

FRANCHISE DISCLOSURE DOCUMENT



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Department of
Business Oversight

JumpBunch, Inc.
a Maryland corporation
~~302 Annapolis Street~~
~~Annapolis, Maryland 21401~~
4871 Bridle Ct
Oldsmar, FL 34677
Phone: (410) 703-2300
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www.jumpbunch.com
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JumpBunch businesses provide sports, fitness, physical education training, and educational programs to children in preschool facilities, daycare centers, other school facilities, and similar facilities ("JumpBunch Business(es)").

The total initial investment necessary to begin operation of a single JumpBunch Business ranges from \$45,800 to \$59,300. This includes \$31,000 which must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Thomas Bunchman at ~~302 Annapolis Street, Annapolis, Maryland 21401~~ 4871 Bridle Court, Oldsmar, FL 34677, and (410) 703-2300.

The terms of your contract will govern your franchise relationship. Don't rely on this 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 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 also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: ~~April 27, 2018~~ April 30, 2019

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 C for information about the franchisor or about franchising in your state.

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION/LITIGATION ONLY IN ~~MARYLAND~~ FLORIDA. OUT-OF-STATE ARBITRATION/ LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE/LITIGATE WITH US IN ~~MARYLAND~~ FLORIDA THAN IN YOUR OWN STATE.
2. WE AND OUR AFFILIATES MAY ESTABLISH OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC UNDER THE SAME AND/OR DIFFERENT TRADEMARKS, IN COMPETITION WITH THE FRANCHISE.
3. YOUR SPOUSE, AND THE SPOUSES OF THE FRANCHISE OWNERS AND GUARANTORS, AS THE CASE MAY BE, ARE REQUIRED TO SIGN THE GUARANTY AND ASSUMPTION OF FRANCHISE OBLIGATIONS. SUCH SPOUSE(S) WILL BE JOINTLY AND SEVERALLY LIABLE FOR ALL DEBTS OF THE FRANCHISE, WHETHER OR NOT INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISE OWNERS AND SPOUSES AT RISK.
4. SPOUSE(S) AND MEMBERS OF THE IMMEDIATE FAMILIES OF THE FRANCHISEE AND THE FRANCHISE OWNERS ARE BOUND BY THE COVENANTS NOT TO COMPETE EVEN IF SUCH SPOUSE AND IMMEDIATE FAMILY MEMBERS ARE NOT INVOLVED IN THE OPERATION OF THE FRANCHISE. SPOUSES AND IMMEDIATE FAMILY MEMBERS ARE PROHIBITED FROM OWNING, OPERATING, OR PERFORMING SERVICES FOR A COMPETING BUSINESS DURING AND AFTER THE TERM OF THE AGREEMENT.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may 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 is our agent and represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Dates: See next page for state effective dates.

STATE EFFECTIVE DATES

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

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

Effective Dates for States Requiring Registration and Notice Filings:

STATE	EFFECTIVE DATE
CALIFORNIA	PENDING
HAWAII	PENDING
ILLINOIS	APRIL 30, 2018
INDIANA	NOT REGISTERED
MARYLAND	NOVEMBER 13, 2018
MICHIGAN	PENDING
MINNESOTA	NOVEMBER 19, 2018
NEW YORK	AUGUST 1, 2018
NORTH DAKOTA	NOT REGISTERED
RHODE ISLAND	NOT REGISTERED
SOUTH DAKOTA	NOT REGISTERED
VIRGINIA	JULY 14, 2018
WASHINGTON	FEBRUARY 8, 2019
WISCONSIN	MAY 18, 2018

**NOTICE REQUIRED BY
STATE OF MICHIGAN**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that the franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its terms except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type or under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets; nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

The fact there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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EXHIBITS:

Exhibit A	Franchise Agreement
Exhibit B	Financial Statements
Exhibit C	List of State Administrators/Agents for Service of Process
Exhibit D	State Addenda and Agreement Riders
Exhibit E	Confidential Operations Manual Table of Contents
Exhibit F	List of Current and Former Franchisees
Exhibit G	Contracts for use with the JumpBunch Franchise
Exhibit H	Franchise Disclosure Questionnaire
Exhibit I	Receipt

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES REGARDING THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES OR STATE SPECIFIC AMENDMENTS, IF ANY, APPEAR IN THE STATE ADDENDA AT EXHIBIT D.

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, “JB” and “we,” “us,” and “our” means JumpBunch, Inc., the franchisor. “You,” “your,” and “Franchisee” means the person, and its owners if the Franchisee is a business entity, who buys the franchise from JBI.

The Franchisor

JBI is a Maryland corporation formed on June 7, 2001. We operate under the name JumpBunch, Inc. and JumpBunch and no other name. Our principal business address is ~~302 Annapolis Street, Annapolis, Maryland 21401~~ 4871 Bridle Court, Oldsmar, FL 34677. We began offering franchises for JumpBunch Businesses in 2001.

We franchise and support JumpBunch Businesses and manage the System, and do not engage in any other business. We do not offer franchises in any other line of business, but we may do so in the future. We do not currently operate any JumpBunch Businesses, but we may do so in the future. We do not have a parent, any predecessors, or any affiliates.

Our agent for service of process in Maryland is Thomas Bunchman, ~~302 Annapolis Street, Annapolis, Maryland 21401~~ 4871 Bridle Court, Oldsmar, FL 34677. Our agents for service of process for other states are identified by state in Exhibit C. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

From July 1997 to October 2006, Thomas Bunchman, our President, operated one (1) business similar to the type being offered under this disclosure document as a Maryland sole proprietorship. In October 2006, the sole proprietorship ceased operation after its principal assets were sold to become a franchise location.

The Franchise

We offer franchises (“JumpBunch Franchise(s)” or “Franchise(s)”) for the use of our “JUMPBUNCH” and “JB SPORTS” trademarks, trade names, service marks, and logos (“Marks”) for the operation of JumpBunch Businesses. JumpBunch Businesses are operated under our proprietary JumpBunch system (“System”). The System may be changed or modified by us throughout your ownership of the Franchise. JumpBunch Businesses provide sports, fitness, physical education training, and educational programs to children in preschool facilities, day care centers, other school facilities, and similar facilities. You will operate your JumpBunch Business in a designated territory we approve (your “Territory”). You must sign our standard franchise agreement attached to this Franchise Disclosure Document as Exhibit A (“Franchise Agreement”). You may operate one (1) JumpBunch Business for each Franchise Agreement you sign.

Market and Competition

JumpBunch Businesses service the needs of children by providing sports and fitness services. Our services are not seasonal in nature. The child sports and fitness industry is competitive and well developed. You will have to compete with other businesses including franchised operations, national chains, and independently owned companies offering sports, fitness, physical education training, and

educational programs to children, and other activities similar to those offered by JumpBunch franchisees. You will also face normal business risks that could have an adverse effect on your JumpBunch Business. These include industry developments, such as pricing policies of competitors, and supply and demand.

Industry-Specific Regulations

Certain states and local jurisdictions may have enacted laws, rules, regulations, and ordinances that apply to the care and supervision of children and may require, in certain instances, that you obtain a daycare or similar license. For example, many jurisdictions have daycare or childcare laws which require licensing, bonding, insurance, compliance with certain building codes, safety regulations, maximum teacher or student ratios, hours of operation, health requirements (e.g., immunizations), instructor licensing, fingerprinting, criminal background checks, and other similar requirements. These regulations may establish certain standards, specifications, and requirements that must be followed by you. You must also obtain all necessary permits, licenses, and approvals to operate your JumpBunch Business. You alone are responsible for investigating, understanding, and complying with all applicable laws, regulations, and requirements applicable to you and your JumpBunch Franchise, despite any advice or information that we may give you. You should consult with a legal advisor about whether these and/or other requirements apply to your JumpBunch Business. Failure to comply with laws and regulations is a material breach of the Franchise Agreement.

ITEM 2 BUSINESS EXPERIENCE

President and CEO: Thomas Bunchman

Thomas Bunchman is our President in ~~Annapolis, Maryland~~ Oldsmar, Florida, a position he has held since June 2001.

Corporate Secretary and Franchise Administrator: Kathleen Bunchman

Kathleen Bunchman is our Corporate Secretary in ~~Annapolis, Maryland~~ Oldsmar, Florida, a position she has held since June 2001. Ms. Bunchman also is our Franchise Administrator in ~~Annapolis, Maryland~~, a position she has held since November 2008.

Vice President: Joey St. John

Joey St. John is our Vice President in ~~Annapolis, Maryland~~ Oldsmar, Florida, a position he has held since July 2010.

ITEM 3 LITIGATION

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

Initial Franchise Fee

~~You must pay an initial franchise fee ("Initial Franchise Fee") of \$30,000 when you sign the Franchise Agreement.~~ Our standard franchise includes a territory ("Territory") that supports up to 350,000 people. Depending on the area, it is not always possible to designate this number of people so we have a tiered initial franchise fee that is population based. The initial franchise fees are as follows:

<u>Initial Franchise Fee</u>	<u>Minimum Number of People in Your Territory</u>
<u>\$30,000</u>	<u>Up to 350,000 people</u> <u>("Standard Franchise")</u>
<u>\$18,000</u>	<u>Up to 200,000 people</u> <u>("Small Market Franchise")</u>

If you are an existing franchisee and you desire multiple Territories and/or additional Franchises, you may purchase additional Franchise(s) at a thirty percent (30%) discount off of the then current initial franchise fee. Currently the initial franchise fee for multiple Territories and/or additional Franchise(s) is \$21,000 and payable when you sign the then current Franchise Agreement.

In certain circumstances, if the demographics of your Territory justify a larger Territory, you may be allowed to purchase a slightly larger Territory than our standard offering. Your Territory will consist of between 200,000 and 350,000 people (or corresponding incremental portions) with a maximum of 400,000 people in the enlarged Territory. The fee for any larger Territory will be determined at the time of your purchase, and is \$0.15 per additional person in the Territory. We will identify the population in any proposed Territory by referring to the most recent available U.S. Census data. Franchisees may only purchase a larger Territory if the demographics of the proposed Territory support the increase and subject to our approval.

We provide special financial incentives to honorably discharged veterans and their spouses. We offer a 25% discount off of the Initial Franchise Fee for any initial Franchise purchased by honorably discharged veterans and their spouses.

The Initial Franchise Fee and any additional Territory fees are due upon the execution of the Franchise Agreement and are uniform, non-refundable and deemed fully earned when paid.

Initial Technology Fee

You must pay us an initial technology fee of \$1,000 when you sign the Franchise Agreement (the "Initial Technology Fee"). The Initial Technology Fee is a prepayment of 10 months of technology fees described below in Item 6. The Initial Technology Fee is deemed fully earned when paid and is non-refundable.

