

ITEM 3 LITIGATION

The Commissioner of the California Department of ~~Business Oversight~~ Financial Protection and Innovation approved The Notice of Violation as to form pursuant to section 31303 of the Franchise Investment Law described in Franchisor's application filed on May 9, 2019 acknowledging the sale of one unregistered franchise in the State of California in violation of the California Franchise Investment Law ("**California Law**") in 2017. We agreed to offer rescission to the one California franchisee who signed our franchise agreement in 2017 when we were not effectively registered in California and we agreed to pay restitution to that California franchisee if our offer of rescission was accepted. That California franchisee elected to remain in the System and is currently a franchisee. We have not offered or sold any other franchise in California during the time we were not effectively registered.

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

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

Single Unit Franchises

You must pay us an Initial Franchise Fee of \$50,000 payable when you sign a Franchise Agreement. The Initial Franchise Fee is deemed fully earned by us once paid and is non-refundable.

You must also pay a Training Fee of \$10,000 when you sign the Franchise Agreement. This fee covers the cost of initial training. If you want additional people to attend the initial training program, we will charge a training fee of \$500 per person. The Training Fee is deemed fully earned by us once paid and is non-refundable. All Training Fees are uniform.

We are not obligated to sell any additional franchises to any particular applicant.

During our fiscal year ending December 31, 2021 we sold four franchises and collected Initial Franchise Fees of \$50,000 for each.

Multi-Unit Developers

At our discretion, we may offer to qualified candidates a Multi-Unit Development Agreement, attached to this Franchise Disclosure Document as **Exhibit C**, pursuant to which the Multi-Unit Developer ("**Multi-Unit Developer**") obtains the right to develop and operate a prescribed number of Big Air Trampoline Facilities. When you sign a Multi-Unit Development Agreement for the development of more than 1 Big Air Trampoline Facility, we will grant you the right to build a mutually agreed upon number of Big Air Trampoline Facilities in a specified Development Area in accordance with a specified Development Schedule.

As a Multi-Unit Developer, you shall pay to Franchisor an Initial Franchise Fee for each Big Air Trampoline Facility to be developed hereunder. The initial franchise fee ("**Initial Franchise Fee**") for the first Big Air Trampoline Facility to be developed under the Multi-Unit Development Agreement shall be \$50,000. You must pay a Multi-Unit Development Fee of \$10,000 for each Big Air Trampoline Facility you intend to develop under the terms of the Multi-Unit Development Agreement. The

EXHIBIT E

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	California Department of Business Oversight <u>Financial Protection & Innovation</u> One Sansome Street, Suite 600 San Francisco, CA 94104 415-972-8559 1-866-275-2677	California Commissioner of <u>Department of Financial Protection & Innovation</u> Business Oversight 320 West 4th Street, Suite 750 Los Angeles 90013-2344 1-866-275-2677
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 860-240-8230	Connecticut Banking Commissioner Same Address
FLORIDA	Department of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800 850-245-6000	Same
GEORGIA	Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 404-656-3790	Same
HAWAII	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, HI 96813 808-586-2722	Commissioner of Securities of the State of Hawaii Dept. of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 217-782-4465	Illinois Attorney General Same Address
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 317-232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 515-281-4441	Same
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 502-696-5389	Same

EXHIBIT F

TO FRANCHISE DISCLOSURE DOCUMENT OF BIG AIR FRANCHISING, LLC

STATE-SPECIFIC ADDENDUM TO

FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT,

AND MULTI-UNIT DEVELOPMENT AGREEMENT

The provisions of this State Law Addendum to Franchise Disclosure Document and Franchise Agreement (“**State Addendum**”) apply only to those persons residing or operating Big Air Trampoline Businesses in the following states:

CALIFORNIA

Item 1 of the Franchise Disclosure Document is revised to include the following under Regulations:

Because you collect information from customers, it may contain personal information of individuals which is protected by law. You are also responsible for complying with all applicable current and future federal, state and local laws, regulations and requirements, including the California Consumer Privacy Act (as applicable), pertaining to the collection, protection, use, sale, disposal, and maintenance of such personal information. Personal information includes information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer, potential consumer, individual or household, as such term may be further defined or amended by applicable federal, state, and local laws, regulations and requirements. You may also be required to comply with opt-in requirements on your website.

Item 5 of the Franchise Disclosure Document, Section 5.1 of the Franchise Agreement and Section 3.2 of the Multi-Unit Development Agreement are revised to include the following:

The ~~Commissioner has required a financial assurance based upon the franchisor's financial condition. The Franchisor has elected to post a surety bond in lieu of deferring initial franchise fees. The surety bond is conditioned upon the franchisor's completion of its pre-opening obligations to the franchisee and the franchisee opening for business.~~ Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a requirement for us to maintain a surety bond under California Corporations Code section 31113 and 10 C.C.R. section 310.11.5 which must remain in effect during our registration period. The surety bond is in the amount of \$60,000.00 with Atlantic Specialty Insurance Company and is available for you to recover your damages in the event we do not fulfill our obligations to you to open your franchised business. We will provide you with a copy of the surety bond upon request.

Item 17 of the FDD is revised to include the following:

“THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.”

Neither the Franchisor, 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 the persons from membership in the association or exchange.

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.).

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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

The franchise agreement requires binding arbitration. This arbitration will occur in Denver, Colorado with the costs being born by the losing party. 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 provision of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires you to sign a general release of claims if you transfer your Franchise or your Multi-Unit Development Agreement. California corporations code §31512 voids a waiver of your rights under the franchise investment law (California corporations code §§31000 through 31516). The business and professions code §20010 voids a waiver of your rights under the franchise relations act (business and professions code §§20000 through 20043).

The franchise agreement requires application of the laws of Colorado. This provision may not be enforceable under California law.

Section 31125 of the California Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of Corporations before we ask you to consider a material modification of the Franchise Agreement.

Our website has not been reviewed or approved by the California Department of ~~Business Oversight~~ Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of ~~Business Oversight~~ Financial Protection and Innovation at www.corp.ca.gov www.dfpi.ca.gov.

HAWAII

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Not Registered
Illinois	Pending April 21, 2022
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Pending
North Dakota	Not Registered
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending April 20, 2022

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.