit (if purchased at same time as initial unit) - ~~\$3439,500~~
 - 2nd or additional units (if purchased at same time as initial unit) - ~~\$2934,500~~
- You will need to have access to a vehicle to travel to schools and Apex Fun Run events. You may own or lease this vehicle or you may rent it on a temporary basis. We do not have any standards or specifications for your vehicle. However, you must have a tow package to enable you to tow your trailer to fun run events. The low estimate assumes you already have an adequate vehicle (in which case you will not incur any additional expense) while the high estimate assumes you will lease a new or used vehicle and includes the initial down payment and first 3 months of lease payments.
- You will need to purchase a trailer that meets our standards and specifications. You will use the trailer to transport prizes, equipment and other supplies to schools and Apex Fun Run events. At this time, we do not require wraps (i.e., branded decals) for your vehicle or trailer.

5. You must purchase a computer system that meets our standards and specifications. Because our standards and specifications are minimal, we assume most franchisees will already have a satisfactory computer system. We do not require that you purchase any specialized software other than Google Docs and Google Calendar (which do not require any additional cost).
6. This estimates your expenses for the equipment that you will need to purchase to run an event. ~~Some of this equipment must be purchased from us, including the items listed in EXHIBIT "C" (the cost of this purchase ranges from \$5,000 to \$6,000). Other equipment is purchased from third party suppliers, including, such as Apex Tunnels, Apex orange and blue flags, checkered flags, bang sticks, banners, beach balls, Apex Fun Run pens, Apex team shirts, Apex themed suits, speakers and stands, sound board, microphones and cables, extension cords, cones and saucers, water jugs, tents, clipboards, tables prize cards and collection bins (the cost of this purchase ranges from \$3,000 to \$4,000).~~
7. Some franchisees store their inventory of prizes and equipment at their homes while others choose to store these items at a separate storage facility. The low estimate assumes you store these items in your home while the high estimate assumes you choose to purchase storage space.
8. You should expect to spend \$1,500 to \$46,000 in marketing to launch your new territory. This may be spent with luncheons, dropping off Starbucks at schools, or a variety of other ideas which are included in the Manual. This investment will vary based on your decisions of types of events planned and the amount you choose to spend on each. We will provide a sales launch partner who may be a representative of ours or may be an assigned veteran Franchisee, who will be paid \$3,000 upon signing of your first 2 schools. We do not require that you spend any minimum amount of money on local marketing. We also do not require that you contribute to a marketing fund or participate in a marketing cooperative.
9. The initial inventory for an Apex Fun Run franchise includes various prizes for students, packages for teachers, and t-shirts provided to students for the Fun Runs. As with any business, you will purchase inventory continuously as long as you operate your Business. You will be invoiced monthly for the items that are necessary for your next month's schools based on the number of students and percentage of free and reduced lunch for those schools.
10. Before you open your Business, you must obtain certain insurance coverages that we require, with coverage limits, endorsements, and other terms and conditions we require. Our insurance underwriter has provided us with estimates of the costs for the insurance we require; however, insurance costs vary widely and depend on a number of factors, including without limitation the carrier you choose, the amount of your deductibles, the area where your Business is located, the number of persons you employ, and your insurer's evaluation of the risk of insuring you. As a result, you should consult your own insurance broker to review the estimates. The low estimate above assumes you pay premiums on a semi-annual basis while the high estimate assumes you pay the full annual premium up front.
11. You should retain the services of an attorney and other consultants to advise and assist you in entering into the agreement(s), forming a business entity and purchasing and establishing your Business. However, our experience has shown that some franchisees choose not to hire a professional for these purposes.
12. This item estimates the expenses you will incur in attending the "hands on" portion of our initial training program, which lasts approximately 5 to 7 days. The remainder of our initial training program is conducted remotely. You will need to arrange for transportation, food and lodging for your designated attendees. The costs you incur will depend on the distance you must travel and the type of accommodations you choose. The low estimate assumes 4 people attend training and you choose lower

then-current criteria. We do not charge you any fee associated with our review of a supplier.

Current Source Restricted Items

As described below in more detail, we currently require that you purchase or lease the following source restricted goods and services: inventory, vehicle and trailer, equipment, signs and marketing materials, computer equipment, insurance and in certain limited circumstances, bookkeeping services. We estimate that nearly 90% of the total purchases and leases that will be required to establish your Business and 80% of your ongoing operating expenses will consist of source restricted goods or services.

Inventory

All of your inventory, including prizes for students, packages for teachers and t-shirts provided to students for Fun Runs, must meet our standards and specifications. You must purchase these items only from approved or designated suppliers. ~~We are currently may designate ourselves or an affiliate as the exclusive supplier for these items although we may allow or require you to purchase these items from an unaffiliated supplier in the future.~~ You may not utilize any inventory items that we have not approved.

Vehicle and Trailer

You must purchase, lease or rent on a temporary basis a vehicle and trailer that you will use to transport inventory and equipment to the schools. Your vehicle must have a tow package to allow you to connect your trailer. We have no other standards or specifications for your vehicle and you may purchase, lease or rent your vehicle from any supplier of your choosing. You must also purchase a trailer that must meet our standards and specifications (essentially dimensions and storage capacity). You may purchase your trailer from any supplier of your choosing.

Equipment

All of your equipment must meet our standards and specifications. We may require that you use certain brands of equipment for certain items. ~~SomeYour equipment, including the items listed in EXHIBIT "C" to this Disclosure Document, must be purchased exclusively from us. Other equipment must be purchased from unaffiliatedfrom third party suppliers that we approve or designate. We may designate ourselves or an affiliate as an exclusive supplier for equipment in the future.~~

Signs and Marketing Material

All of your signs and marketing materials must comply with our standards and requirements. We must approve all of your marketing materials before you use them. You must purchase all signs and branded marketing materials exclusively from us, although we may allow or require you to purchase these items from an unaffiliated supplier in the future.

Computer Equipment

Your computer must meet our standards and specifications. You must purchase all software that we specify. You may purchase your computer hardware and software from any supplier of your choosing.

Insurance Policies

You must obtain the insurance coverage that we require from time to time (whether in the Franchise Agreement or in the Manual). You must purchase these policies from a carrier rated "A" or better by Alfred M. Best and

Company Inc. The required coverage currently includes: commercial general liability insurance, including products liability and contractual liability, with minimum liability protection of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; automobile liability and property damage insurance containing minimum liability protection of \$1,000,000 combined single limit per occurrence (for all vehicles owned, leased, rented or used by you in your Business); workers' compensation (coverage B) as required by law; and any other limits and coverage that we periodically require. The required coverage and policies are subject to change. All insurance policies must be endorsed to: (i) name us (and our members, officers, directors, and employees) as additional insureds; (ii) contain a waiver by the insurance carrier of all subrogation rights against us; and (iii) provide that we receive at least 30 days' prior written notice of the termination, expiration, cancellation or modification of the policy. You must also obtain and maintain unemployment compensation, disability insurance, social security, and other insurance coverages required by law.

Bookkeeping Services

If you default on your obligations under the Franchise Agreement related to late payment of any amounts you owe us, or related to late or inadequate reporting, we may, in addition to any of our other rights under the Franchise Agreement, require you to obtain third-party accounting or bookkeeping services from a party we designate for a period of 12 months from the date of each notice of default, regardless of whether you cured the prior default. We do not otherwise require that you purchase accounting or bookkeeping services from approved or designated suppliers.

Purchase Agreements

~~We have negotiated purchase agreements with suppliers, including price terms, that allow us to purchase for certain items (you must purchase, including prizes, equipment and supplies), in bulk at discounted prices and resell them to you at our cost plus a reasonable markup for our service, which will not exceed 20% of the cost of the item. Your total cost to purchase the items from us (including with the markup) will not exceed your total cost to purchase the items directly from the supplier without the benefit of our group purchasing power. Our current designated supplier for all equipment and inventory items you purchase (other than non-branded items) pays us an administrative fee equal to 20% of the purchase price for these items.~~

~~In the future, we may instead attempt to negotiate relationships with other suppliers to enable our affiliates and franchisees to purchase certain other items directly from the third party suppliers at the discounted prices that we negotiate. If we succeed, you will be able to purchase these items at the discounted prices that we negotiate (less any rebates or other consideration paid to us).~~

There are no purchasing cooperatives, although we reserve the right to establish one or more purchasing cooperatives in the future. You do not receive any material benefits for using designated or approved suppliers other than having access to any discounted pricing that we negotiate.

Franchisor Revenues from Source Restricted Purchases

~~We are currently~~At this time, neither we nor any affiliate of ours is a designated or approved supplier for any required purchases or leases by franchisees. In prior years, we were the exclusive supplier for your inventory items, the equipment listed in EXHIBIT "C" to this Disclosure Document, as well as certain signs and branded marketing materials, equipment and supplies that franchisees were required to purchase. However, we outsourced this function to an unaffiliated third party supplier. We may designate ourselves as an approved or designated supplier for other certain items in the future. No persons affiliated with us are currently approved suppliers. There are no approved or designated suppliers (other than us) in which any of our officers owns an interest.

We may receive rebates, payments or other material benefits from suppliers based on franchisee purchases and we have no obligation to pass them on to our franchisees or use them in any particular manner unless we have agreed with a supplier to use them in a particular manner.

Our total revenues during the fiscal year ended June 30, 2015~~6~~ were \$2,869,133~~3~~\$. During the fiscal year ended June 30, 2015~~6~~, we received a total of \$1,490,748\$ in revenue from franchisee purchases from designated or approved suppliers (including purchases from us), which represents 52% % of our total revenues.

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 other items in this Disclosure Document.