**ITEM 6
OTHER FEES**

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Royalty ⁽²⁾	The higher of 8% of Gross Revenue or the Minimum Royalty	Due by the 3 rd business day of each month	See Note 3 for the " <u>Minimum Royalty</u> ."
National Fund Contribution ⁽³⁾	1% of your Gross Revenue and any local advertising expenditure deficits	Same as Royalty	We have established an advertising and marketing fund for JumpBunch Businesses ("National Fund"). We reserve the right to increase the amount up to 2% upon 30 days' written notice)
Local and Regional Advertising Cooperative ⁽⁴⁾	Will vary under circumstances, typically not to exceed 3% of Gross Revenue	As specified by the advertising cooperative	We currently do not have a cooperative, but reserve the right to require one to be established in the future. Item 11 contains more information about advertising cooperatives.
Unauthorized Advertising Fee	\$500 per occurrence	Upon demand	This fee is payable to the National Fund if you use unauthorized advertising in violation of the terms of the Franchise Agreement.
Insurance	Reimbursement of our costs, plus a 10% administrative fee	Upon demand	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us for the cost of insurance obtained plus ten percent (10%) of the premium for an administrative cost of obtaining the insurance.
Additional Training or Assistance Fee	An amount set by us (currently \$400) per attendee, per day	As incurred	We provide initial training at no charge for up to two (2) people. We may charge you for training additional persons, newly-hired personnel, refresher training courses, advanced training courses, and additional or special assistance or training you need or request. The fee amount will depend on the training required and experience level of the trainer.
Ongoing Technology Fee	Currently \$100 per month	Same as Royalty, beginning the eleventh month after signing the Franchise Agreement	We may change the amount of the ongoing technology fee periodically, not to exceed more than one (1) increase in any 12-month period, and not to exceed more than a 15% increase over the previous amount.

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Convention Fee	The then-current fee (currently estimated to be \$199 - \$399 per attendee), plus your costs of attendance	Upon demand	You must attend one (1) convention of some or all of our franchisees per year at a location we designate. You will be required to pay a convention fee whether or not you attend, and you will be required to pay one (1) fee for each person attending the convention. You will be required to stay at the convention hotel at your own expense.
Supplier and Product Evaluation Fee	Cost of inspection and review (estimated to be approximately \$100 to \$300)	As incurred	Payable if we inspect or test product samples from proposed suppliers nominated by you.
Customer Issue Resolution	Reasonable costs we incur for responding to a customer complaint, which varies	On invoice	Payable if a customer of your JumpBunch Business contacts us with a complaint and we provide a gift card, refund, or other value to the customer as part of our addressing the issue.
Payment Service Fee	4% of total charge	As incurred	If payment is made to us or our affiliate by credit card for any fee required, we may charge a service charge of four percent (4%) of the total charge.
Late Payment Fee	The lesser of 15% or the highest rate allowed by applicable law	As incurred	Payable if any payment due to us or our affiliates is not made by the due date. Interest accrues from the original due date until payment is received in full.
Insufficient Funds Fee	\$100 per occurrence	As incurred	Payable if any check or EFT payment is not successful due to insufficient funds, stop payment, or any similar event.
Failure to Submit Required Financial Report Fine	\$100 per occurrence and \$100 per week	Your bank account will be debited for failure to submit any requested report within five (5) days of request	Payable if you fail to submit any required report when due. Fines collected are paid to the National Fund, or us. You will continue to incur this fee until you submit the required report.
Auditing Costs	Cost of audit and inspection, any understated amounts, and any related accounting and legal expenses (we estimate this cost to be between \$1,000 and \$12,000)	Within seven (7) days of your receipt of notice from us that you must reimburse us for our actual costs of the audit	Due if you do not give us reports, supporting records, or other required information in a timely manner or if you understate weekly Gross Revenue by more than two percent (2%).

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Indemnification	Will vary under circumstances	As incurred	You must indemnify and reimburse us for any expenses or losses that we or our representatives incur related in any way to your JumpBunch Business or Franchise.
Management Fee	Currently \$100 per day (plus costs and expenses)	As incurred	Payable if we manage the JumpBunch Business because you are in breach of the Franchise Agreement.
Professional Fees and Expenses	Will vary under circumstances	As incurred	You must reimburse us for any legal or accounting fees that we incur as a result of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement.
Successor Franchise Fee	\$5,000	Concurrently with our granting a successor franchise to you	Payable if you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement.
De-Identification	All amounts incurred by us related to de-identification	As incurred	Payable if we must de-identify your JumpBunch Business upon its termination, relocation or expiration.
Franchise Transfer Fee	\$7,500	\$1,000 non-refundable deposit at time of transfer application submittal, and the remaining balance of fee at time of approved transfer	Payable only in connection with the transfer of your JumpBunch Business or the Franchise Agreement.
Liquidated Damages ⁽⁶⁾	Will vary under circumstances	Within 15 days after termination of the Franchise Agreement	Due only if we terminate the Franchise Agreement before the end of the term because of your material breach, or you terminate the Franchise Agreement without legal cause.

Notes:

1. **Fees.** All fees paid to us or our affiliates are uniform and not refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us or our affiliates via electronic funds transfer ("EFT") or other similar means. You are required to complete the EFT authorization (in the form attached to this Franchise Disclosure Document in Exhibit G). We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. All fees are current as of the

Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement.

2. The term "Gross Revenue" means the total selling price of all products and services sold at, from, or through your JumpBunch Business, whether or not sold or performed at or from the JumpBunch Business, including the full redemption value of any gift certificate or coupon sold for use at the JumpBunch Business (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from this calculation), and all income and revenue of every other kind and nature related to the JumpBunch Business operation, whether for cash or credit, and regardless of collection in the case of credit but excluding all federal, state, or municipal sales taxes, use taxes, or service taxes collected from customers and paid to the appropriate taxing authority, and excluding customer refunds, adjustments, credits, and allowances actually made by the Franchise in compliance with the Methods of Operation (See Item 8 for definition). We may periodically update the confidential operations manual to temporarily exclude certain items from "Gross Revenue."

3. Minimum Royalty. The "Minimum Royalty" is:

Time Period	Minimum Monthly Royalty Payment
1 st through 12 th month of operation	\$0
13 th through 24 th months of operation	\$400 <u>Standard Franchise</u> , or \$300 <u>Small Market Franchise</u>
25 th month through remainder of initial term	\$500 <u>Standard Franchise</u> , or \$400 <u>Small Market Franchise</u>

4. National Fund Contribution. If you fail to meet your required local advertising requirement expenditure on local advertising, you must pay us the difference between the amount you spent and the required advertising expenditure, which will be contributed to the National Fund.
5. Local and Regional Advertising Cooperatives. We reserve the right to establish a local or regional advertising cooperative. If a cooperative is formed in your area, you agree to become a member within 30 days after the date the cooperative begins operation. If a cooperative is established, contribution amounts to the local or regional advertising cooperative will be established by the cooperative members. If you do not satisfy your obligations to the local or regional cooperative, then we have the right to deduct the funds you owe at the same time and in the same manner as we collect the Royalty and your contribution to the National Fund, and remit these funds to the local or regional cooperative with an additional handling fee. We anticipate that each JumpBunch franchisee will have one (1) vote for each JumpBunch Business operated by the member in the Cooperative's. No local or regional advertising cooperatives have been established as of the Issuance Date of this Franchise Disclosure Document.
6. Liquidated Damages. Liquidated damages are determined by multiplying the combined monthly average of Royalty fees and National Fund contributions (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with the date you open your JumpBunch Business through the date of early termination, multiplied by the lesser of: (i) 36, or (ii) the number of full months remaining in the term of the Franchise Agreement, except that liquidated damages will not, under any circumstances, be less than \$30,000.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee ⁽¹⁾	\$30,000 \$18,000	\$30,000	Lump Sum	When you Sign the Franchise Agreement	Us
Office Equipment and Supplies ⁽²⁾	\$200	\$2,000	As Invoiced	As Invoiced	Third Parties
Collateral Materials ⁽³⁾	\$3,000	\$3,000	As Invoiced	When you Sign the Franchise Agreement	Third Parties
Fitness Equipment ⁽⁴⁾	\$3,500	\$4,000	As Invoiced	When you Sign the Franchise Agreement	Third Parties
Initial Technology Fee	\$1,000	\$1,000	As Invoiced	Within 90 days of Signing the Franchise Agreement	Us
Start-Up Marketing ⁽⁵⁾	\$500	\$500	As Incurred	Within 90 days of Signing the Franchise Agreement	Advertising Sources
Insurance ⁽⁶⁾	\$800	\$2,000	As Invoiced	Before Commencing Operations	Insurance Companies
Professional Fees ⁽⁷⁾	\$1,500	\$2,000	As Invoiced	As Invoiced	Attorneys, Accountants
Initial Training Expenses ⁽⁸⁾	\$300	\$2,000	As Incurred	As Incurred	Third Parties
Licenses and/or Bonds	\$0	\$800	As Incurred	Before Commencing Operations	Government Agencies and Bonding Companies
Additional Funds – 3 Months ⁽⁹⁾	\$5,000	\$12,000	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT ⁽¹⁰⁾	\$33,800 \$45,800	\$59,300			

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your JumpBunch Franchise. We do not offer direct or indirect financing for these items. Our estimates are based on our experience, the experience of our affiliates, and our current requirements for

JumpBunch Franchises. The factors underlying our estimates may vary depending on several variables, and the actual investment you make in developing and opening your JumpBunch Franchise may be greater or less than the estimates given, depending upon the location of your JumpBunch Business, and current relevant market conditions. Your costs will also depend on factors such as how well you follow our methods and procedures; your management skills; your business experience and capabilities; local economic conditions; the local market for our products and services; the prevailing wage rates; competition; and sales levels reached during your initial phase of business operations. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

We made no estimate for a vehicle as we assume you will use a vehicle you already own. We made no estimate for real estate because you are not required to purchase or lease real property to operate your JumpBunch Business. If you elect to lease office space for your JumpBunch Business, your costs will include that additional amount.

1. Initial Franchise Fee. See Item 5 for more information regarding your Initial Franchise Fee.
2. Office Equipment and Supplies. These expenses are the cost of office equipment and supplies, including the cost of a computer, printer/fax/copy machine, phone/voice mail system, cell phone, filing cabinets, forms, stationery, and entity accounting software/services.
3. Collateral Materials. You must place an order with our designated vendor(s) for signs, graphics, and other marketing and promotional materials that we designate concurrently with signing the Franchise Agreement, which may mean incurring the full price of such materials at the time you sign the Franchise Agreement. However, the terms and conditions of your purchase of these materials will be determined entirely by your arrangement with such designated vendor(s), including payment method, delivery, risk of loss, shipping costs, and taxes.
4. Fitness Equipment. You must place an order with our designated vendor(s) for fitness equipment, sports equipment, and other miscellaneous items that we designate concurrently with signing the Franchise Agreement, which may mean incurring the full price of such materials at the time you sign the Franchise Agreement. However, the terms and conditions of your purchase of these materials will be determined entirely by your arrangement with such designated vendor(s), including payment method, delivery, risk of loss, shipping costs, and taxes.
5. Start-Up Marketing. The estimate includes the costs for advertising sources, as well as expenses for opening promotions.
6. Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require, and satisfy other insurance-related obligations. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of a JumpBunch Business, your rates may be significantly higher than those estimated above.
7. Professional Fees. We strongly recommend that you hire a lawyer, accountant, or other professional to advise you on this Franchise offering. Rates for professionals can vary significantly based on area and experience.
8. Initial Training Expenses. We provide training at our training center in Annapolis, Maryland, Charlotte, North Carolina or at another location designated by us. You must pay for airfare, meals, transportation costs, lodging, and incidental expenses for all initial training program.

attendees. Initial training is provided at no charge for you (or your managing owner) and any designated manager or representative that we require; if additional initial training is required or more people must be trained, an additional fee will be assessed.

9. Additional Funds. These amounts represent our estimate of the amount needed to cover your expenses for the initial three (3)-month start-up phase of your JumpBunch Business. They include fuel costs, maintenance expenses, system fees, salaries, facility fees, and other general operating expenses. These figures do not include standard pre-opening expenses, additional Territory fees, Royalties, or National Fund contributions payable under the Franchise Agreement or debt service, and assume that none of your expenses are offset by any sales generated during the start-up phase. For purposes of this disclosure, we estimated the start-up phase to be three (3) months from the date your JumpBunch Business opens for business. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your JumpBunch Business. You must bear any deviation or escalation in costs from the estimates that we have given. Your costs will depend on factors such as: how well you follow our methods and procedures; your management skills, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; the sales level reached during the start-up period; and the size of your JumpBunch Business. Additional funds for the operation of your JumpBunch Franchise will be required after the first three (3) months of operation if sales produced by the JumpBunch Franchise are not sufficient to produce positive cash flow.
10. Figures May Vary. This is an estimate of your initial startup expenses for one JumpBunch Franchise. You should review these figures carefully with a business advisor before making any decision to purchase the Franchise.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

To ensure the highest degree of quality and service is maintained, you must operate your JumpBunch Franchise in strict conformity with the methods, standards, specifications, operating procedures, and rules that we periodically prescribe for operating a JumpBunch Business ("Methods of Operation") and that we list in our proprietary and confidential operating manual ("Confidential Operations Manual"), which may exist in various parts, locations, and formats, and may include a combination of audio, video, written material, electronic media, website content, and/or software components. You must not: (i) deviate from these methods, standards, and specifications without our prior written consent; or (ii) otherwise operate in any manner which reflects adversely on our Marks or the System. Our Confidential Operations Manual states our standards, specifications, and guidelines for all products and services we require you to obtain in establishing and operating your JumpBunch Franchise. We will notify you of new or modified standards, specifications, and guidelines through periodic amendments or supplements to the Confidential Operations Manual or through written communication (including electronic communication).

You must purchase, install, maintain in sufficient supply, and use, only fixtures, furnishings, equipment, signs, and supplies (collectively, the "Operating Assets") that conform to the standards and specifications described in the Confidential Operations Manual or otherwise in writing. We may require you to use designated or approved suppliers for other goods and services in the future.

You must use the computer hardware and software, including any point-of-sale ("POS") system that we periodically designate, to operate your JumpBunch Franchise. You must obtain the computer hardware, software licenses, maintenance and support services, and other related services that meet our specifications from the suppliers we specify (which may be limited to us and/or our affiliates). Currently, we require you to purchase/use approved accounting software, class management software, Microsoft Office, liability insurance, equipment, branded merchandise and collateral, and background screening services from vendors we designate or approve.

You must obtain the insurance coverage required under the Franchise Agreement. The insurance company must be authorized to do business in the state where your JumpBunch Business is located, and must be approved by us. It must also be rated "A" or better by A.M. Best & Company, Inc. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies must name us and any affiliates we designate as additional named insured parties. The cost of insurance may be significantly higher than the estimate depending on such factors as particular state coverage requirements, store location, and your loss history.

Purchases from Designated or Approved Suppliers

You must purchase and use for your JumpBunch Business only those Operating Assets that we designate or approve as meeting our Methods of Operation. You are required to purchase Operating Assets only from us or our approved or designated suppliers and distributors and only on the terms and according to the specifications we approve. We or our affiliates may be a designated supplier or distributor, or otherwise party to these transactions. We are currently the only approved supplier for the technology services covered by the Initial Technology Fee and Ongoing Technology Fee. Some of our officers own an equity interest in JBI, which is an approved supplier.

You must order the Operating Assets from our designated vendor(s) that we determine you will need to begin operating your JumpBunch Business when you sign the Franchise Agreement. We also reserve the right to require that you place orders for additional Operating Assets at times we designate during the term of the Franchise Agreement, including before you begin operating your JumpBunch Business.

Approval of any Operating Assets or supplier may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), or other criteria. We will not issue to you or any of our approved suppliers (except as we deem necessary) our standards and specifications.

We estimate that the purchases you make according to our specifications or from an approved or designated supplier will be approximately 10% of your total purchases to establish a JumpBunch Business, and approximately 40% of your total purchases to operate a JumpBunch Business (not including amortization, depreciation, or replacement of worn or obsolete improvements, equipment, or fixtures).

We and/or our affiliates may derive revenue from your purchases or leases of Operating Assets or services from us or our affiliates. During our last fiscal year ended December 31, 2017, we derived \$41,356.00 in revenue from the sale or lease of products or services to franchisees. This revenue represents approximately 7.1% of our total revenue of \$579,835.63.

We and/or our affiliates may also receive promotional allowances, rebates, volume discounts, and

other payments, services, or consideration from suppliers based on your purchases or leases from those suppliers, and we reserve the right to do so in the future. During our last fiscal year, we received rebates from approved suppliers in the amount of \$1,453.87. This rebate represents 30% of the monthly combined revenue received by a supplier of online marketing services from all JumpBunch franchisees using that supplier. That rebate is only paid if the monthly combined revenue exceeds \$250. If the monthly combined revenue exceeds \$5,000, the rebate will only be paid on \$5,000 of revenue.

We have negotiated purchase arrangements with certain suppliers and distributors of equipment, payroll services, and collateral and background screening, including pricing terms available to franchisees. We may cancel or change these arrangements, or enter into new purchase arrangements during the term of your Franchise Agreement. We reserve the right to receive rebates on volume discounts from our purchase of products that we may re-sell to you. We do not provide material benefits, such as renewing or granting additional Franchises based on a franchisee's use of designated or approved sources or their purchase of particular products or services. There are no caps or limitations on the maximum amount of rebates we may receive from our suppliers as the result of franchisee purchases. We do not have purchasing and distribution cooperatives as of the Issuance Date of this Franchise Document.

Approval of New Suppliers

We may update the list of approved suppliers in the Confidential Operations Manual. If you would like to purchase any Operating Assets from a non-approved supplier of a product or service designated as an approved supplier, you must submit samples of the supplier's products or services to us, along with a written statement describing why such items, services, or suppliers should be approved for use in the System before that purchase. We reserve the right to charge a fee to evaluate the proposed supplier of approximately \$100 to \$300 per evaluation (See Item 6). We have the right to inspect any proposed supplier's facilities, and to require product samples from any proposed supplier. The samples must be delivered, at our option, either directly to us or to a third party we designate for testing. We will notify you in writing of the approval or rejection of the proposed supplier within a reasonable time after completion of the investigation. If we fail to respond within 30 days, your request will be deemed denied. We may elect to withhold approval of any proposed supplier. We are likely to reject your request for a new supplier, without conducting any investigation, if we have already designated an exclusive supplier for the item proposed to be offered by the new supplier. We may periodically re-inspect the facilities or products of any approved supplier and revoke our approval if the supplier does not continue to meet any of our standards or criteria. We also may charge suppliers a royalty for the right to manufacture products for use in your JumpBunch Business. Our written approval must be received before you use products not purchased from an approved supplier. We may revoke our approval at any time if we determine, in our discretion, that the supplier no longer meets our standards. When you receive written notice of a revocation, you must stop selling any disapproved products, and stop purchasing from any disapproved supplier.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Item in Disclosure Document
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Obligation	Section in Franchise Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Not applicable	Item 11
b. Pre-opening purchases/leases	Section 6	Item 8
c. Site development and other pre-opening requirements	Sections 1.3, 2.6, 6.2, and 6.4	Items 8 and 11
d. Initial and ongoing training	Section 3	Items 7 and 11
e. Opening	Section 6	Item 11
f. Fees	Sections 1.8, 2.1, 2.3, 2.4, 2.6, 2.7, 2.8, 2.9, 2.10, 3.2, 3.4, 3.5, 6.1.14, 6.6, 8.3, 9.2, 12.4, and 13.8	Items 5 and 6
g. Compliance with standards and policies/Confidential Operations Manual	Sections 1.1, 3, and 6	Item 11
h. Trademarks and proprietary information	Sections 4 and 6	Items 13 and 14
i. Restrictions on products/services offered	Section 6	Item 16
j. Warranty and customer service requirements	Not applicable	Item 11
k. Territorial development and sales quotas	Not applicable	Item 12
l. Ongoing products/service purchases	Sections 3.4.2, 3.5, and 6	Item 8
m. Maintenance, appearance and remodeling requirements	Section 6	Items 6 and 8
n. Insurance	Section 6.1.14	Items 7 and 8
o. Advertising	Sections 2.6, 2.7, 2.8, 2.9, 2.10, and 2.11	Items 6 and 11
p. Indemnification	Section 12.4	Item 9
q. Owner's participation/management/staffing	Sections 1.4 and 1.7	Items 11 and 15
r. Records/reports	Section 7	Item 6
s. Inspections/audits	Section 8	Items 6 and 11
t. Transfer	Section 9	Item 17
u. Renewal	Section 1.8	Item 17
v. Post-termination obligations	Section 11	Item 17
w. Non-competition covenants	Sections 5 and 11	Item 17
x. Dispute resolution	Section 13.11	Item 17
y. Other (guarantee)	Attachment B	Item 15

ITEM 10 FINANCING

We do not offer direct or indirect financing to franchisees. We do not guarantee your note, lease, or other obligation.

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

Except as listed below, JBI is not required to provide you with any assistance.

Pre-Opening Obligations

Before you open your JumpBunch Franchise, we (or our affiliates or designees) will provide the following assistance and services to you:

1. Because you do not have to locate a site from which to operate your JumpBunch Business, we do not provide you with assistance in doing so. We generally do not own the premises for the JumpBunch Business and lease it back to you. If you decide to operate your JumpBunch Business from outside your home, we must approve of the location. We will not unreasonably withhold our consent to your choice of a location.

2. Designate your Territory (Section 1.5 of the Franchise Agreement).

3. Loan to you, or make available to you on our website, one (1) copy of the Confidential Operations Manual. The Confidential Operations Manual contains approximately 124 pages. The table of contents for the Confidential Operations Manual is attached to this Franchise Disclosure Document as Exhibit E (Section 3.5 of the Franchise Agreement).

4. Provide an initial training program in ~~Annapolis, Maryland~~ Charlotte, North Carolina or another location designated by us ("Initial Training Program") for you and one (1) other person who is authorized to manage your business (Section 3.1 of the Franchise Agreement).

Schedule for Opening

Within 90 days after the execution of the Franchise Agreement: (i) you must obtain all Operating Assets, (ii) you must obtain insurance in compliance with our Methods of Operation and as required under the Franchise Agreement and Confidential Operations Manual, (iii) you must conduct start-up local marketing as described below, (iv) you must pay us the Initial Technology Fee, and (v) you (or your Managing Owner) must complete initial training to our satisfaction ("Opening Requirements").

We estimate the length of time between the signing of the Franchise Agreement or the first payment of consideration for your JumpBunch Business and the date you complete your Opening Requirements and begin operations is 30 days. Our estimate assumes that you will initially be working from your home or already have an approved site for the JumpBunch Business or that you will identify one shortly after signing the Franchise Agreement. This time period may be affected by your ability to purchase Operating Assets, including the Computer System. We may terminate the Franchise Agreement if you fail to meet your Opening Requirements and begin operations within 90 days of signing the Franchise Agreement. Some factors which may affect this timing are your ability to secure any necessary

financing, your ability to obtain any necessary permits and certifications, the time to complete required training, your ability to obtain any necessary equipment, and hiring and training of your staff.

You may not open your JumpBunch Business until: (1) we notify you in writing that all of your Opening Requirements have been fulfilled; (2) you have completed the Initial Training Program to our satisfaction; (3) all amounts due to us have been paid; (4) we have been furnished with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums we request; (5) you notify us that all approvals and conditions stated in the Franchise Agreement have been met; and (6) you have received all required permits and licenses. You must be prepared to open and operate your JumpBunch Business immediately after we state your JumpBunch Business is ready for opening.