OBLIGATION	SECTIONS IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Not Applicable	Items 7 & 11
b. Pre opening purchases/leases	Section 6.3, 7.1, 12.6 & 16.1	Items 5, 7, 8 & 11
c. Site development and other pre opening requirements	Section 7.3	Item 6, 7 & 11
d. Initial and ongoing training	Section 5	Items 6 & 11
e. Opening	Section 7.3	Item 11
f. Fees	Section 4.2, 5.8, 6.6, 6.8, 12.6, 12.8, 12.10, 14, 15.8, 16.1, 17.2 & 20.2	Items 5 & 6
g. Compliance with standards and policies/Operating Manuals	Section 6.1, 11.1, 12 & 18.1	Items 11, 14 & 16
h. Trademarks and proprietary information	Section 18	Items 13 & 14
i. Restrictions on products/services offered	Section 12.3	Item 16
j. Warranty and client service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Section 13	Item 12
l. Ongoing product/service purchases	Section 12.6	Items 6 & 8
m. Maintenance, appearance and remodeling requirements	Section 12.7	Item 11
n. Insurance	Section 16.1	Items 6, 7 & 8
o. Advertising	Section 11	Items 6, 7 & 11
p. Indemnification	Section 19	Item 6
q. Owner's participation/ management/staffing	Section 8	Items 11 & 15
r. Records/reports	Section 16.2 & 16.3	Item 6
s. Inspections/audits	Section 17	Items 6 & 11
t. Transfer	Section 20	Item 17
u. Renewal	Section 4	Item 17
v. Post termination obligations	Section 22	Item 17
w. Non competition covenants	Section 15	Item 17

OBLIGATION	SECTIONS IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
x. Dispute resolution	Section 23	Item 17
y. Franchise Owner Agreement (brand protection covenants, transfer restrictions and financial assurance for owners and spouses)	ATTACHMENT "C"	Item 15

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee any of your notes, leases or obligations.

ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Before you open your Franchise, we will:

(1) Provide you with our "System Standards" that you must use or satisfy before you open your Business. The System Standards may include minimum standards for: (i) communications with schools; (ii) completion of Fun Run; (iii) rebooking of schools; (iv) other items of equipment required for the operation of the Business; (v) financial performance; (vi) leadership training curriculum; (vii) other matters as we deem appropriate. (Section 12.1 & 12.2)

(2) Provide you with the Fun Run Theme that was developed for the current school year that may be used in advertising. We do not pay for any advertising and must approve any advertising before it is used. The theme and prizes are only for the current school year and are not allowed to be used in any subsequent school year, as we develop a new theme, curriculum and prizes each year for you, which helps you rebook schools. (Section 6.2)

(3) Provide you with the names and contact information of any suppliers you are required or authorized to use to supply you with products or services complying with System Standards. (Sections 12.2)

(4) Provide our initial training program. (Section 5.1) See section below entitled "Training Program" for additional information.

(5) Loan you one copy of, or provide you with electronic access to, the Manual. The Manual may consist of printed manuals, computerized documents or software, information we provide on the internet or an extranet, audiotapes, videotapes, or any other medium we adopt periodically for use with the Apex Fun Run System and designate as part of the Manual. (Section 6.1) The Table of Contents of the Manual (including the total number pages of the Operations Manual) is attached to this disclosure document as EXHIBIT "C".

~~(6) Provide you with all items listed in EXHIBIT "C", which includes the necessary branded equipment to run your events that you must purchase from us. (Section 7.1)~~

During the operation of your Franchise, we will:

(1) Provide your Managing Owner, Team Leader and Sales Professional with additional training or retraining, at a location and time convenient for us. (Section 5)

~~(2) Provide you with one day of local sales support at meetings you have scheduled with~~

~~decision makers at a minimum of 3 schools in your territory. You must have at least 3 confirmed meetings scheduled for us to come help you make a sale. a sales launch consultant, who will make 2 visits to your market to help you launch your sales efforts through drop byes, launch lunches or sales meetings in an effort to get your first schools signed quickly. We will pay for travel costs and initial payment to consultant, who may be a representative of ours or a veteran Franchisee, and you will pay them \$3,000 once your first 2 schools are signed. If you require additional local sales support, you will pay us in advance: (i) a standard fee (\$500/day) and (ii) all travel expenses (flights, hotel, meals, transportation). (Section 6.4)~~

(3) At our discretion, provide you with on-site visits and consultation by an Area Representative or an Apex Fun Run Franchise Business Consultant for 2 days during one of your first events (Pep rally or Teacher huddle or Theme day or Race day) held during the first 90 days of operation. (Section 6.5)

(4) Provide you with the prizes and supplies you have purchased from us for your Fun Run events. (Section 6.3)

(5) Provide you reasonable periodic advice and assistance in the ongoing operation of the Business to the extent we determine such advice and assistance is necessary. (Section 6.7) Our assistance may include advice and guidance on: (i) methods of signing schools; (ii) training your employees; (iii) advertising and promotional programs; and (iv) administrative, bookkeeping, accounting, and general operating procedures. We may provide our assistance in the Manual, in periodic updates or in bulletins, in emails, in extranet postings, or as we otherwise distribute information to the Apex Fun Run System generally. We will not charge you for this operating assistance; however, we may charge you a reasonable fee (up to \$500 per day) for special operating assistance that we determine is necessary due to your failure to comply with the Franchise Agreement or System Standards, or special operating assistance you request in excess of the assistance we normally provide. (Section 5.8)

(6) Evaluate suppliers you propose to use and the products, services, supplies, or materials they offer. (Section 12.6)

We are not obligated to provide you with any supervision, assistance, or services related to the ongoing operation of your Business, except as described above and in the Franchise Agreement. We may, however, voluntarily provide you with services, which we may add to, delete from, or modify at our discretion. We may delegate any of our obligations under the Franchise Agreement or any other agreement to any of our designees, employees, or other authorized entities, as we deem appropriate.

Advertising and Marketing (Section 11)

We do not require that you spend any minimum amount of money on local marketing of your Business. We will provide you with marketing techniques and strategies in the Manual and during initial training. We will also create and make available to you advertising and marketing materials for your purchase. In the future, we may make these materials available over the Internet (in which case you must arrange for printing the materials and paying all printing costs). Alternatively, we may enter into relationships with third party suppliers who will create the advertising or marketing materials for your purchase.

You will also have an opportunity to create advertising for your own use, provided we approve it in advance. You may not use any advertising materials that have not been approved by us. You must submit to us any advertising materials that you prepare or modify and we will have 30 days to review and either approve or reject the materials. Our failure to disapprove any advertising materials within the 30-day period will constitute our approval of the materials. We may disapprove of advertising materials we previously approved and you must stop using them within 3 days after notice from us.

At this time, we do not allow our franchisees to maintain their own websites or market their Apex Fun Run businesses on the Internet. Therefore, you may not maintain a website, conduct e-commerce, or otherwise maintain a presence or advertise on the Internet or any other public computer network. If we change our policy at a later date to allow franchisees to maintain their own websites or market on the Internet, you may do so only if you comply with all of the website and Internet requirements that we specify. In that case, we may require that you sign an amendment to the Franchise Agreement or a separate Internet usage agreement that will govern your ability to maintain a website and/or market on the Internet.

You may market your Business through approved social media sites, but you must comply with any social media policy that we adopt from time to time.

We have not established, and you are not required to contribute to, a marketing fund or marketing cooperative. We are not required to spend any of our funds on marketing in your territory.

Computer Systems

You are required to purchase a computer system (your “Computer System”) that consists of the following items: 1) late model desktop or laptop with Microsoft Windows XP or the current Microsoft Operating System or MAC, Microsoft Office 2003 (Word, Excel, PowerPoint) or better, Google docs and Google Calendar. The Computer System will generally be used to communicate with us via email, receive electronic information that we send, utilize the Internet, store and print business documents and forms, record operating data and appointments, schedule events and appointments and prepare operational reports. Your Computer System will collect basic operational data, such as contact information for schools, inventory data and operational data. We will not have independent access to the data collected on your Computer System. However, we may inspect your Computer System and access the data as part of an inspection.

We estimate the cost of your Computer System will range from \$500 to \$1,000. However, we anticipate most franchisees will already own an adequate computer system, in which case no additional cost will be incurred. There is no cost for using Google Docs or Google Calendar. We estimate you will pay between \$20 and \$50 per month for Internet access. You must also, at your cost, maintain membership in a designated third party network and maintain an active email account as assigned by us at a cost of approximately \$5/month/user (i.e. Joe@apexfunrun.com). Neither we nor any other party has any obligation to provide ongoing maintenance, repairs, upgrades or updates to your Computer System. We are not aware of any optional or required maintenance, updating, upgrading or support contracts relating to your Computer System.

You must maintain the Computer System in good working order at your cost. During the term of your franchise, you may be required to upgrade or update your computer hardware and/or software to conform to our then-current specifications. There are no contractual limitations on the frequency or cost of these updates or upgrades. We reserve the right to change the software or technology that you must use or add new software or technology at any time.

Training (Apex University) (Section 5)

Overview

We will provide an initial training program for up to 2 of your owners (one of whom must be your Managing Owner) and 3 team members. Your Managing Owner and your Team Leaders must complete the initial training program to our satisfaction and pass the Apex University tests. If your Managing Owner and/or Team Leader do not successfully complete the initial training, we may terminate the Franchise Agreement on written notice to you. Our initial training program also includes marketing/sales techniques training that we provide to your Sales Professional.

TRAINING PROGRAM
(Phase 1)

Subject	Hours of Classroom Training	Hours on the job Training	Location
Marketing/Sales Techniques	8	0	Phoenix
Administrative and Business Skills	8	0	Phoenix
Dashboard	8	0	Phoenix
Leadership curriculum	8	0	Phoenix
Employee Policies	8	0	Phoenix
Teacher Huddle	0	4	Phoenix
Pep Rally	0	4	Phoenix
Theme curriculum days	0	8	Phoenix
Fun Run day	0	8	Phoenix
TOTAL	40 hours	24 Hours	

Training Materials

For the classroom training, the training materials will consist of the Manual and handouts. In addition, there is a self-study handbook for you to complete during the initial phase of our on-the-job training, and monthly follow-up telephone calls from the Apex Fun Run University training staff during your first year of operation. You will not be charged an additional fee for any of the training materials.