Continuing Obligations

During the operation of your JumpBunch Business, we (or our designee(s)) will provide the following assistance and services to you:

1. Provide you with telephone and e-mail consultation during the times that are outlined in the Confidential Operations Manual (Section 3.4.1. of the Franchise Agreement).
2. Provide you with lists of sources and approved suppliers for our ancillary goods, services, equipment, etc. (Section 3.4.2. of the Franchise Agreement).
3. Provide you with ongoing marketing programs (Section 3.4.3. of the Franchise Agreement).
4. Continue to license to you the use of Marks, as described in greater detail below in Item 13 (Section 4 of the Franchise Agreement).
5. Continue to loan you or make available to you on our website or intranet, one (1) copy of the Confidential Operations Manual (Section 3.5 of the Franchise Agreement).
6. Maintain and administer one or more websites to advertise, market, and promote JumpBunch Business and the services and products offered (Section 2.11 of the Franchise Agreement).

Optional Assistance

During the term of the Franchise Agreement, we (or our designee(s)) may, but are not required to, provide the following assistance and services to you:

1. Modify, update, or change the System, including the adoption and use of new or modified trade names, trademarks, service marks, or copyrighted materials, new products, new equipment, or new techniques.
2. Make periodic visits to the JumpBunch Business for the purpose of assisting in all aspects of the operation and management of the JumpBunch Franchise, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the JumpBunch Franchise, and detailing any problems in the operations which become evident as a result of any visit. If provided at your request, you must reimburse our expenses and pay our then-current training charges.

3. Hold periodic national or regional conferences to discuss business and operational issues affecting JumpBunch franchisees.

4. Maintain and administer a National Fund. We may dissolve the National Fund upon written notice.

Advertising

National Fund

We have established the National Fund for advertising and promoting JumpBunch Businesses, the Marks, and the JumpBunch brand generally. You must contribute one percent (1%) of your monthly Gross Revenue (we reserve the right to increase the amount up to two percent (2%) upon 30 days' written notice) to the National Fund ("National Fund Contribution"). Your National Fund Contribution will be due at the same time and in the same manner as the Royalty, based on the Gross Revenue you generated in the previous reporting period. Your contribution to the National Fund will be in addition to all other advertising requirements set out in this Item 11. Each franchisee will be required to contribute to the National Fund but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. JumpBunch Businesses owned by us or our affiliates will contribute to the National Fund on the same basis as franchisees.

We will direct all programs that the National Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The National Fund will be administered by us, or our affiliate or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us. The National Fund will be in a separate bank account, commercial account or savings account. We will not use the National Fund for our general operating expenses.

The National Fund may allocate resources to advertise locally, regionally, and/or nationally, in printed materials, on radio, on television, on the Internet, including website development and search engine optimization, as well as allocate resources for public and consumer relations, the development of technology for the System, and any other purpose to promote the JumpBunch brand, in our sole discretion. The National Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining a website that promotes JumpBunch Businesses and/or related strategies; administering search engine, social media, and other online marketing campaigns; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising, and using advertising, promotion, and marketing agencies and other advisors to provide assistance; developing and maintaining application software designed to run on computers and similar devices, including tablets, smartphones, and other mobile devices, as well as any evolutions or next generations of any such devices; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The National Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost.

We may reimburse ourselves, our authorized representatives or our affiliates from the National Fund for administrative costs, including reasonable salaries and benefits of personnel who manage and administer the National Fund and travel expenses of personnel while they are on National Fund business, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes, meeting costs; overhead relating to National Fund business and all other direct or indirect expenses associated with the programs funded by the National Fund, including but not limited to, conducting market research; public relations; preparing advertising, promotion, and marketing materials.

The National Fund is designed to maximize recognition of our Marks, increase business for JumpBunch Businesses, and promote the JumpBunch brand generally. Although we will try to use the National Fund to develop advertising and marketing materials and programs, and to place advertising and marketing that will benefit all JumpBunch Businesses, we do not guarantee that National Fund expenditures in or affecting any geographic area will be proportionate or equivalent to National Fund Contributions by contributors operating in that geographic area, or that any contributor benefits directly, in proportion to its National Fund contribution, or at all. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will hold all National Fund Contributions for the benefit of the contributors and use contributions only for their permitted purposes (described below).

We have no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the National Fund or to maintain, direct, or administer the National Fund. The National Fund may spend in any fiscal year more or less than the total National Fund Contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. Any unused funds in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the National Fund on any terms we deem reasonable. We will use interest earned on National Fund Contributions to pay costs before spending the National Fund's other assets. We will not use the National Fund Contributions for advertising that is principally a solicitation for the sale of Franchises, but we reserve the right to include a notation in any advertisement indicating "Franchises Available" or similar phrasing or include information regarding acquiring a franchise on or as a part of materials and items produced by or for the National Fund. The National Fund is not audited. We will prepare an annual, unaudited statement of National Fund Contributions and expenses and give it to you upon written request. We may incorporate the National Fund or operate it through a separate entity. If the National Fund is managed by a separate entity, then such entity will have all of the rights and obligations described in this Item 11.

We may use collection agents and institute legal proceedings to collect National Fund Contributions at the National Fund's expense. We may also forgive, waive, settle, and/or compromise all claims by or against the National Fund.

We may, at any time, defer or reduce a franchisee's National Fund Contributions and, upon 30 days' prior written notice to you, reduce or suspend National Fund Contributions and operations for one (1) or more periods of any length and terminate and reinstate the National Fund. If we terminate the National Fund, we will distribute all unused contributions to contributing franchisees, and to us or our affiliates, in proportion to respective contributions during the preceding 12-month period.

Of the monies expended from the National Fund in fiscal year 2015, 20% was spent on production, 10% was spent on media placement, 10% was spent on administrative expenses, and 60% was spent on other uses, including discretionary local franchisee marketing and collateral purchases by franchisees.

Local Advertising

In addition to your contributions to the National Fund and your start-up local marketing requirement, each month you agree to spend an average of one percent (1%) of your Gross Revenue each calendar quarter on local advertising ("Local Advertisement Requirement"). If you fail to spend the Local Advertisement Requirement in any given year, you will be required to pay the deficient Local Advertisement Requirement to the National Fund. The Local Advertisement Requirement shall be used to advertise and promote your JumpBunch Business.

You are required, at your sole cost and expense, to issue and offer such rebates, giveaways, and other promotions in accordance with advertising programs established by us, and further agree to honor the rebates, giveaways, and other promotions issued by other JumpBunch franchisees under any such program, so long as such compliance does not contravene any applicable law, rule, or regulation. You will not create or issue any gift cards/certificates and will only sell gift cards/certificates that have been issued or sponsored by us and which are accepted at all JumpBunch Businesses, and you will not issue coupons or discounts of any type except as approved by us.

We reserve the right to require you to participate in local and regional advertising cooperatives ("Cooperative"). If a Cooperative is formed in your area, you agree to become a member within 30 days after the date the Cooperative begins operation, and you will be required to pay an amount set by the Cooperative, which will be determined at the time the Cooperative is established. Your contributions to any Cooperative will be credited towards your Local Advertisement Requirement, provided that your contributions are made in compliance with our Methods of Operation for the Cooperative.

Contributions to any Cooperative will be uniform to all members in that Cooperative. We may designate any geographic area for purposes of establishing a Cooperative, determine whether a Cooperative applies to your JumpBunch Business, and require that any existing Cooperative be changed, dissolved, or merged with another. We may, but do not currently, require that a Cooperative operate from written governing documents. Any governing documents will be available for your review. A Cooperative must be administered by members of the Cooperative who are duly elected by the other members, and must seek and receive our prior written approval of any promotional materials or advertising plans to be used or produced by the Cooperative. Each Cooperative member will have one (1) vote for each JumpBunch Business that the franchisee owns that exists within the Cooperative's area, except that members who are in default of their Franchise Agreement or any Cooperative rules will not be able to vote. Any Cooperative to which you belong must prepare annual financial statements available for your and our review. If we have a corporate owned or affiliate owned location in the Cooperative's geographic area, that location will have the same voting power and will make the same contribution as a non-corporate owned or affiliate owned Franchise in that Cooperative. If we do not have a corporate owned or affiliate owned location in the Cooperative's geographic area, then we will be a non-voting member of that Cooperative. If you do not satisfy your obligations to the Cooperative, then we have the right to deduct the funds you owe to the Cooperative at the same time and in the same manner as we collect the Royalty and your contribution to the National Fund, and remit these funds to the Cooperative with an additional handling fee. We do not currently have any Cooperatives.

Start-Up Local Marketing

You must spend at least \$500 on local marketing for your JumpBunch Business before your initial training, or within 90 days of signing of the Franchise Agreement. You must use the marketing and public relations programs, media, and materials we have approved, and conduct such marketing efforts at the times we designate.

Marketing Resources, Pre-Approvals for Marketing Materials, and Internet Marketing

You may develop, at your own cost, advertising and promotional materials for your own use. All advertising, promotional, and marketing content must be clear, factual, not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we may require periodically. Use of logos, Marks, and other name identification materials must follow our approved standards. You may not use our logos, Marks, and other name identification materials on items to be sold or services to be provided without our prior written approval. Before you conduct any advertising or marketing, you must send us or our designated agency samples of your

proposed materials for review. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved. You may not advertise via the Internet, including on such websites such as Groupon, Twitter, and Facebook, unless we have authorized you to do so in writing. We will notify you of whether or not the advertising is approved within 30 days of receiving the advertisement from you. If we do not notify you within 30 days, the advertisement is deemed to be disapproved.

If we approve of promotional items or services that will be sold through your JumpBunch Business, those items or services must be in your Gross Revenues and will be subject to Royalties, the Local Advertisement Requirement, and the National Fund Contribution. If you use unauthorized advertising materials, you must pay a fee of \$500 per occurrence to us, or, if established, the National Fund.

System Website

You must participate in the JumpBunch website on the Internet ("System Website") or other online communications, including any specified intranet system. You may not separately register any domain name or establish, operate or maintain any website, including social media websites such as Facebook, Twitter, or other similar sites, containing any of our Marks, or engage in any other electronic marketing of services or products without our written approval. All such information shall be subject to our approval prior to posting. You must only use your JumpBunch approved e-mail address for all e-mail communications related to your JumpBunch Business. We determine the content and use of the System Website and have the right to establish the rules under which franchisees may or must participate in the System Website or separately use the Internet or other online communications. We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, linking, advertising, and co-branding arrangements. You may be requested to provide content for our Internet marketing, and you must follow our intranet and Internet usage rules, policies, and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms, and meta-tags, and in connection with linking, marketing, co-branding, and other arrangements. You may not independently market on the Internet, or use any domain name, address, locator, link, meta-tag, or search technique with words or symbols similar to the Marks. You will provide us content for our Internet marketing. We retain the right to approve any linking or other use of our System Website. We retain all rights relating to the System Website and may alter or terminate the System Website.

Franchisee Feedback Panel

We have established a Franchisee Feedback Panel which serves in an advisory capacity only. The intent of this panel is to advance and promote positive communication between the franchisee group and us. The participants on the panel range from a minimum of five to a maximum of ten at any given time and are appointed by expressing a voluntary interest in taking part. There are no officers, meeting requirements, or terms. Franchisees on the panel simply respond with individual opinions on questions and topics posed to them by us. Our goal is to maintain franchisee insight and interests in policy considerations, project needs, resource initiatives, and other areas of operations and growth of the system. The franchisee feedback panel is only one additional way to ensure the voice of the franchisee is heard and does not replace or discourage any franchisee's ability to engage with us individually.

Software and Computer Equipment

You must purchase or lease, and maintain and use, only the computers, hardware, software, web technologies or applications, required Internet access, modem(s), printer(s), and other related accessories.

or peripheral equipment, and methods of operation as we specify in the Confidential Operations Manual or otherwise in writing (collectively, the "Computer System"). The Computer System will have the capacity to electronically exchange information, messages, and other data with other computers, by such means (including, but not limited to, the Internet), and using such protocols as we may reasonably prescribe in the Confidential Operations Manual or otherwise in writing. The Computer System will manage the daily workflow of the JumpBunch Business, coordinate the customer registration experience, and track other information. You must record all Gross Revenue on the Computer System. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. The Computer System will generate reports on the Gross Revenue of your JumpBunch Franchise. You must also maintain a high-speed Internet connection at the JumpBunch Business. In addition to offering and accepting JumpBunch gift cards and loyalty cards, you must accept all credit cards and debit cards that we determine. You must keep your Computer System in good maintenance and repair and, at your expense, promptly make any and all additions, changes, modifications, substitutions, and/or replacements to your Computer System as we direct. You will pay any and all, annual or otherwise, software fees, or other fees, as required by our approved suppliers to maintain your Computer System and software. We may approve suppliers for the Computer System (see Item 8 above). Currently, except as specified below, you may purchase the components of the Computer System from any vendor of your choosing as long as they meet our specifications. You acknowledge and agree that our suppliers have the right to increase or decrease the software fees at any time, in their sole discretion, upon written notice to you. You further acknowledge and agree that we reserve the right to change our approved suppliers, including any software suppliers, at any time and in our sole discretion. You may not alter your Computer System, or use alternative software or suppliers of technology, without our prior written approval. If you are in default of any obligations under the Franchise Agreement, we may, in addition to any other remedy we may have under the Franchise Agreement, temporarily inhibit your access to all or part of the Computer System until you have cured such default completely.

You may use a computer and/or cell phone that you already own. If you do not own a computer that meets our specifications, we estimate your cost to purchase the Computer System to be approximately \$200 to \$2,000. You are required to purchase a computer system that consists of the following hardware and software: (a) Windows or Mac OSX compatible laptop personal computer with high speed Internet access; one (1) printer/fax/copy machine; one (1) cell phone and service contract; and (b) the most recent version of Microsoft Office; approved accounting software; ProfitKeeper software; and ClassJuggler software.

The cost to upgrade the hardware and maintain or upgrade the Software of the Computer System depends on the needs of the System, industry regulations, and technological developments, none of which we can predict at this time and are therefore subject to change. You may be required to upgrade your computer hardware approximately every two (2) to three (3) years due to improvements in the software, advances in technology, and memory requirements. We may modify the specifications and components of the Computer System periodically and you agree to upgrade or replace your Computer System and implement our modifications within 90 days after you receive notice from us. Although the future costs of the Computer System or required service or support might not be fully amortizable over the Franchise Agreement's remaining term, you shall incur the costs of obtaining the components and services we specify as comprising the Computer System. There is no limitation on the frequency and cost of this obligation. Neither we nor any affiliate or third party vendor have any ongoing obligation to provide ongoing maintenance, upgrades, or updates to your Computer System. You must obtain your own installation, maintenance, and technical support for the Computer System at your own cost. Computer systems in general are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders ("E-Problems"). We have taken reasonable steps to prevent E-Problems from materially affecting you. We do not guarantee that information or

communication systems we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify that your suppliers, lenders, landlords, customers, and governmental agencies on which you rely, have reasonable protection from E-problems. This may include securing your systems (including firewalls, password protection, and anti-virus systems), and to provide backup systems.

We may charge you a reasonable fee for (i) installing, providing, supporting, modifying, and enhancing any proprietary software or hardware that we develop and license to you; and (ii) other Computer System-related maintenance and support services that we or our affiliates provide to you. If we or our affiliates license any proprietary software to you or otherwise allow you to use similar technology that we develop or maintain, then you must sign any software license agreement or similar instrument that we or our affiliates may require. Currently, we charge: (i) an Initial Technology Fee of \$1,000 payable in one lump sum within 90 days of execution of this Agreement, and (ii) an Ongoing Technology Fee of \$100 per month.

You will have sole responsibility for: (1) the acquisition, operation, maintenance, and upgrading of your Computer System; (2) the manner in which your Computer System interfaces with our computer system and those of other third parties; and (3) any and all consequences that may arise if your Computer System is not properly operated, maintained and upgraded. We do not currently require you to enter into any support contracts for your Computer System.

We (or our designee(s)) have the right, as often as we deem appropriate, including on a daily basis, to independently access your electronic information and data and to collect and use all electronic information and data in any manner, including to promote the System and the sale of JumpBunch Franchises. This may include posting financial information of each franchisee on an intranet website. We may access the electronic information and data from your Computer System remotely, in your JumpBunch Business, or from other locations. You agree to sign a release with any vendor of your Computer System we request to provide us unlimited access to your data. There is no contractual limitation on our right to receive or use information through our data management and intranet system.

Training

Initial Training

You (or your managing owner) and any designated manager or representative that we require must attend and complete initial training to our satisfaction within 90 days of your signing the Franchise Agreement. You may enroll one (1) additional person at no additional tuition expense. You must pay a \$400 per day fee for training each additional person. You (or your managing owner) and any designated manager or representative that we require must complete the training program to our reasonable satisfaction, as determined by the specific program instructors, before you are able to open your JumpBunch Business. Initial training classes are held whenever necessary to train new franchisees. You will not receive any compensation or reimbursement for services or expenses for participation in the Initial Training Program. Our training program will be conducted online, at our corporate ~~office~~ unit which is currently located in ~~Annapolis, Maryland~~ Charlotte, North Carolina, and/or at an operating JumpBunch Business. You will be responsible for all travel and living expenses which you (or your managing owner) and any additional owners or employees incur in connection with training. We may also provide additional training during an initial site visit from JumpBunch corporate staff within the first four (4) to eight (8) months of operation of your JumpBunch Business. If we determine that you or any other person who has attended the initial training program requires additional training, we may require that person to undertake additional training via phone conference or another method we designate. If we

determine that you (or your Managing Owner) are unable to complete initial training to our satisfaction, we have the right to terminate the Franchise Agreement.

We plan to provide the training listed in the table below. The hours presented for each subject are estimates and may change. We reserve the right to modify the training program at any time to account for advances in technology and the System and to vary the length and content of the Initial Training Program based upon the experience and skill level of the individual attending the Initial Training Program.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Operations-Personnel	5	1	3 hours electronically 2 hours in Annapolis, Maryland <u>Charlotte, North Carolina</u> 1 hour at an operating JumpBunch Business
Operations-Administration	2	2	2 hours in Annapolis, Maryland <u>Charlotte, North Carolina</u> 2 hours at an operating JumpBunch Business
Operations-Client Service and Selling	3	1	3 hours in Annapolis, Maryland <u>Charlotte, North Carolina</u> 1 hour at an operating JumpBunch Business
Operations-General	5	2	3 hours electronically 2 hours in Annapolis, Maryland <u>Charlotte, North Carolina</u> 2 hours at an operating JumpBunch Business
Operations-Systems	5	1	2 hours electronically 3 hours in Annapolis, Maryland <u>Charlotte, North Carolina</u> 1 hour at an operating JumpBunch Business
Marketing, Advertising, and Public Relations	9	2	3 hours electronically 6 hours in Annapolis, Maryland <u>Charlotte, North Carolina</u> 2 hours at an operating JumpBunch Business
Developmental and Curriculum	9	0	3 hours electronically 6 hours in Annapolis, Maryland <u>Charlotte, North Carolina</u>
Total	38 hours	9 Hours	

Notes:

- The training subjects may vary, and the training may be less than the times indicated above, depending on the number and experience of the attendees. There currently are no fixed (i.e., monthly or bi-monthly) training schedules.
- Joey St. John, our Vice President, currently oversees our training program to which he brings more than 20 years of management experience. Mr. St. John has been involved in training

franchisees since 2011, and has been our Vice President since 2010. Other instructors will include experienced JumpBunch managers and/or assistant managers.

3. We will use the Confidential Operations Manual, videos, checklists, demonstrations, the marketing manual, and the developmental manual practice and quizzes as the primary instruction materials during the Initial Training Program.

Ongoing Training

From time to time, we may require you (or your Managing Owner) and/or certain previously trained and experienced employees to attend refresher or additional training courses at such times and locations that we designate; and we may charge reasonable fees for such courses. Some of these courses may be optional, while others may be required. There are no limits on the frequency of such required refresher training courses. At your request, we may furnish additional guidance or assistance and we may charge you our then-current training fee for such additional training (currently, \$400 per day). We may also require you (or your Managing Owner) or your employees to conduct additional or special training and we may charge you our then-current training fee for such training. If you appoint a new designated manager, that person must attend and successfully complete our JumpBunch Initial Training Program before assuming responsibility for the management of your JumpBunch Business. If we conduct an inspection of your JumpBunch Business and determine you are not operating in compliance with the Franchise Agreement, we may require that you attend remedial training that addresses your operational deficiencies. If you request, or we require, additional or special training, you will also be responsible for all travel and living expenses for our personnel and your employees as may be necessary.

In addition to participating in ongoing training, you (or your managing owner) are required to attend at least one (1) convention of some or all of our franchisees per year, in a location that we designate. You will be required to pay our then-current registration fee for each individual attending the convention (currently, from \$199 to \$399 per person). You will be required to pay this fee for your (or your managing owner's) attendance whether or not you (or your managing owner) attend the convention, and you will be required to pay this fee for all other persons who attend the convention. You will also be responsible for travel and living expenses incurred by you (or your managing owner) and all other individuals you send to the convention.

ITEM 12 TERRITORY

Your territory will be an exclusive territory in which you establish your JumpBunch Business and sell the products and services. We will not establish another Franchise or company-owned JumpBunch Business using the JumpBunch Marks within your Territory. Your Territory will consist of between approximately 200,000 and 350,000 people (or corresponding incremental portions) in a designated geographical area, but the actual size of your Territory will depend upon the population density in your area. If the demographics of your Territory justify a slightly larger Territory (up to 400,000 people), you will have the ability to buy the larger Territory. The fees for a larger Territory are discussed in Item 5. You and we will agree to your Territory prior to signing the Franchise Agreement. The population statistics used in determining your Territory will be based on numbers derived from the current Census report and supplemented with other information available and other population statistical sources of our choosing to determine populations. In certain densely populated metropolitan areas, a Territory may be considerably smaller; while franchisees operating in less densely populated urban areas may have significantly larger areas.

Once we establish your Territory, we will not alter your Territory during the term of the Franchise Agreement without your prior written consent except as provided in this paragraph. We may allow you to increase the size of your Territory during the term of the Franchise Agreement with our prior written consent. If you wish to increase the size of your Territory, you must submit 30 days' prior written notice to us and we must approve your proposed additional territory. We will approve or disapprove your proposed additional territory in our sole discretion. If we do not respond to your notice within ten (10) business days to approve or disapprove your proposed additional territory, the proposed territory will be presumed disapproved. We will not approve an additional territory that is not contiguous with your existing Territory or that would result in a Territory population of greater than 400,000.

You must actively market, promote and develop, and sell your JumpBunch Business in your Territory. We will not reasonably withhold approval of the relocation of your JumpBunch Business to another Territory, provided that such relocation does not encroach the rights of another JumpBunch franchisee.