Instructors

Our current lead instructor is Mr. Scott Donnell who is our founder and President. As our founder, he has been with us since our inception. Scott provides sales and marketing training and has approximately 67 years of experience in the industry.

Lisa Barnhart also provides sales and marketing training. She joined us in July 2012 and currently serves as our Marketing Director. She has approximately 24 years of experience in the marketing industry, include serving in various marketing roles with the accounting firm Deloitte, the law firms of Gallagher & Kennedy and Lewis & Roca and most recently A&J Biz LLC.

Jeremy Barnhart provides training in the area of financial operations. ~~He joined us in July 2012 and currently~~ He serves as our Vice President of Franchise Development and CFO since our inception in July 2012. He has approximately 25 years of experience in the financial industry, including with the firms McGladrey & Pullen, American Express Tax & Business Services and Deloitte.

~~Kris White~~ Nick Moore provides operations and quality control training, including how to conduct an Apex fun run. He joined us in ~~August 2013~~ February 2016. Prior to joining Apex, he had 25 years of experience ~~providing quality control~~ working for the Arizona and Denver, Colorado franchisees of Apex Fun Run as a manufacturing company Team Leader.

In addition to the instructors listed above, from time to time we have certain franchisees provide instruction. These franchisees would only include those have been in operation for at least 1 year and have demonstrated a firm understanding of our system.

Ongoing Training

After you complete initial training, we will provide ongoing training via weekly conference calls. Currently, we also conduct an annual refresher training program via webinar and checklists that must be attended. If you want additional training or retraining for your Managing Owner or Team Leader, we may provide it at a location and time convenient for us. If we agree to provide additional training, we may provide such additional training at your facility or ours.

We may require your Managing Owner and previously-trained or experienced Team Leaders to attend periodic refresher training courses. We will provide this training at the times and locations we designate. We also may require ~~any that all~~ new or replacement Team Leader you hire, or any new Managing Owner you appoint, to complete all or part of our standard initial training program (at our discretion). You may send your new or replacement personnel to attend training at our corporate headquarters or you can send them to any Booya Certified Trainer located elsewhere in the country. We will have an annual training to roll out the new year's theme, prizes and curriculum, which your Managing Owner, Team Leaders and other team members must attend. This will generally occur in early August of each year.

Training Fees and Costs

We will provide the pre-opening initial training program at no additional charge. However, you must pay us (or our Booya Certified Trainer, if applicable, a training fee of up to \$500 per person per day: (i) for each person who we retrain after he or she failed initial training on a prior attempt and (ii) for each person you send to initial training after you open (such as a new Managing Owners or Team Leaders). We may charge you a training fee of up to \$500 per person per day for: (i) providing system-wide refresher or additional training courses; (ii) conducting remedial training that is required due to your defaults or operational deficiencies; (iii) providing additional training that you request; or (iv) providing training for the roll out of the new year's theme, prizes and curriculum (however, this training will not exceed \$500 per person total). If we provide any training at your location, you must also reimburse us for all costs that we incur for food, lodging and travel. You are also responsible for all food, lodging and travel costs that your owners and employees incur while attending a training program together with all salary and fringe benefits for your employees.

Site Selection

The Apex Fun Run franchise is a home based opportunity. We do not require that you purchase or lease an office or separate commercial space although you may do so in your discretion. We do not approve the site or provide you with an area in which you must identify a site. We do not have any standards, specifications or other requirements for your office if you choose to establish a separate office or commercial facility. Some franchisees may rent storage space for their equipment and inventory although this is not required. We do not have and standards, specifications or other requirements for storage space.

Opening (Section 7.3)

You must open your Business by contacting and marketing the Apex Fun Run program to schools in your territory within 60 days after you sign the Franchise Agreement. We may terminate your Franchise Agreement if you fail to meet this deadline. You may not conduct your first Apex Fun Run event before: (i) successful completion of the initial training program by your Managing Owner, Team Leaders (who will participate in that Fun Run event) and Sales Professional; (ii) you obtain all required licenses, permits and other governmental approvals; (iii) you purchase all required insurance; and (iv) you purchase, lease or rent all required equipment, inventory and operating supplies. Your Business will be deemed to be open when you begin contacting schools to market the Apex Fun Run program. We anticipate that a typical franchisee will open his or her business within 15 to 30 days after signing the Franchise Agreement. Some of the factors that may affect this time are

Minimum Performance Requirements

We require that you meet certain minimum performance requirements, including the following:

- You must contract with at least 1 school within 6 months after signing the franchise agreement;
- ~~You must contract with and serve at least 6 schools in your first year of operation;~~
- ~~You must contract with and serve at least 12 schools in your second and subsequent years of operation;~~
- You must rebook at least 50% of the schools where you completed a fun run the prior year;
- You must collect at least 70% of the dollars pledged in all but 2 schools in any 6 month period; and
- ~~You may not obtain overall negative ratings from 3 or more schools~~must generate minimum royalties in any 12 month period, the amount of: (i) \$9,000 during your 1st year of operation; and (ii) \$18,000 for each subsequent year of operation.

If you fail to meet any of these requirements, we may terminate your Franchise Agreement.

In addition to the minimum performance requirements listed above, you must meet the following minimum performance requirements with respect to the Anython program.

By the end of your second year of operation, you must generate \$2,500 in royalties using Anython for organizations or middle schools. You must continue to generate \$2,500 in royalties for each year of operation thereafter.

If you fail to meet the minimum performance requirements listed above with respect to Anython, we may terminate your right to operate the Anython program (but we will not terminate your Franchise Agreement), in which case we or another licensee or franchisee may conduct Anython within your territory.

Additional Territories

You are not granted any options, rights of first refusal or similar rights to acquire additional territories or franchises. If we allow you to purchase additional franchises, you may be entitled to receive the discounted initial franchise fee disclosed in Item 5 for your second and subsequent territories (but only if all franchises are purchased at the same time).

Competitive Businesses Under Different Marks

Our President, Scott Donnell, founded Anython LLC as an online fundraising platform for groups, clubs and other organizations. Anython allows participants to conduct their own fundraising efforts by connecting pledges with fundraising events. The Anython business is conducted under the name "Anython." Franchisees may refer fundraising organizations to Anython (including organizations located outside the franchisee's territory) and receive a commission, although they may not refer schools located in another franchisee's territory. The amount of the commission may vary from time to time but currently ranges from 2% to 25% of the revenues generated (the specific commission may vary depending on the specific product involved). The details of the Anython referral program (and the policies for participation in the program by franchisees) may be set forth in the Manual and changed by us from time to time. Anython is an online business conducted solely by Anython LLC. Anython does not operate through a franchise system. Anython LLC is an affiliate of ours and has a principal business address located at 1 North 1st Street, # 790, Phoenix, Arizona 85004.

Except as disclosed above, neither we nor any affiliate of ours intends to operate or franchise another business under a different trademark that sells products or services similar to the products or services offered by Apex

Fun Run franchisees. However, we reserve the right to do so in the future.

ITEM 13 TRADEMARKS, SERVICE MARKS, TRADE NAMES

We registered the following trademarks on the United States Patent and Trademark Office principal register:

MARK	REGISTRATION NUMBER	REGISTRATION DATE (RENEWAL DATE)
APEX	4316674	April 9, 2013
APEX FUN RUN	4374895	July 30, 2013
	4374896	July 30, 2013
ANYTHON	4814008	September 15, 2015

All required affidavits for the registered Marks have been filed.

We grant you the right to operate a franchise under the name “APEX FUN RUN” and logo shown on the cover page of this Disclosure Document. By trademark, we mean trade names, trademarks, service marks, and logotypes used to identify your Apex Fun Run franchise or the products or services sold at your Business. We may change the trademarks you may use from time to time (including by discontinuing use of the Marks listed in this Item 13). If this happens, you must change to the new trademark at your expense (we have no obligation to reimburse you for these expenses).

You must follow our rules when using the Marks. You cannot use our name or mark as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You may not use the “Apex” or “Apex Fun Run” name relating to the sale of any product or service that is not previously authorized by us in writing.

You must notify us immediately when you learn about an infringing or challenging use of the Marks. We will take the action we think appropriate, but we are not required to take any action if we do not feel it is warranted. We may require your assistance, but you are not permitted to control any proceeding or litigation relating to our Marks. You must not directly or indirectly contest our right to the Marks.

We will indemnify you against, and reimburse you for certain amounts if you are held liable in a judicial or administrative proceeding arising out of your use of the Marks in strict compliance with the Franchise Agreement and Manual. Our indemnity will cover damages for which you are held liable, reasonable legal fees you incur in defending against the claim, and your costs to change signage and other written materials to comply with a court order. However, our indemnity and reimbursement obligation shall be limited to a maximum of \$3,000. Our indemnification obligation will only apply if you notify us of the claim or proceeding in writing in a timely manner (i.e., no later than 10 days after learning of the claim), we control the response to the claim, and you are in full compliance with the Franchise Agreement and Manual.

There are no currently effective material determinations of the Patent and Trademark Office, the Trademark

copyrights. There are no agreements that limit our right to use or sublicense the use of our copyrights or proprietary information. We are not aware of any superior rights or infringing uses of any copyright that could materially affect your use of the copyrights.

ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

The Franchise Agreement requires that you designate an owner who will be primarily responsible for management and supervision of the Business (the "Managing Owner"). The Managing Owner must hold at least a 25% ownership interest in the franchise. The Managing Owner must either: (i) be directly and personally involved with the operation of your Business; or (ii) supervise and manage your Team Leaders and other staff. Either the Managing Owner or a Team Leader must be actively involved with the operation of the Business on a full time basis and provide on-site management and supervision.

Your Business must have at least one Team Leader and one Sales Professional that you designate. The Managing Owner (or another owner) may serve as a Team Leader and/or Sales Professional (if he or she has the appropriate background experience) but it is not required. Your Team Leaders and Sales Professionals do not need to have an ownership interest in the franchise.

The Managing Owner and each Team Leader and Sales Professional must attend and successfully complete all training that we require.

If you are a corporation, partnership, limited liability company, or other legal entity, you must have all your owners sign a Franchise Owner Agreement, the form of which is attached to the Franchise Agreement as ATTACHMENT "C".

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL/PROVIDE

To protect the Apex Fun Run System, we must approve all goods and services that you sell or provide as part of your Business (including prizes that are given away). You must offer and provide all goods and services that we require. You may not sell or provide any goods or services that we have disapproved. We have the unrestricted right to change the goods and/or services that you are required to sell and provide as part of your Business at any time in our sole discretion, and you must comply with any such change. You must only offer the current school year's annual theme and prizes for both Fun Runs and Summer Camps and may not offer any prior year themes, prizes or create custom or local programs to the same school you served in a prior year. You may use any remaining supply of the prior year's prizes for Fun Runs and Summer Camps at new schools that you sign. You must follow our suggestions on fundraising revenue percentage splits you charge your schools except for certain limited time offers.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

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

THE FRANCHISE RELATIONSHIP		
Provision	Section in Franchise Agreement	Summary
(a) Length of the franchise term	Section 4.1	10 years.

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.

The following table presents certain financial performance information for 811 Apex Fun Run businesses ~~operated by our franchisees for the fiscal year beginning~~period of time commencing on July 1, 2014~~5~~ and ending on June 30, 2015-2016 (the "Measuring Year").

The table only includes information for franchisees who have been in operation for a minimum of 2 years as of June 30, 2015. There were a total of 8 franchisees who met this criteria. As of June 30, 2015, there were a total of 24 franchisees and the table below presents the financial performance data for 8 franchisees who met both of the following criteria: (i) the franchisee was in operation from July 1, 2014 through June 30, 2016; and (ii) to our knowledge, the franchisee met the minimum performance requirements imposed under their Franchise Agreement during the Measuring Year (each, a "Qualifying Franchisee").

As of June 30, 2016, we had a total of 75 franchisees in operation. Of this number, only 11 were Qualifying Franchisees. Of the 18 franchisees whose data was not included, 15 of these franchisees were not Qualifying Franchisees because they had not been in operation from July 1, 2014 through June 30, 2016, and the remaining 3 of these franchisees— were not Qualifying Franchisees because they did not, to our knowledge, meet the minimum performance requirements imposed under their Franchise Agreements during the Measuring Year.

<u>Measure Year = July 1, 2015 to June 30, 2016</u>			
<u>Franchisee</u>	<u>Number of Territories Operated</u>	<u>Number of Schools Served</u>	<u>Gross Revenues</u>
Franchisee #1	6 territories	<u>9092</u>	<u>\$1,390,500264,652</u>
Franchisee #2	<u>1 territory2 territories</u>	<u>3056</u>	<u>\$382,927860,320</u>
Franchisee #3	1 territory	25	<u>\$459,155447,527</u>
Franchisee #4	1 territory	<u>3951</u>	<u>\$722,812877,173</u>
Franchisee #5	4 territories	<u>2618</u>	<u>\$438,852333,082</u>
Franchisee #6	1 territory	<u>2230</u>	<u>\$423,730570,708</u>
Franchisee #7	<u>1 territory2 territories</u>	<u>1925</u>	<u>\$345,775425,636</u>
Franchisee #8	1 territory	<u>2039</u>	<u>\$343,132409,668</u>
<u>Franchisee #9</u>	<u>3 territories</u>	<u>33</u>	<u>\$808,349</u>

<u>Franchisee #10</u>	<u>2 territories</u>	<u>30</u>	<u>\$454,807</u>
<u>Franchisee #11</u>	<u>3 territories</u>	<u>23</u>	<u>\$393,707</u>

Based upon the above, the average Gross Revenues on a “per territory” basis ~~was \$281,680.19 for the~~ Qualifying Franchisees was \$263,293.42. Of the franchisees whose data was presented, ~~75~~54.5% of the franchisees exceeded this average.

Notes:

1. In making the above financial performance representation, we have relied upon financial statements prepared and sent to us by our franchisees. Neither we nor any independent certified public accountant has independently audited or verified the information. This information may not be representative of the revenue information of these businesses in any other years or time periods.
2. For purposes of the information above, the term “Gross Revenues” has the same meaning given to that term in the Franchise Agreement.
3. The financial performance representation does not include any expense information.

Different operational results may be caused by a number of factors, including:

- the size of your territory;
- the number and size of schools within your territory;
- the percentage of schools in your territory you contract with;
- the percentage of free and reduced lunch for the schools in your territory;
- the demographics of your territory;
- the success of your collections efforts;
- the level of brand awareness and acceptance within your territory;
- the length of time the business has been operated;
- the number of your team members;
- the presence of other fund raising alternatives being offered within your territory; and
- the effectiveness of your and your team’s marketing and fundraising efforts and the overall quality of the management and skills of you and your employees.

The above list of factors that may affect your results is not an exclusive list. You should consult with your advisors to develop your own estimates for your Business.

The revenue figures are based on the historical results from the Apex Fun Run businesses described above. They should not be considered as the actual or potential sales that other Apex Fun Run businesses may achieve.

Some Apex Fun Run businesses have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

A new franchisee’s individual financial results may differ from the results stated in this financial performance representation.

Written substantiation for this financial performance representation will be made available to you upon your reasonable written request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jeremy Barnhart at 10225 N. 130th Way, Scottsdale, Arizona 85259 or by phone (480-347-0243) or email (Jeremy@APEXFUNRUN.com), the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 1 - SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2012/2013/2014 TO 2014/2015/2016				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2012/2013/2014	010	822	+812
	2013/2014/2015	822	2157	+1335
	2014/2015/2016	2157	5675	+3518
Company-Owned	2012/2013/2014	36	67	+31
	2013/2014/2015	67	71	+4
	2014/2015/2016	71	12	-61
Total Outlets	2012/2013/2014	316	1429	+1113
	2013/2014/2015	1429	2858	+1429
	2014/2015/2016	2858	5777	+2919

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2012/2013/2014 TO 2014/2015/2016		
State	Year	Number of Transfers
Total California	2012/2013/2014	0
	2014/2015	0
	2015/2016	3
Texas	2013/2014	0
	2014/2015	0
	2015/2016	5
Total	2013/2014	0
	2014/2015	0
	2015/2016	8

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2012/2013/2014 TO 2014/2015/2016								
State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Arizona	2012/2013/2014	0	0	0	0	0	0	0
	2013/2014/2015	0	08	0	0	0	0	08
	2014/2015/2016	08	80	0	0	0	0	8

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2012/2013/2014 TO 2014/2015/2016

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
California	2012/2013/2014	07	74	0	0	0	0	711
	2013/2014	7	4	0	0	0	0	11
	2014/2015	11	11	0	0	0	0	22
Colorado	2012/2013/2015/2016	022	04	0	0	0	0	026
Colorado	2013/2014	0	2	0	0	0	0	2
	2014/2015	2	2	0	0	0	0	4
	2015/2016	4	1	0	0	0	0	5
Connecticut	2012/2013/2014	0	01	0	0	0	0	01
	2014/2015	1	0	0	0	0	0	1
	2015/2016	1	0	0	0	0	0	1
Florida	2013/2014	0	40	0	0	0	0	40
	2014/2015	40	0	0	0	0	0	40
	2015/2016	0	1	0	0	0	0	1
Georgia	2012/2013/2014	0	0	0	0	0	0	0
	2014/2015	0	1	0	0	0	0	1
	2015/2016	1	0	0	0	0	0	1
Illinois	2013/2014	0	0	0	0	0	0	0
	2014/2015	0	40	0	0	0	0	40
Kansas	2012/2013/2015/2016	0	02	0	0	0	0	02
Kansas	2013/2014	0	1	0	0	0	0	1
	2014/2015	1	0	0	0	0	0	1
	2015/2016	1	1	0	0	0	0	2
Minnesota	2012/2013/2014	0	01	0	0	0	0	01
	2014/2015	1	2	0	0	0	0	3
	2015/2016	3	1	0	0	0	0	4
Missouri	2013/2014	0	40	0	0	0	0	40
	2014/2015	40	20	0	0	0	0	30
	2015/2016	0	1	0	0	0	0	1
Nevada	2012/2013/2014	01	40	0	0	0	0	1
	2014/2015	1	0	0	0	0	0	1
	2015/2016	1	2	0	0	0	0	3
New Jersey	2013/2014	40	0	0	0	0	0	40
	2014/2015	40	0	0	0	0	0	40
	2015/2016	0	3	0	0	0	0	3
North Carolina	2012/2013/2014	0	0	0	0	0	0	0
	2013/2014	0	0	0	0	0	0	0
	2014/2015	0	2	0	0	0	0	2
	2015/2016	2	0	2	0	0	0	0
Tennessee	2012/2013/2014	0	0	0	0	0	0	0
	2013/2014	0	0	0	0	0	0	0
	2014/2015	0	3	0	0	0	0	3
Texas	2012/2013/2015/2016	03	01	0	0	0	0	04
Texas	2013/2014	02	31	0	0	0	0	3
	2014/2015	43	4	0	0	0	0	57
Utah	2012/2013/2015/2016	07	02	0	0	0	0	09
Utah	2013/2014	0	1	0	0	0	0	1