You may choose to promote your business via online strategies consistent with our online policy. We have the right to review all online content on social media sites, blogs, in electronic communications, and on other online sites on which our trademarks are used to protect the reputation and high quality associated with our trademarks. We may require you to remove any questionable usage or content involving our trademarks. We may also require you to cease using our trademarks on all such sites. We or our affiliates or designees may sell products or services in your Territory via the Internet or channels of distribution other than through a JumpBunch Business. We are not required to compensate you for soliciting or accepting such orders from inside the Territory. You may not directly advertise or market your JumpBunch Business outside your Territory. You may provide services and sell products to clients located outside of the Territory if there is no other franchisee in that area if you follow the guidelines in the Confidential Operations Manual.

We reserve the right, among others:

1. to own, franchise, or operate JumpBunch Businesses at any location outside of the Territory, regardless of the proximity to your JumpBunch Business;
2. to use the Marks and the System to sell any products or services similar to those that you will sell, through any alternative channels of distribution within or outside of the Territory. This includes, but is not limited to, retail locations and other channels of distribution such as television, mail order, catalog sales, wholesale to unrelated retail outlets, or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce without our written approval and subject to the policies and procedures in our Confidential Operations Manual;
3. to use and license the use of other proprietary and non-proprietary marks or methods that are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business offering services similar to the services offered by JumpBunch Businesses, including within the Territory, which may be the same as, similar to, or different from the JumpBunch Business operated by you;
4. to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your JumpBunch Business, wherever located;
5. to acquire and convert to the System any businesses offering products and services similar to the products and services offered by JumpBunch Businesses and related products, including

such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned, and whether located inside or outside of the Territory; and

6. to implement multi-area marketing programs that may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

We are not required to pay you if we exercise any of the rights specified above inside or outside your Territory.

You are not granted any options, rights of first refusal, or similar rights to acquire additional Franchises under your Franchise Agreement. We reserve the right to refuse to sell you additional Franchises if we, in our sole discretion, determine that your current JumpBunch Business is not performing to its full potential or if we determine that that purchase of additional Franchises would have an adverse effect on your current JumpBunch Business.

ITEM 13 TRADEMARKS

We grant you the non-exclusive right and obligation to use the Marks under the Franchise Agreement. You must use the Marks as we require. You may not use any of the Marks as part of your firm name, corporate name, or domain name. You may not use the Marks in the sale of unauthorized products or services or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale, or other disposition of your JumpBunch Business or any interest in the Franchise without our express written approval. You may not use or register the Marks as an Internet domain name. All rights and goodwill from the use of the Marks accrue to us.

The Marks and the System are owned by our principal, Thomas Bunchman, and are licensed exclusively to us. Mr. Bunchman has granted us an exclusive license ("Trademark License") to use the Marks for purposes of franchising the System around the world. The Trademark License extends until June 25, 2022 and it will automatically renew for subsequent ten (10)-year periods provided we are not in default or do not materially breach the Trademark License by engaging in any activity which damages the Marks or the goodwill of the System. In the event the Trademark License is terminated, Mr. Bunchman has agreed to license the use of the Marks directly to our franchisees until such time as each franchise agreement expires or is otherwise terminated. Mr. Bunchman has registrations with the United States Patent and Trademark Office ("USPTO") for the following Marks:

Trademark	Registration Number	Registration Date	Register
JUMPBUNCH	2,586,608	June 25, 2002	Registered on the Principal Register
	3,260,577	July 10, 2007	Registered on the Principal Register
	4,371,351	July 23, 2013	Registered on the Principal Register

All required affidavits have been filed for the registered Marks. There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, no pending infringements, oppositions or cancellations; and no pending material litigation involving any of the Marks. Except for the Trademark License, no agreement significantly limits our right to use or license the Marks in any manner material to the JumpBunch Business. We do not know of any infringing uses that could materially affect your use of the Marks.

You must follow our rules when using the Marks. You cannot use our name or Mark with modifying words, designs, or symbols unless you receive our prior written consent. You must indicate to the public in any contract, advertisement, and with a conspicuous sign in your JumpBunch Business that you are an independently-owned and operated licensed franchisee of JBI. You may not use the Marks in the sale of unauthorized products or services or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale, or other disposition of the JumpBunch Business, or any interest in the Franchise. All rights and goodwill from the use of the Marks accrue to us. If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one (1) or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark.

Your right to use the Marks is derived solely from your Franchise Agreement, and is limited to conducting business in compliance with the Franchise Agreement and all applicable standards, specifications, and operating procedures we prescribe. Any unauthorized use of the Marks by you will constitute an infringement of our rights in the Marks. Your use of the Marks and any goodwill established by them will be for our exclusive benefit, and your Franchise Agreement does not confer any goodwill or other interests in the Marks upon you. All provisions of your Franchise Agreement applicable to the Marks will apply to any additional proprietary trade and service marks and commercial symbols authorized for use by, and licensed to you under, your Franchise Agreement. You may not at any time during or after the term of your Franchise Agreement contest or assist any other person in contesting the validity or ownership of any of the Marks.

You must prominently display the Marks on or with franchise posters and displays, service contracts, stationery, other forms we designate, and in the manner we prescribe; to give any notices of trade and service mark registrations and copyrights that we specify; and to obtain any fictitious or assumed name registrations that may be required under applicable law.

You must notify us immediately when you learn about an infringing or challenging use of the Marks. If you are in compliance with the Franchise Agreement, we will defend you against any claim brought against you by a third party that your use of the Marks, in accordance with the Franchise Agreement, infringes upon that party's intellectual property rights. We may require your assistance, but you are not permitted to control any proceeding or litigation relating to our Marks. We have no obligation to pursue any infringing users of our Marks. We have the sole discretion to take such action as we deem appropriate to exclusively control any litigation or administrative proceeding involving a trademark licensed by us to you. If we become aware of an infringing user, 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. You must not directly or indirectly contest our or Mr. Bunchman's right to the Marks. We may acquire, develop and use additional Marks not listed here, and may make those Marks available for your use and for use by other JumpBunch franchisees.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

The information in the Confidential Operations Manual is proprietary and is protected by copyright and other laws. The designs contained in the Marks, the layout of our advertising materials, the content and format of our products, and any other writings and recordings in print or electronic form are also protected by copyright and other laws. Although we have not applied for copyright registration for the Confidential Operations Manual, our advertising materials, the content and format of our products, or any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information ("Copyrighted Works") for the operation of your JumpBunch Franchise, but such copyrights remain our sole property.

There are no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Works of ours, nor are there any proceedings pending, nor are there any effective agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit using our Copyrighted Works.

Our Confidential Operations Manual, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of, and experience in the development, operation, and franchising of JumpBunch Franchises, our training materials and techniques, information concerning product and service sales, operating results, financial performance and other financial data of JumpBunch Franchises, and other related materials are proprietary and confidential ("Confidential Information") and are our property to be used by you only as described in the Franchise Agreement and the Confidential Operations Manual. Where appropriate, certain information has also been identified as trade secrets ("Trade Secrets"). You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Confidential Information and Trade Secrets.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for you to develop your JumpBunch Franchise during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement we can enforce. Nothing in the Franchise Agreement will be construed to prohibit you from using the Confidential Information or Trade Secrets in the operation of other JumpBunch Franchises during the term of the Franchise Agreement.

You must notify us within three (3) days after you learn about another's use of language, a visual image, or a recording of any kind, that you perceive to be identical or substantially similar to one of our Copyrighted Works or use of our Confidential Information or Trade Secrets, or if someone challenges your use of our Copyrighted Works, Confidential Information, or Trade Secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Works, Confidential Information, or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to any apparent infringement of, or challenge to, your use of any Copyrighted Works, Confidential Information, or Trade Secrets, or claim by any person of any rights in any Copyrighted Works, Confidential Information, or Trade Secrets. You must not directly or indirectly contest our rights to our Copyrighted Works, Confidential Information, or Trade Secrets. You may not communicate with anyone except us, our counsel, or our designees regarding any infringement, challenge,

or claim. We will take action as we deem appropriate regarding any infringement, challenge, or claim, and the sole right to control, exclusively, any litigation or other proceeding arising out of any infringement, challenge, or claim under any Copyrighted Works, Confidential Information, or Trade Secrets. You must sign any and all instruments and documents, give the assistance, and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding, or to protect and maintain our interests in the Copyrighted Works, Confidential Information, or Trade Secrets.

No patents or patents pending are material to us at this time.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The JumpBunch Business shall be managed by you, or if you are an entity, by one of your owners who is a natural person with at least a 25% ownership interest and voting power in the entity ("Managing Owner"). Under certain circumstances, we may allow you to appoint a designated manager ("Designated Manager") to run the day-to-day operations of the JumpBunch Business. You, the Designated Manager, if applicable, or the Managing Owner, if you are an entity, must work full time at the JumpBunch Business to supervise the day-to-day operations of the JumpBunch Business and continuously exert your best efforts to promote and enhance the JumpBunch Business. The Designated Manager need not have an ownership interest in the Franchisee. The Designated Manager will be required to complete our training program. If you replace a Designated Manager for any reason, the new Designated Manager must satisfactorily complete our training program at your own expense.

Any Designated Manager and, if you are an entity, an officer that does not own equity in the Franchisee entity, must sign the System Protection Agreement, the form of which is attached to this Franchise Disclosure Document in Exhibit G. All of your employees, independent contractors, agents, or representatives who may have access to our Confidential Information must sign a Confidentiality Agreement (unless they already signed a System Protection Agreement), the current form of which is attached to this Franchise Disclosure Document in Exhibit G. If you are an entity, each owner (i.e., each person holding an ownership interest in you) must sign an Owner's Agreement guarantying the obligations of the entity, in the form of which is attached to the Franchise Agreement as Attachment B. We also require that the spouses of the Franchise owners sign the Owner's Agreement.

If we determine that your JumpBunch Business is not being managed properly, we may (but are not required to) assume your JumpBunch Business' management or appoint a third party to assume its management. All funds from your JumpBunch Business' operation while it is under our (or the third party's) management will be kept in a separate account by us, and all expenses will be charged to this account. We may charge you (in addition to the Royalty, National Fund Contributions, and other amounts due to us or our affiliates) \$100 per day, plus our (or the third party's) direct out-of-pocket costs and expenses, if we (or a third party) assume your JumpBunch Business' management, for up to 60 days after we assume management. During the term of the Franchise Agreement, we may adjust the amount of this daily fee periodically by an amount that is commensurate with inflation. We (or a third party) have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations your JumpBunch Business incurs, or to any of your creditors for any products, other assets, or services your JumpBunch Business purchases, while we (or a third party) manage it.

You may not employ any Designated Manager, or appoint any Managing Owner who does not complete our Initial Training Program to our satisfaction. If a Designated Manager's employment with you is terminated, and your Managing Owner will not manage your JumpBunch Business, you must

appoint a new Designated Manager who must successfully complete our Initial Training Program 60 days after the termination of the former Designated Manager, unless we do not hold an Initial Training Program during that 60-day period, in which case the replacement Designated Manager must attend and successfully complete the first available Initial Training Program held by us. You may be charged a training fee for a replacement Designated Manager or Managing Owner, and the travel expenses and salary and benefits must be paid by you (See Item 6). The factors used by us in determining whether you will be charged a training fee include the location of training, the length and type of training necessary, the costs borne by us in conducting the training, the replacement Designated Manager or Managing Owner's previous experience and skill, and our availability.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all products and services that we require for JumpBunch Businesses. You may not perform any services or offer or sell any products that we have not authorized. You must offer and sell approved products and services only in the manner and at the locations we have authorized. Our Methods of Operation may regulate required and/or authorized products and services. We reserve the right to set maximum or minimum prices for products and services that your JumpBunch Business offers. We also reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions. We periodically may change required and/or authorized products and services. There are no limits on our right to do so. You must promptly implement these changes and must discontinue selling any products or services that we at any time decide to disapprove in writing. If at any time (including after our initial approval) we determine that you fail to meet our Methods of Operation in connection with your JumpBunch Business' offering and sale of products or services, we may permanently or temporarily terminate your right to offer these products or services.