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2012/2013/2014 TO 2014/2015/2016								
State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Virginia	2014/2015	1	0	0	0	0	0	1
	2015/2016	1	0	0	0	0	0	1
	2012/2013/2014	0	0	0	0	0	0	0
	2013/2014	0	0	0	0	0	0	0
	2014/2015	0	1	0	0	0	0	1
Washington	2015/2016	1	1	0	0	0	0	2
	2012/2013/2014	0	0	0	0	0	0	0
	2013/2014	0	0	0	0	0	0	0
	2014/2015	0	1	0	0	0	0	1
	2015/2016	2	0	0	0	0	0	2
Totals	2012/2013/2014	0	0	0	0	0	0	0
	2013/2014	0	0	0	0	0	0	0
	2014/2015	0	1	0	0	0	0	1
	2015/2016	2	0	0	0	0	0	2

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2012/2013/2014 TO 2014/2015/2016							
State	Year	Outlets At Start Of Year	Outlets Opened	Outlets Re-Acquired From Franchisees	Outlets Closed	Outlets Sold To Franchisees	Outlets At End Of Year
Arizona	2012/2013/2014	44	32	0	0	0	46
	2013/2014/2015	46	20	0	0	0	60
	2014/2015/2016	60	0	0	0	0	0
Texas	2012/2013/2014	2	0	0	0	0	20
	2013/2014/2015	20	0	0	0	20	0
	2014/2015/2016	0	0	0	0	0	0
Washington	2012/2013/2014	0	0	0	0	0	0
	2013/2014/2015	0	0	0	0	0	1
	2014/2015/2016	1	0	0	0	0	1
Totals	2012/2013/2014	36	3	0	0	0	67
	2013/2014/2015	67	30	0	0	26	71
	2014/2015/2016	71	0	0	0	60	42

TABLE 5 - PROJECTED OPENINGS AS OF JUNE 30, 2015			
State	Franchise Agreements Signed But Outlets Not Open as of 6/30/15	Projected New Franchised Outlets In 2016	Projected New Company-Owned Outlets In 2016
California	0	20	0
Colorado	0	20	0
Connecticut	0	1	0
Florida	0	3	0
Georgia	0	2	0

TABLE 5-PROJECTED OPENINGS AS OF JUNE 30, 2015 6			
State	Franchise Agreements Signed But Outlets Not Open as of 6/30/15	Projected New Franchised Outlets In 2016	Projected New Company-Owned Outlets In 2016
Illinois	0	4	0
Indiana	0	1 <u>2</u>	0
Kansas	0	20	0
Massachusetts	0	1	0
Michigan	0	1	0
Minnesota	0	40	0
Missouri	0	2	0
New Jersey	0	2	0
New York	0	2	0
North Carolina	0	2	0
Ohio	0	1	0
Oregon	0	1	0
Pennsylvania	0	4 <u>2</u>	0
Tennessee	0	0	0
Texas	0	2	0
Virginia	0	4 <u>2</u>	0
Washington	0	1	0
Wisconsin	0	4 <u>2</u>	0
Totals	0	36 <u>33</u>	0

Notes to Tables:

1. Our fiscal year ends on June 30th. All references to years in these tables refer to June 30th of that year. The outlets listed in Table 1 through Table 4 only refer to outlets that are open on the relevant date.
2. The transfers listed in Table 2 only refer to outlets that were transferred after opening. No franchisees transferred their franchise agreements for unopened outlets in ~~2012, 2013, 2014~~ or 2014~~5~~.
3. The transactions listed in Table 3 only refer to franchisees that left the system after opening their outlet. No franchisees left the system prior to opening their outlets in ~~2012, 2013, 2014~~ or 2014~~5~~.
4. The affiliate owned outlet in Arizona was sold to by our affiliate to a third party franchisee in March of 2014 and then reacquired by the affiliate 3 months later. Because the affiliate owned the outlet at the beginning and end of the relevant fiscal year, Table 3 and Table 4 only reflect ownership of the outlet as an affiliate-owned outlet.
5. The outlets listed in the 2nd column in Table 5 ("Franchise Agreements Signed But Outlet Not Opened") include all franchise Agreements that were signed for unopened outlets as of June 30, 2015~~6~~. The outlets listed in the 3rd column in Table 5 ("Projected New Franchised Outlets in the Next Fiscal Year") include all outlets that we expect to open during the current fiscal year, including any outlets listed in the 2nd column that we expect to open this fiscal year.
6. Some of our franchisees operate multiple territories. For purposes of the Item 20 tables, each separate territory is listed as a separate outlet, even though multiple territories can be operated by a single franchisee.
7. Certain franchisees operate a partial territory. For purposes of the Item 20 tables, each of these partial

territories are referenced as a single outlet.

A list of all current Apex Fun Run franchisees is attached to this Disclosure Document as EXHIBIT "D", including their names and the addresses and telephone numbers of their outlets as of June 30, 201~~5~~6. There are no franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experience as a franchisee in our franchise system. There are no (i) trademark-specific franchisee organizations associated with the franchise system being offered that we have created, sponsored or endorsed or (ii) independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Audited financial statements of Apex Fun Run LLC for the fiscal years ended June 30, 201~~5~~6, June 30, 201~~4~~5 and June 30, 201~~3~~4 are attached to this Disclosure Document as EXHIBIT "B".

ITEM 22 CONTRACTS

Attached to this Disclosure Document (or the Franchise Agreement attached to this Disclosure Document) are copies of the following franchise and other contracts or agreements proposed for use or in use in this state:

Exhibits to Disclosure Document

EXHIBIT "A"	Franchise Agreement
EXHIBIT "E"	Franchisee Disclosure Questionnaire
EXHIBIT "F"	General Release
EXHIBIT "H"	State Addendum

Exhibits to Franchise Agreement

ATTACHMENT "C"	Franchise Owner Agreement
ATTACHMENT "D"	ACH Authorization Form
ATTACHMENT "E"	Confidentiality Agreement

ITEM 23 RECEIPTS

~~EXHIBIT "I"~~ EXHIBIT "I" to this Disclosure Document are detachable receipts. You are to sign both, keep one copy and return the other copy to us.

violation of our rights; or (ii) continued on a month-to-month basis (the "Interim Term") until either party provides the other party with 30 days' prior written notice of the party's intention to terminate the Interim Term. In the latter case, all of your obligations will remain in full force and effect during the Interim Term as if this Agreement had not expired, and all obligations and restrictions imposed on you upon the expiration or termination of this Agreement will be deemed to take effect upon the termination of the Interim Term.

Except as otherwise permitted by this Section 4, you have no right to continue to operate your Business following the expiration of the Term.

5. TRAINING AND ANNUAL CONVENTION

5.1. Initial Training Program. Your Managing Owner must attend and successfully complete our initial training program, including: (i) approximately three (3) to four (4) days of remotely conducted training to teach you how to solicit and contract with schools; and (ii) approximately five (5) to seven (7) days of "hands on" training at a certified Apex Fun Run training site that we designate. The Managing Owner must complete: (i) the remotely conducted training within 30 days after the Effective Date and prior to contacting and marketing the Apex Fun Run program to schools; and (ii) the "hands on" training prior to conducting your first Apex Fun Run event. Your Sales Professional must attend and successfully complete our marketing/sales techniques training program prior to contacting and marketing the Apex Fun Run program to schools. Each Team Leader must successfully complete our initial training program before he or she may serve a school.

5.2. Weekly Training Calls. At no additional charge, we will conduct periodic training via conference calls. Your participation on these calls is mandatory.

5.3. Initial Training For New Owners/Team Leaders. If you appoint a new Managing Owner or hire a new Team Leader after we conduct our pre-opening initial training program, the new Managing Owner or Team Leader, as applicable, must promptly attend and successfully complete our then-current initial training program prior to working with a school (utilizing untrained Team Leaders is a material default under this Agreement). New Team Leaders may either be trained at our headquarters or by any Booya certified trainer located elsewhere in the country.

5.4. Periodic Training. We may offer periodic refresher or additional training courses for your Managing Owner and Team Leaders. We will have an annual training program to roll out the new year's theme, prizes and curriculum. Currently, we also conduct an annual refresher training program via webinar and checklists that must be attended. Attendance at our periodic training programs is mandatory.

5.5. Additional Training Upon Request. Upon your written request, we may provide additional assistance or training to you at a mutually convenient time.

5.6. Remedial Training. If we conduct an inspection or evaluation of your Business and determine that you are not operating your Business in compliance with this Agreement and/or the Manual, we may, at our option, require that your Managing Owner and Team Leaders attend remedial training that is relevant to your operational deficiencies.

5.7. Conferences. We may hold periodic national or regional conferences, as well as an annual convention, to discuss various business issues and operational and general business concerns affecting Apex Fun Run franchisees. Attendance at these conferences is mandatory.

5.8. Training Fees and Expenses. We will provide our pre-opening initial training program at no additional charge. You must pay us a training/support fee of up to \$500 per person per day for: (i) each person that attends our initial training program after you open your Business (such as new Managing Owners or Team Leaders); (ii) any person who must retake initial training after failing to successfully complete training on a prior attempt; (iii) any remedial training that we require based on your operational deficiencies; (iv) each person

to whom we provide additional training that you request; (v) each person who attends any system-wide or additional training that we conduct; (vi) providing training for the roll out of the new year's theme, prizes and curriculum (however, this training will not exceed \$500 per person total); and (vii) for any specialized support that you request beyond what we are required to provide under this Agreement. We may charge you a conference registration fee of up to \$300 per conference or convention. If we agree to provide onsite training or assistance, you must reimburse us for all costs incurred by our representative for meals, travel and lodging. You are responsible for all expenses and costs that your trainees incur for training or attending conferences/conventions, including wages, travel and living expenses. All training fees and expense reimbursements are due 10 days after invoicing.