You may not sell products through other channels of distribution such as wholesale, Internet, or mail order sales. You may not establish an account or participate in any social networking sites (including, without limitation, Facebook, Twitter or any other social or professional networking site or blog) or mention or discuss the Franchise, us, or our affiliates without our prior written consent and as subject to our online policy. Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use.

ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 1.3	5 years.

Provision	Section in Franchise Agreement	Summary
b. Renewal or extension of the term	Section 1.8	You can renew your Franchise for two (2) additional successive franchises, subject to the conditions described below. Your successor franchises will have a term that is consistent with the initial term we are then granting new franchisees.
c. Requirements for franchisee to renew or extend	Section 1.8	Prior written notice; you and your owners are compliant with the Franchise Agreement and Methods of Operation; you meet our minimum performance criteria during the preceding two (2) years; you sign our then-current Franchise Agreement and any ancillary documents; you pay us a successor franchise fee. As a condition of obtaining a successor Franchise, you may be required to sign a franchise agreement with materially different terms and conditions from your original Franchise Agreement.
d. Termination by franchisee	Section 10.1	You may terminate the Franchise Agreement if you are in full compliance with the Franchise Agreement and we materially fail to comply with the Franchise Agreement and: (i) we fail to cure that failure within 30 days after you notify us of it, or (ii) if we cannot correct the failure within 30 days, we fail to give you evidence of our reasonable efforts to correct the failure within 30 days after your notice.
e. Termination by franchisor without "cause"	Section 10.2	We may not terminate the Franchise Agreement without cause.
f. Termination by franchisor with "cause"	Section 10.2	We may terminate the Franchise Agreement only if you (or your owners or Managing Owner or Designated Manager) commit one of several violations.
g. "Cause" defined – curable defaults	Section 10.2	You have ten (10) days to cure a failure to maintain necessary insurance; 24 hours to cure violations of health, safety, and sanitation laws; 30 days to comply with any other violations of our Methods of Operation; 30 days to vacate bankruptcy proceedings or cure insolvency.
h. "Cause" defined – non-curable defaults	Section 10.2	Failure to complete initial training to our satisfaction; failure to complete your Opening Requirements within 90 days; abandonment; transfer without consent; material misrepresentations or omissions; conviction of felony; dishonest or unethical conduct; unauthorized assignment; death or permanent disability; unauthorized use of confidential information; failure to pay taxes; failure to pay amounts due on three (3) consecutive occasions or within 12 months.
i. Franchisee's obligations on termination/non-renewal	Sections 4 and 11	Pay us what you owe us, including balance of Royalty, ongoing technology fee, and contributions to National Fund for remainder of term; complete de-identification, including removal of signs and Marks; cease using Marks; return Confidential Information; cease operating and cancel any rights or accounts of any website or online presence related to the JumpBunch Business or Marks; notify all customers and refund these customers any amounts they are legally entitled to.

Provision	Section in Franchise Agreement	Summary
j. Assignment of contract by franchisor	Section 9.1	Fully transferable by us. However, no assignment will be made except to an assignee that in our good faith judgment is willing and able to assume our obligations.
k. "Transfer" by franchisee - definition	Section 9.2	All transfers require our approval. The term "transfer" includes your (or your owners') voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition of any interest in the Franchise Agreement, you, or your JumpBunch Business.
l. Franchisor approval of transfer by franchisee	Section 9.2	Required by us before you may transfer your JumpBunch Business.
m. Conditions for franchisor approval of transfer	Section 9.2	Business experience of transferee; you have paid all outstanding amounts; you have not violated the Franchise Agreement; transferee has no interest in competitive business; transferee completes training; transferee signs then-current franchise agreement; you pay \$7,500 transfer fee; you and your owners sign a general release of claims; terms of transfer do not jeopardize business operations; subordination of any debt related to transfer; covenant by you and your owners not to compete for two (2) years; your de-identification; and cease using Marks.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 9.3	For all third party <i>bona fide</i> offers, we have the right of first refusal to purchase your business.
o. Franchisor's option to purchase franchisee's business	N/A	Not applicable.
p. Death or disability of franchisee	Sections 1.4 and 10.2.10	You must appoint a new Managing Owner within 60 days of the death or disability of the Managing Owner.
q. Non-competition covenants during the term of the franchise	Section 5.1	Neither you, your principal owners, nor any immediate family members of you or your principal owners may participate in a diverting business, have no owning interest in, loan money to, or perform services for a competitive business anywhere. You may not interfere with our or our other franchisees' JumpBunch Franchise(s).
r. Non-competition covenants after the franchise is terminated or expires	Section 11	Owners cannot have an interest in, own, manage, operate, finance, control, or participate in any competitive business within: (i) a 25-mile radius from your JumpBunch Business (and including the premises of the JumpBunch Business); and (ii) a 25-mile radius from all other JumpBunch businesses that are operating or under construction for two (2) years. Owners may not solicit any customer, employee, or independent contractor of the Franchise or any JumpBunch Franchise for one (1) year.
s. Modification of the agreement	Section 13.15	No modifications of the Franchise Agreement during the term unless agreed to in writing, but the Confidential Operations Manual is subject to change at any time in our discretion. Modifications are permitted on renewal.

Provision	Section in Franchise Agreement	Summary
t. Integration/ merger clause	Section 13.17	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 13.11	Except for certain claims, all disputes must be mediated and arbitrated in Annapolis, Maryland <u>Oldsmar, Florida</u> .
v. Choice of forum	Section 13.13	All disputes must be mediated, arbitrated, and if applicable, litigated in Annapolis, Maryland <u>Oldsmar, Florida</u> except as provided in the State-Specific Addendum to this Franchise Disclosure Document, subject to applicable state law.
w. Choice of law	Section 13.12	The laws of the state where the JumpBunch Business is located applies, subject to any contrary provision contained in the State-Specific Addendum (See Exhibit D, subject to applicable state law).

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 disclose 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 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 performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance, the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing, other than for the information described in this Item or for information which supplements these tables with respect to performance at particular locations or under particular circumstances. If you are purchasing an existing Business, however, we may provide you with the actual records of that Business. Written substantiation for the financial performance representation will be made available for inspection by you at our headquarters upon reasonable request. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Thomas Bunchman, President, JumpBunch, Inc., ~~302 Annapolis Street, Annapolis, Maryland 21401~~ 4871 Bridle Court, Oldsmar, Florida 34677 and 410-703-2300, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary
For Years ~~2015-2017~~ 2016-2018

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2015	<u>54</u>	<u>52</u>	<u>-2</u>
	2016	52	50	-2
	2017	50	47	-3
	<u>2018</u>	<u>47</u>	<u>43</u>	<u>-4</u>
Company-Owned	2015	<u>0</u>	<u>0</u>	<u>0</u>
	2016	0	0	0
	2017	0	2	2
	<u>2018</u>	<u>2</u>	<u>2</u>	<u>0</u>
Total Outlets	2015	<u>54</u>	<u>52</u>	<u>-2</u>
	2016	52	50	-2
	2017	50	49	-1
	<u>2018</u>	<u>49</u>	<u>45</u>	<u>-4</u>

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years ~~2015-2017~~ 2016-2018

State	Year	Number of Transfers
California	2015	<u>0</u>
	2016	0
	2017	0
	<u>2018</u>	<u>0</u>
Nevada	2015	<u>0</u>
	2016	<u>0</u>
	2017	0
New York	2015	<u>2</u>
	2016	0
	2017	0
	<u>2018</u>	<u>0</u>

State	Year	Number of Transfers
Maryland	2015	0
	2016	0
	2017	0
	2018	0
Texas	2015	0
	2016	0
	2017	0
Pennsylvania	2015	0
	2016	0
	2017	1
	2018	0
Indiana	2015	0
	2016	0
	2017	1
	2018	0
South Carolina	2016	0
	2017	0
	2018	1
Total	2015	2
	2016	0
	2017	2
	2018	1

Table No. 3

**Status of Franchised Outlets
For Years ~~2015-2017~~ 2016-2018**

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Arizona	2015	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2016	2	0	1	0	0	0	1
	2017	1	0	0	0	0	0	1
	<u>2018</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
California	2015	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	2016	5	0	1	0	0	0	4
	2017	4	0	0	1	0	0	3
	<u>2018</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Colorado	2015	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	2016	1	1	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	<u>2018</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Connecticut	2015	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	<u>2018</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Delaware	2015	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	<u>2018</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Georgia	2015	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	<u>2018</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Illinois	2015	<u>3</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	<u>2018</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Indiana	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Iowa	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Maryland	2015	5	0	0	0	0	0	5
	2016	5	0	1	0	0	0	4
	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
Missouri	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	1	0	0	0	0
Nebraska	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
New Jersey	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	2	0	0	0	0	2
	2018	2	0	0	0	0	0	2
New York	2015	6	0	0	0	0	0	6
	2016	6	0	0	0	0	0	6
	2017	6	0	0	0	0	0	6
	2018	6	0	0	0	0	0	6
Nevada	2015	2	0	1	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	1	0	0	0
North Carolina	2015	7	0	0	0	0	0	7
	2016	7	0	1	0	0	0	6
	2017	6	0	0	2	2	0	2

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Ohio	2018	2	0	0	0	0	0	2
	2015	4	0	0	0	0	0	4
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Pennsylvania	2015	3	0	0	0	0	0	3
	2016	3	1	0	0	0	0	4
	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
South Carolina	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
	2018	3	1	0	1	0	0	3
Tennessee	2015	4	0	0	0	0	0	4
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Texas	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
	2018	3	0	0	1	0	0	2
Virginia	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
Wisconsin	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
Total Outlets	2015	54	0	2	0	0	0	52
	2016	52	2	4	0	0	0	50
	2017	50	2	0	3	2	0	47
	2018	47	1	1	4	0	0	43

Table No. 4

Status of Company-Owned Outlets
For Years 2015-2017 2016-2018

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Total Outlets	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	2	0	0	2
	2018	2	0	0	0	0	2

Table No. 5

Projected Openings as of
December 31, 2017, for 2018 2018, for 2019

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	2 1	0
Colorado	0	2 1	0
Connecticut	0	1	0
Florida	0	1	0
Hawaii	0	1	0
Illinois	0	0	0
Massachusetts	0	0 1	0
Michigan	0	1	0
Minnesota	0	1	0
New York	0	1	0
Pennsylvania	0	1	0
Oregon	0	0	0
Virginia	0	1	0
Washington	0	1	0
Wisconsin	0	0	0
Totals	0	12	0

The names, addresses, and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as Exhibit F. The name and last known address and telephone number of every current franchisee and every franchisee who has had a JumpBunch Franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our franchise

agreement during the one (1) year period ending December 31, 2017, or who has not communicated with us within ten (10) weeks of the Issuance Date of this Franchise Disclosure Document, is listed in Exhibit F. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experiences with the JumpBunch Franchise System. You may wish to speak with current and former franchisees, but know that not all such franchisees can communicate with you. During the last three (3) fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the JumpBunch Franchise System. If you buy a JumpBunch Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

We have established the Franchise Feedback Panel to serve in an advisory capacity only. The Franchise Feedback Panel has been created and endorsed by us. There are no other franchise organizations sponsored or endorsed by us, and no independent franchisee organizations have asked to be included in the Franchise Disclosure Document. We do not have any trademark specific franchise organizations other than the Franchise Feedback Panel.