6. OTHER FRANCHISOR ASSISTANCE

6.1. Manual. During the Term, we will lend you or provide you with electronic access to our confidential Operating Manual (the "Manual"). The Manual will help you establish and operate your Business. The information in the Manual is confidential and proprietary and may not be disclosed to third parties without our prior approval.

6.2. Fun Run Theme. On an annual basis, we will provide you with the Fun Run Theme that we develop for the current school year that may be used in advertising. The theme and prizes are only for the current school year and may not be used in any subsequent school year. We will develop a new theme, curriculum and prizes each year for you, which helps you rebook schools.

6.3. Inventory. You will purchase your entire supply of inventory items (such as prizes, teacher packages, t-shirts worn by students during Apex Fun Runs, etc.) exclusively from us. ~~In the future, we may require that you purchase these items from an affiliate of ours or from a third party supplier that we designate (which may be us or an affiliate of ours).~~

6.4. Sales Support. After opening, we will provide you with one (1) day of local on-site sales support at meetings you have scheduled with decision makers at a minimum of three (3) schools in your Territory. You must have at least three (3) confirmed meetings scheduled before we visit. We will provide this initial sales support visit at no additional charge.

6.5. Event Consultation. We may, but need not, send a representative to your Territory to provide up to two (2) days of on-site consultation during one of your first events (Pep rally or Teacher huddle or Theme day or Race day).

6.6. Administrative Support. Our support personnel will provide you with a variety of administrative services, including answering all email inquiries sent to our website to ensure timely responses, consistent messaging and accurate information (rather than forwarding the emails to you to respond to), assisting with uploading of new employee data, obtaining employee background checks and such other tasks that we reasonably determine from time to time. In consideration of these services, you agree to pay us an administrative support fee for each school that you contract with. The amount of the administrative support fee is \$75 per contracted school per year. The administrative support fee is due the month in which you are scheduled to conduct the Apex program at the school.

6.7. General Guidance. We will provide periodic guidance and recommendations on ways to improve the marketing and/or operation of your Business, including in the areas of: (i) methods of signing schools; (ii) training your employees; (iii) advertising and promotional programs; and (iv) administrative, bookkeeping, accounting, and general operating procedures. We may provide our assistance in the Manual, live consultation or in any other manner we deem appropriate.

6.8. Purchase Agreements. We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for us and our franchisees. If we succeed in negotiating a purchase agreement, we will

arrange for you to be able to purchase the goods directly from the supplier at the discounted prices that we negotiate (subject to any rebates the supplier pays to us). We may also purchase certain items from suppliers in bulk and resell them to you at our cost plus shipping fees and a reasonable markup.

7. ESTABLISHING YOUR APEX FUN RUN BUSINESS

7.1. Equipment. Prior to opening, we will provide (or arrange with a third party supplier to provide) you with the branded equipment, supplies and other materials necessary to conduct your events. You must purchase this equipment from the supplier we designate (which may be us or an affiliate of ours). You must also purchase, lease or rent (on a temporary basis) a vehicle to travel to schools and Apex Fun Run events. You must have a tow package to enable you to tow your trailer to Apex Fun Run events. You will use the trailer to transport prizes, equipment and other supplies to schools and Apex Fun Run events. You must also purchase or lease all other equipment and supplies that we designate for purposes of operating your Business.

7.2. Storage Space. You may wish to obtain storage space to store your supply of prizes, inventory and other equipment. Your storage space may be in your home or you may rent commercial storage space.

7.3. Opening. You must begin contacting and marketing the Apex Fun Run program to schools in your Territory within 60 days after the Effective Date. You may not conduct your first Apex Fun Run event before: (i) successful completion of the initial training program by your Managing Owner, Team Leaders (who will participate in the Fun Run Event) and Sales Professional; (ii) you purchase all required insurance; (iii) you obtain all required licenses, permits and other governmental approvals; (iv) you purchase, lease or rent all required equipment, inventory and operating supplies. BY VIRTUE OF OPENING YOUR BUSINESS, YOU ACKNOWLEDGE THAT WE HAVE FULFILLED ALL OF OUR PRE-OPENING OBLIGATIONS TO YOU.

8. MANAGEMENT AND STAFFING.

8.1. Owner Participation. At least one of your individual owners must serve as your Managing Owner. Your Managing Owner must either: (i) be directly and personally involved with the operation of your Business; or (ii) supervise and manage your Team Leaders and other staff. Either the Managing Owner or a Team Leader must be actively involved in the operation of the Business on a full time basis and provide on-site management and supervision. Any new Managing Owner that we approve must successfully complete the initial training program.

8.2. Team Leaders. You must designate at least one (1) individual to serve as a "Team Leader" who will be responsible for directing and supervising your staff, conducting Apex Fun Runs and otherwise managing and supervising your Business. The Managing Owner may serve as your Team Leader or you may hire or contract with a third party to serve as a Team Leader. Your Team Leader must complete all training that we require. The Managing Owner must assume responsibility for the daily on-site management and supervision of your Business if the Team Leader is unable to perform his or her duties due to death, disability, termination of employment, or for any other reason, until such time that you obtain a suitable replacement Team Leader.

8.3. Sales Professional. You must designate at least one (1) individual to serve as your "Sales Professional" who will be responsible for marketing your Business to schools. Your Sales Professional must complete all training that we require. Your Managing Owner or Team Leader may serve as your Sales Professional or you may hire or contract with a third party to serve as your Sales Professional.

8.4. Employees. You must hire, train, and supervise honest, reliable, competent and courteous employees for the operation of your Business. You must pay all wages, commissions, fringe benefits, worker's compensation premiums and payroll taxes (and other withholdings required by law) due for your employees. These employees will be employees of yours and not of ours. You must ensure that a sufficient number of trained employees are available to meet the operational standards and requirements of your Business at all times.

(d) Internet and Websites. You may market your Business through approved social media channels in accordance with our social media policy. We may require that you utilize our designated supplier for social media marketing services. At this time, we do not allow our franchisees to maintain their own websites or market their Apex Fun Run businesses on the Internet (other than through approved social media outlets). Accordingly, you may not maintain a website, conduct e-commerce, or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with your Business. If we change our policy at a later date to allow franchisees to maintain their own websites or market on the Internet, you may do so only if you comply with all of the website and Internet requirements that we specify. In that case, we may require that you sign an amendment to this Agreement that will govern your ability to maintain a website and/or market on the Internet. The Apex program is currently administered through our website, which has been designed, hosted and maintained by a third party supplier. You understand that, from time to time, events outside of our control may cause errors in functionality of the website or may cause the website to cease to perform altogether. You hereby waive any and all claims against us for any damages caused by problems associated with our website.

11.2. Marketing Assistance From Us. We will provide you with marketing techniques and strategies in the Manual and during initial training. We will also create and make available to you advertising and marketing materials for your purchase. In the future, we may make these materials available over the Internet (in which case you must arrange for printing the materials and paying all printing costs). Alternatively, we may enter into relationships with third party suppliers who will create the advertising or marketing materials for your purchase.

12. OPERATING STANDARDS.

12.1. Generally. You agree to operate your Business: (i) in a manner that will promote the goodwill of the Marks; and (ii) in full compliance with our standards and all other terms of this Agreement and the Manual. Our system standards (which may be set forth in the Manual) may regulate a variety of aspects of your Business, including: Fun Run design, layout, décor and appearance; types, models and brands of prizes, signs, materials and supplies; scripts used for pep rallies; curriculum for leadership training in classrooms; standards for reporting results of runs; standards and practices for communications with parents, teachers and school administrators; cooperation with and participation in sales, marketing, advertising and promotional programs and materials and media used in those programs; staffing levels for your Business and matters relating to managing the Business; qualifications, training, dress, mandatory uniforms and appearance of Team Leaders and employees; days and hours of operation; bookkeeping, accounting, data processing and record keeping systems; computer hardware and software; connections to the internet or to proprietary networks; forms, methods, formats, content and frequency of reports of Gross Revenues, financial performance and condition; adherence to the Manual or written directions; and furnishing tax returns and other operating and financial information to us; or regulation of any other aspect of the operation and maintenance of the Business that we deem appropriate.

12.2. Operating Manual. You agree to establish and operate your Business in accordance with the Manual. The Manual may contain, among other things: (i) a description of the authorized goods and services that you may offer at your Business; (ii) mandatory and suggested specifications, operating procedures, and quality standards for products, services and procedures that we prescribe from time to time for Apex Fun Run franchisees; (iii) system standards; (iv) mandatory reporting and insurance requirements; and (v) a written list of goods and services (or specifications for goods and services) you must purchase for the development and operation of your Business and a list of any designated or approved suppliers for these goods or services. We can modify the Manual at any time. The modifications will become binding 30 days after we send you notice of the modification. All mandatory provisions contained in the Manual (whether they are included now or in the future) are binding on you.

12.3. Authorized Goods and Services. You agree to offer or use all goods, services and prizes that we require from time to time in our commercially reasonable discretion. The currently authorized programs include Apex Live, Apex Flex, Apex Leadership Company, Anython and Middle School Color Battles. You

software or technology license agreement with a third party licensor and then sublicense the software or technology to you, in which case we may charge you for all amounts that we must pay to the licensor based on your use of the software or technology.

12.9. Complaints. If you receive a complaint from a school, teacher, parent, student or other person in connection with your Business, you must follow the complaint resolution process that we specify to protect the goodwill associated with the Marks. You must promptly notify us in writing of all such complaints.

12.10. Failure to Comply with Standards. You acknowledge the importance of every one of our standards and operating procedures to the reputation and integrity of the System and the goodwill associated with the Marks. If we notify you of a failure to comply with our standards or operating procedures and you fail to correct the non-compliance within the period of time that we require, then, in addition to any other remedies available to us under this Agreement, we may impose a fine of up to \$500 per occurrence.

13. MINIMUM PERFORMANCE REQUIREMENTS. You are required to meet the following minimum performance requirements: (i) contract with at least one (1) school within the first six (6) months after the Effective Date; (ii) you must contract with and serve at least six (6) schools in your first year of operation; (iii) you must contract with and serve at least 12 schools in your second and subsequent years of operation; (iv) you must rebook at least 50% of the schools where you completed an Apex Fun Run the prior year; (v) you must collect at least 70% of the dollars pledged in all but two (2) schools in any six (6) month period; and (vi) you may not obtain overall negative ratings from three (3) or more schools in any 12 month period. iv) you must generate and pay us minimum royalties in the amount of: (a) \$9,000 per year during your first year of operation; and (b) \$18,000 during each subsequent year of operation for the remainder of the Term. Your failure to comply with any of these requirements constitutes an event of default under this Agreement, in which case we have the right to terminate this Agreement.

By the end of your second year of operation, you must generate \$2,500 in royalties using Anython for organizations or middle schools. You must continue to generate \$2,500 in royalties for each year of operation thereafter.

14. FEES

14.1. Initial Franchise Fee. You agree to pay us a \$3944,500 initial franchise fee in one lump sum at the time you sign this Agreement. The initial franchise fee is fully earned by us and non-refundable once this Agreement has been signed.

14.2. Royalty Fee. On the day of each week that we specify (currently Friday), you agree to pay us a royalty fee equal to (a) 8% of your Gross Revenues generated from your Territory *plus* (b) 12% of your Gross Revenues generated from Extraterritorial Sales. If you fail to report your Gross Revenues in a timely manner, we may debit your Account for assumed royalty fees equal to the highest weekly royalty fee reported during the preceding 52-week period. Once actual Gross Revenues are reported: (i) any deficiency in the royalty fee charged for that week will be due and payable immediately together with interest and a late fee; or (ii) any overpayment in the royalty fee charged for that week will be credited against your next royalty payment owed (without interest).

14.3. Other Fees and Payments. You agree to pay all other fees, expense reimbursements and other amounts specified in this Agreement in a timely manner as if fully set forth in this Section 14. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based upon goods or services that you sell or based upon goods or services that we furnish to you (other than income taxes that we pay based on amounts that you pay us under this Agreement).

14.4. Late Fee. If any sums due under this Agreement have not been received by us when due (or there are insufficient funds in your Account to cover any sums owed to us when due) then, in addition to those

hazard to your customers, employees or the public and do not begin to cure the issue immediately and complete the cure within 72 hours (or any lesser period of time required by law);

(xiii) if you or an Owner make any material misrepresentation to us, whether occurring before or after being granted the franchise;

(xiv) if you fail to pay any amount owed to us or an affiliate of ours within ten (10) days after receipt of a demand for payment;

(xv) if you or any of your Owners or officers improperly removes money from your Business or any school or other customer;

(xvi) if you underreport any amount owed to us by at least three percent (3%), after having already committed a similar breach that had been cured in accordance with Section 21.3;

(xvii) if you intentionally understate Gross Revenues in any report or financial statement or if you intentionally fail to report Gross Revenues to us, maintain intentionally false books or records or otherwise defraud us;

(xviii) if you make an unauthorized Transfer;

(xix) if you make an unauthorized use of the Intellectual Property;

(xx) if you breach any of the brand protection covenants described in Section 15;

(xxi) if any Owner, or the spouse of any Owner, breaches a Franchise Owner Agreement;

(xxii) if you fail to meet any minimum performance requirements described in Section 13; (other than your failure to meet the minimum performance requirements specifically applicable to the Anython program);

(xxiii) if you commit the same default two (2) or more times within any 12-month period (regardless of whether such default(s) is cured) or if we send you valid notice of default more than three (3) times in any 12-month period (regardless of whether such default(s) is cured); or

(xxiv) if we terminate any other agreement between you and us or if any affiliate of ours terminates any agreement between you and the affiliate because of your default.

21.3. Additional Conditions of Termination. In addition to our termination rights in Section 21.2, we may, in our sole discretion, terminate this Agreement upon 60 days' written notice if you or an Owner fail to comply with any other provision of this Agreement (including any mandatory provision in the Manual) or any other agreement with us, unless such default is cured, as determined by us in our sole discretion, within such 60-day notice period. If we deliver a notice of default to you pursuant to this Section 21.3, we may suspend performance of any of our obligations under this Agreement until you fully cure the breach.

21.4. Mutual Agreement to Terminate. If you and we mutually agree in writing to terminate this Agreement, you and we will be deemed to have waived any required notice period.

22. POST-TERM OBLIGATIONS.

22.1. Obligations of You and the Owners. After the termination, expiration or Transfer of this Agreement, you and the Owners agree to:

(i) immediately cease to use the Intellectual Property;

ATTACHMENT "F"
TO FRANCHISE AGREEMENT
STATE ADDENDUM

None.

EXHIBIT "B"
TO DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

[See Attached]

EXHIBIT "B"

TO DISCLOSURE DOCUMENT

EQUIPMENT PURCHASED FROM FRANCHISOR

Item	Number of Units	Estimated Cost
Apex Tunnels	2	\$3800
Apex orange and blue flags	4	\$625
Checkered flags	4	\$315
Bang sticks	100	\$75
Scroll-up Banner	1	\$160
Beach balls	100	\$85
Apex Fun Run pens	50	\$25
Apex Team Shirts	15	\$465
Apex Theme Suit	1	\$100

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EXHIBIT "D"
TO DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

Part A (Current Franchisees)

Territory(ies)*		Address	Phone	Owner Name(s)
State	City			
Arizona	Phoenix/Tucson/Flagstaff	793 E. Maria Lane Tempe, Arizona 85284	(480) 242-1932	Chris Stewart
California	Fresno/Bakersfield	4037 Chessa Lane Clovis, California 93619	(559) 901-0011	Kim Fletcher
California	Los Angeles	2395 Chiquita Lane Thousand Oaks, California 91362	(310) 403-9951	Ron & Christina Evans
California	Los Angeles	2910 S. Greenfield Rd. Gilbert, Arizona 85295	(801) 885-9913	Russ Slauch
California	Orange County/Temecula	45624 Jaguar Way Temecula, California 92592	(408) 550-0187	Aaron Retford
California	Riverside	23410 Farnham Lane Murrieta, California 92562	(562) 221-5392	Rob & Laci Dallaire
California	San Diego	1880 Froude St. San Diego, California 92107	(408) 621-2244	Casey Furtado
California	<u>San Francisco & Bay Area</u>	<u>1930 Greenfield Ave</u> <u>Los Angeles, California 90025</u>	<u>(952) 240-1341</u>	<u>Mark Madsen</u>
California	<u>Santa Barbara</u>	<u>2686 Hemlock Ave.</u> <u>Morro Bay, California 93442</u>	<u>714-210-9505</u>	<u>Spencer Hollison</u>
California/Nevada	Sacramento/San Diego/Las Vegas	7202 W. Melinda Lane Glendale, Arizona 85308	(602) 321-3721	Kim & Jason Freid
California	<u>San Francisco & Bay Area</u>	<u>1930 Greenfield Ave</u> <u>Los Angeles, California</u> <u>90025</u>	<u>(952) 240-1341</u>	<u>Mark Madsen</u>
Colorado	Denver	7887 E. Bellevue Ave., #1100 Englewood, Colorado 80111	(720) 724-0954	Mark & Yvonne Whitney
Colorado	<u>Colorado Springs</u>	<u>1306 Chesham Circle</u> <u>Colorado Springs, Colorado 80907</u>	<u>406-570-5037</u>	<u>Kisti Felps</u>
Connecticut	Dansbury	7 Ward Drive Danbury, Connecticut 06810	(203) 240-3739	Adam & Shannon Horosky
Florida	<u>Coral Springs</u>	<u>10820 NW 33rd Street</u> <u>Coral Springs, Florida 33065</u>	<u>954-579-5208</u>	<u>Ed Dunne</u>
Illinois	<u>Elgin</u>	<u>1240 Sarasota Dr.</u> <u>Pingree Grove, Illinois 60140</u>	<u>847-845-1179</u>	<u>Drew McCurdy</u>
Kansas/Missouri**	Kansas City	8012 Meadow Lane Leawood, Kansas 66206	(480) 203-5336	Sarah Powell
Minnesota	Minneapolis	4208 Christy Lane Minnetonka, Minnesota 55345	(612) 310-6685	Cinnamon & Steve

Territory(ies)*		Address	Phone	Owner Name(s)
State	City			
				Glassbrenner
<u>Nevada**</u>	<u>Reno</u>	<u>1320 Thompson Street</u> <u>Carson City, Nevada 89703</u>	<u>775-750-1791</u>	<u>Robyn Ball</u>
<u>North Carolina</u> <u>New Jersey</u>	<u>Raleigh/Durham</u> <u>NE New Jersey</u>	<u>5205 Bardeek Dr.</u> <u>Durham, North Carolina 27712</u> <u>14 Lorraine Ave</u> <u>Mount Vernon, New York 10552</u>	<u>914-879-</u> <u>4442(419) 824-</u> <u>3677</u>	<u>Justin</u> <u>Harris</u> <u>Vernon</u> <u>Waddell</u>
<u>New Jersey</u>	<u>Bordentown</u>	<u>10 Oakbourne Court Bordentown,</u> <u>New Jersey 08505</u>	<u>609-915-6992</u>	<u>Donna O'Connor-</u> <u>Keil</u>
<u>Tennessee</u>	<u>Clarksville</u>	<u>1289 Chinook Circle</u> <u>Clarksville, Tennessee 37042</u>	<u>706-987-7375</u>	<u>Major Robinson</u>
Tennessee/Georgia	Chattanooga/ Knoxville/ Rome	3608 Lerch St. Chattanooga, Tennessee 37411	(423) 693-7485	Todd & Nancy Culver
Tennessee	Nashville	3719 Red Cloud Court Murfreesboro, Tennessee 37128	(214) 325-7506	Marcus Lucas
Texas	Austin	2706 E. Ancestor Dr. Killeen, Texas 76549	(237) 378-7475	Ken Wilkerson
<u>Texas**</u>	Fort Worth/San Antonio	2104 Simiford St. Fort Worth, Texas 76131	(817) 688-8436	Nathan Hesselgrave
Texas	Houston	119 Fairfield Drive Montgomery, Texas 77356	(832) 275-2836	Shawn & Michelle Fuller
Utah	Salt Lake City	7904 Showcase Lane Sandy, Utah 84094	(801) 792-5113	Susie Carlson
Virginia	Richmond	3216 Trillium Place Glen Allen, Virginia 23060	(804) 241-2615	Don Goding
<u>Virginia</u>	<u>Virginia Beach</u>	<u>1709 Rally Dr.</u> <u>Virginia Beach, Virginia 23454</u>	<u>757-348-5857</u>	<u>Michael Katz</u>
<u>Washington****</u>	Seattle	516 Glen Ave. Snohomish, Washington 98290	(509) 220-8636	Scott Donnell & Curran Scott

* Some franchisees operate multiple territories from a single location (although a separate franchise agreement is executed for each territory). For purposes of clarity, each territory is separately referenced in Item 20 of the Franchise Disclosure Document as a separate outlet.

***These franchisees operate multiple territories, and each also operates a partial territory. For purposes of clarity, each of these partial territories are referenced in Item 20 as a single outlet.

*** This franchisee operates our affiliate Apex Fun Run business in Washington through Apex Fun Run Franchise Number 25 LLC.

Part B (Former Franchisees Who Left System During Prior Fiscal Year)

State	City	Current Business Phone or Last Known Home Phone	Owner Name(s)
-------	------	--	---------------

<u>None</u> <u>California</u>	<u>Los Angeles</u>	<u>(801) 885-9913</u>	<u>Russ Slaugh</u>
<u>North Carolina</u>	<u>Raleigh/Durham</u>	<u>(919) 824-3677</u>	<u>Vernon Waddell</u>
<u>Tennessee</u>	<u>Nashville</u>	<u>(214) 335-7596</u>	<u>Marcus Lucas</u>
<u>Texas</u>	<u>Austin</u>	<u>(337) 378-7475</u>	<u>Ken Wilkerson</u>

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

EXHIBIT "G"

TO DISCLOSURE DOCUMENT

AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
Arizona	N/A	Scott Donnell 1503 W. Cheyenne Drive Chandler, AZ 85224 North 1st Street, Suite 790 Phoenix, Arizona 85004
California	California Commissioner of Business Oversight Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 1-866-275-2677	California Commissioner of Business Oversight and CT Corporation System 818 West 7th Street, Suite 1104 Los Angeles, CA, 90017
Hawaii	Commissioner of Securities of the State of Hawaii 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, Hawaii 96813
Illinois	Illinois Attorney General Chief, Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Chief, Franchise Division 500 South Second Street Springfield, IL 62706
Indiana	Secretary of State Securities Division Room E-018 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Secretary of State Securities Division Room E-018 302 West Washington Street Indianapolis, IN 46204
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 (410) 576-6360	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202

State	State Agency	Agent for Service of Process
Michigan	Franchise Administrator Consumer Protection Division 670 Law Building Lansing, MI 48913 (517) 373-7117	Franchise Administrator Consumer Protection Division 670 Law Building Lansing, MI 48913
Minnesota	Department of Commerce Commissioner of Commerce 85 Seventh Place East, #500 St. Paul, MN 55101-3165 (651) 296-4026	Department of Commerce Commissioner of Commerce 85 Seventh Place East, #500 St. Paul, MN 55101-3165
New York	New York Attorney General Investor Protection & Securities Bureau Franchise Section 120 Broadway, 23 rd Floor New York, NY 10271 (212) 416-8236	New York State, Department of State, Division of Corporations, 99 Washington Avenue 6th floor, Albany, New York 12231
North Dakota	North Dakota Securities Department State Capitol, Fifth Floor, Dept 414 600 East Boulevard Avenue Bismarck, North Dakota 58505-0510 (701) 328-4712	North Dakota Securities Department State Capitol, Fifth Floor, Dept 414 600 East Boulevard Avenue Bismarck, North Dakota 58505-0510
Rhode Island	Department of Franchise Regulation 1511 Pontiac Avenue John O. Pastore Complex Bldg 69-1 Cranston, Rhode Island 02920 (401) 462-9527	Department of Franchise Regulation 1511 Pontiac Avenue John O. Pastore Complex Bldg 69-1 Cranston, Rhode Island 02920
South Dakota	Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-4823	Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, South Dakota 57501
Texas	Secretary of State's Office Statutory Documents Section 1019 Brazos St. (78701) P.O. Box 12887 Austin, TX 78711-2887 (512) 475-1769	Scott Donnell 1503 W. Cheyenne Drive Chandler, AZ 85224 <u>North 1st</u> <u>Street, Suite 790</u> <u>Phoenix, Arizona 85004</u>
Virginia	State Corporation Commission Division of Securities and Retail Franchising 9 th Floor 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor, Richmond, Virginia 23219
Washington	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501

EXHIBIT "H"
TO DISCLOSURE DOCUMENT

STATE ADDENDUM

~~State Addendum~~

California State Addendum to Franchise Agreement and Franchise Disclosure Document

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise to be delivered together with the disclosure document.
2. Neither the franchisor nor any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
3. California Business and Professions Code 20000 through 20043 provides rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, California law will control.
4. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
5. 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.
6. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
7. The franchise agreement requires binding arbitration. The arbitration will occur at Phoenix, Arizona with each party agreeing to share equally all arbitration costs that are part of the arbitration award. Otherwise each party shall bear its own attorneys' fees, expert witness fees and other court or arbitration costs incurred in connection with any arbitration or other legal action between you and us.
8. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
9. The franchise agreement requires application of the laws of Arizona. This provision may not be enforceable under California law.
10. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
11. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).
12. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at <http://www.dbo.ca.gov> ~~http://www.dbo.ca.gov~~.

[Signature Page Follows]

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Apex Fun Run, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If Apex Fun Run, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "G" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are:

Jeremy Barnhart; 1 North 1st Street, Suite 790, Phoenix, AZ 85004; (855)786-2739

~~Mary E. Miller; 1008 Fordham Road, Neptune, Colleen O'Brien; 5136 E 74th Pl, Indianapolis, Indiana 46250;~~
~~(317) 849-1648~~

~~New Jersey 07753; (855) 786-2739~~

_____;

Issuance Date: ~~December 21, 2015~~ _____, 2016

Apex Fun Run, LLC's agent to receive service of process is listed in EXHIBIT "G" to this Disclosure Document.

I received a Franchise Disclosure Document for the State of California that included the following Exhibits:

EXHIBIT "A" APEX FUN RUN FRANCHISE AGREEMENT

EXHIBIT "B" FINANCIAL STATEMENTS

~~I received a Franchise Disclosure Document for the State of California that included the following Exhibits:~~

~~EXHIBIT "A" APEX FUN RUN FRANCHISE AGREEMENT~~

~~EXHIBIT "B" FINANCIAL STATEMENTS~~

~~EXHIBIT "C" FRANCHISE EQUIPMENT~~

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~~EXHIBIT "G" AGENCIES/AGENTS FOR SERVICE OF PROCESS~~

~~EXHIBIT "H" STATE ADDENDUM~~

~~EXHIBIT "I" EXHIBIT "I" RECEIPTS~~

Print Name

Date

(Signature) Prospective Franchise Owner

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Apex Fun Run, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If Apex Fun Run, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "G" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are:

Jeremy Barnhart; 1 North 1st Street, Suite 790, Phoenix, AZ 85004; (855)786-2739

~~Mary E. Miller; 1008 Fordham Road, Neptune, New Jersey 07753; (855) 786 2739~~

~~Colleen O'Brien; 5136 E 74th Pl, Indianapolis, Indiana 46250; (317) 849-1648~~

_____;

Issuance Date: ~~December 21, 2015~~ _____, 2016

Apex Fun Run, LLC's agent to receive service of process is listed in EXHIBIT "G" to this Disclosure Document.

~~I received a Franchise Disclosure Document for the State of California that included the following Exhibits:~~

~~EXHIBIT "A" APEX FUN RUN FRANCHISE AGREEMENT~~

~~EXHIBIT "B" FINANCIAL STATEMENTS~~

~~I received a Franchise Disclosure Document for the State of California that included the following Exhibits:~~

~~EXHIBIT "A" APEX FUN RUN FRANCHISE AGREEMENT~~

~~EXHIBIT "B" FINANCIAL STATEMENTS~~

~~EXHIBIT "C" FRANCHISE EQUIPMENT~~

~~EXHIBIT "D" EXHIBIT "C" OPERATIONS MANUAL TABLE OF CONTENTS~~

~~EXHIBIT "D" LIST OF FRANCHISEES~~

~~EXHIBIT "E" FRANCHISEE DISCLOSURE QUESTIONNAIRE~~

~~EXHIBIT "F" GENERAL RELEASE~~

~~EXHIBIT "G" AGENCIES/AGENTS FOR SERVICE OF PROCESS~~

~~EXHIBIT "H" STATE ADDENDUM~~

~~EXHIBIT "J" EXHIBIT "I" RECEIPTS~~

Print Name

Date

(Signature) Prospective Franchise Owner

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and