ITEM 21 FINANCIAL STATEMENTS

Exhibit B contains the financial statements required to be included with this Franchise Disclosure Document: audited financial statements as of December 31, ~~2017~~ 2018, December 31, ~~2016~~ 2017, and December 31, ~~2015~~ 2016. Our fiscal year end is December 31st.

ITEM 22

The following exhibits contain proposed agreements regarding the Franchise:

Exhibit A	Franchise Agreement
Exhibit D	State Addenda and Agreement Riders
Exhibit G	Contracts for use with the JumpBunch Franchise:
Exhibit G-1	Sample General Release Agreement/Waiver and Release of Claims
Exhibit G-2	Sample System Protection Agreement
Exhibit G-3	Sample Confidentiality Agreement
Exhibit G-4	Automated Clearing House Payment Authorization Form
Exhibit G-5	Sample Approval of Requested Assignment

ITEM 23 RECEIPTS

The last pages of this Franchise Disclosure Document, Exhibit I, are a detachable document, in duplicate. Please detach, sign, date, and return one (1) copy of the Receipt to us, acknowledging that you received this Franchise Disclosure Document. Please keep the second copy for your records.

EXHIBIT A

FRANCHISE AGREEMENT

EXHIBIT A
FRANCHISE AGREEMENT

JUMPBUNCH, INC.
FRANCHISE AGREEMENT



Franchise Owner: _____

Franchise Owner Address: _____

Date: _____

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ATTACHMENTS:

ATTACHMENT A	STATEMENT OF OWNERSHIP
ATTACHMENT B	FORM OF GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS
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ATTACHMENT D	PROTECTED TERRITORY; TERRITORY POPULATION

JUMPBUNCH, INC.
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**" or "**Franchise Agreement**") is made and entered into as of _____, 201____, by and between JumpBunch, Inc., a corporation organized under Maryland law, with its principal business address at ~~302 Annapolis Street, Annapolis, Maryland 21401~~ 4871 Bridle Court, Oldsmar, FL 34677 (referred to in this Agreement as "**we**", "**us**" or "**our**"), and the "**Franchise Owner**" identified in Attachment C of this Franchise Agreement ("**you**", "**your**" or "**Franchisee**") effective as of the "**Effective Date**" identified in Attachment C of this Franchise Agreement.

1. PREAMBLES AND GRANT OF FRANCHISE.

1.1 PREAMBLES. We have expended considerable time and effort in developing a system of businesses that specialize in providing sports, fitness, and physical education training and educational programs to children in preschool facilities, day care centers, other school facilities, and similar facilities ("**JumpBunch Businesses**"). JumpBunch Businesses operate under the JumpBunch name and under distinctive business formats, methods, procedures, designs, layouts, standards and specifications, all of which we may improve, further develop or otherwise modify periodically. We use, promote and license certain trademarks, service marks and other commercial symbols in the operation of JumpBunch Businesses, including the JumpBunch trademarks and service marks and associated logo (collectively, the "**Marks**"). We grant franchises to persons who meet our qualifications and are willing to undertake the investment and effort required to own and operate a JumpBunch Business offering the services ("**Services**") and products ("**Products**") we authorize and approve and utilizing our business formats, methods, procedures, signs, designs, layouts, equipment, standards and specifications and the Marks (the "**System**").

1.2 ACKNOWLEDGMENTS. You acknowledge that you have read this Agreement and our Franchise Disclosure Document ("**FDD**") and understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at each JumpBunch Business and thereby to protect and preserve the goodwill of the Marks. You acknowledge that you have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that, like any other business, the nature of the business conducted by a JumpBunch Business may evolve and change over time, that an investment in a JumpBunch Business involves business risks and that your business abilities and efforts are vital to the success of the venture. Any information you receive from other JumpBunch franchisees relating to their sales, profits or cash flows does not constitute information obtained from us, nor do we make any representations as to the accuracy of any such information. All business dealings between you and our officers, directors and employees as a result of this Agreement are solely between you and us. You further acknowledge that we have advised you to seek franchise counsel to review and evaluate this Agreement.

1.3 GRANT OF FRANCHISE. Subject to the terms of and upon the conditions contained in this Agreement, we hereby grant you a franchise to operate a JumpBunch Business ("**your JumpBunch Business**") and a license to use the Marks and the System in the operation thereof, for a term commencing on the date of this Agreement and expiring five years thereafter (the "**Term**"), unless sooner terminated in accordance with Section 10. Within 90 days after the execution of this Agreement, (i) you must obtain all equipment, assets, products, materials and supplies you are required to purchase or lease to establish and operate your JumpBunch Business (collectively, the "**Operating Assets**"), (ii) you must obtain all insurance in compliance with our Methods of Operation and all required permits and licenses, (iii) you must conduct start-up local marketing in compliance with Section 2.6, (iv) pay us the Initial

Technology Fee in compliance with Section 2.10, and (v) you (or your Managing Owner) must complete initial training to our satisfaction ("**Opening Requirements**").

1.4 MANAGING OWNER AND YOUR PERFORMANCE. You acknowledge and agree that your owners and you will identify one owner (the "**Managing Owner**"), with the authority to legally bind you in any dealings with us, or our affiliates, and to direct any action necessary to ensure compliance with this Agreement and any other agreements relating to your JumpBunch Business. The Managing Owner, at all times during the Term, shall maintain management control of your JumpBunch Business, or shall have like authority, ownership, managerial control and voting power in any limited liability company, partnership, or other form of entity, unless otherwise agreed upon in writing by us. You will notify us thirty (30) days in advance of any change in the identity of the Managing Owner. Where such change results from the death or incapacity of the Managing Owner, you shall immediately notify us of such death or incapacity and you will appoint a new Managing Owner within sixty (60) days after such death or incapacity. We reserve the right to review and disapprove of any newly appointed Managing Owner within ten (10) days of notice. We reserve the right to review and approve the authority of the Managing Owner with respect to your governing documents. Neither you nor your owners will, directly or indirectly, take any action to avoid or restrict the authority requirement for the Managing Owner. You agree that you will at all times faithfully, honestly and diligently perform your obligations hereunder, continuously exert your best efforts to promote and enhance your JumpBunch Business and not engage in any other business or activity that conflicts with your obligations to operate your JumpBunch Business in compliance with this Agreement. If you elect to hire a manager or supervisor to operate your JumpBunch Business and we consent to such election, in our sole business judgment, such individual must successfully complete our initial training program and must sign the System Protection Agreement attached to Exhibit G of the FDD. We have the unrestricted right to approve or disapprove of your choice of on-premises manager or supervisor. You are required to fill in all required information on Attachment A. If any of the information you have provided us on Attachment A changes during the Term, you must deliver to us a revised Attachment A identifying the changes for our review and approval.

1.5 TERRITORY. During the Term, and for so long as you are in compliance with all of your obligations hereunder, except as otherwise provided in this Agreement, and subject to our reservation of rights as set forth in Section 1.6 below, neither we nor any of our affiliates will establish or license another person or entity to establish a JumpBunch Business using the Marks within boundaries set forth and as shown on the map in Attachment D (the "**Territory**"), attached hereto and incorporated herein by reference. You are prohibited from directly marketing to or soliciting clients whose principal business office (or principal residence, if the client is an individual) is outside of your Territory unless we specify otherwise to you in writing. You may provide services and sell products to clients located outside of the Territory if there is no other franchisee in that area if you follow the guidelines in the Confidential Operations Manual (as defined in Section 3.5). You may not advertise in any media whose primary circulation is outside of the Territory without our permission, unless the advertisement is part of a cooperative advertising program. We do not grant a right of first refusal to franchisees to purchase new or existing locations.

We may allow you to increase the size of your Territory during the Term with our prior written consent. If you wish to increase the size of your Territory during the Term, you must submit 30 days prior written notice to us and we must approve your proposed additional territory. Your notice must include the geographic boundaries of the additional territory you propose to include in your Territory and a description of the population size and demographics of that additional territory. We will approve or disapprove your proposed additional territory in our sole discretion. If we do not respond to your notice within 10 business days to approve or disapprove your proposed additional territory, the proposed territory will be presumed disapproved. You acknowledge and agree that we will disapprove your proposed additional territory if it is not contiguous with your existing Territory or if it exceeds our then-

current criteria for Territory size. If we decide to approve your proposed additional territory, we reserve the right to charge you our then-current fee for granting you these additional territorial rights. If the boundaries of your Territory are modified during the Term, we will deliver to you a revised Attachment D to reflect your approved Territory.

1.6 RIGHTS WE RESERVE. You acknowledge that this Agreement does not restrict us or our affiliates from conducting businesses using marks or commercial symbols different from the Marks, nor does it preclude us from using the Marks or licensing the right to others to use the Marks for purposes other than operating your JumpBunch Business. We reserve all rights not specifically granted to you under this Agreement. We (and our affiliates) retain the right in our sole business judgment to, among others:

1.6.1 to own, franchise, or operate JumpBunch Businesses at any location outside of the Territory, regardless of the proximity to your JumpBunch Business;

1.6.2 to use the Marks and the System to sell any products or services, similar to those that you will sell, through any alternative channels of distribution within or outside of the Territory. This includes, but is not limited to, retail locations and other channels of distribution such as television, mail order, catalog sales, wholesale to unrelated retail outlets, or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce;

1.6.3 to use and license the use of other proprietary and non-proprietary marks or methods that are not the same as or confusingly similar to the Marks; whether in alternative channels of distribution or in the operation of a business offering services similar to the Services, including within the Territory, which may be the same as, similar to or different from your JumpBunch Business;

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

1.6.5 to acquire and convert to the System any businesses offering services and products similar to the Services and Products and services and related products, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Territory; and

1.6.6 to implement multi-area marketing programs that may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

1.7 GUARANTY AND ASSUMPTION OF OBLIGATIONS. Each of your owners during the Term will execute our then-current form of guaranty, undertaking to be personally bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Our current form of Guaranty and Assumption of Obligations is attached hereto as Attachment B.

1.8 ACQUISITION OF A SUCCESSOR FRANCHISE. Provided that you meet all of the conditions set forth in this Section 1.8 below, upon expiration of the Term, we will grant you two additional renewal options for successor franchises, each of which will have a term that is consistent with the initial term we are then granting new franchisees:

1.8.1 you (and each of your owners) must have substantially complied with this Agreement during its Term;

1.8.2 you (and each of your owners) are, both on the date you give us written notice of your election to acquire a successor franchise and on the date on which the term the successor franchise would commence, in full compliance with all specifications, standards, operating procedures and rules we periodically prescribe for operating a JumpBunch Business, including information we provide you relating to your other obligations under this Agreement and related agreements (together, our "**Methods of Operation**"), or you agree to add or replace any Operating Assets we specify and otherwise modify your JumpBunch Business as we require to bring it into compliance with our then-applicable Methods of Operation for new JumpBunch Businesses;

1.8.3 you have achieved a minimum Gross Revenue of \$80,000 for each of the two 12 month periods preceding the date you give us notice of your desire to acquire a successor franchise;

1.8.4 you sign our then current franchise agreement for successor franchises, modified to reflect the fact that it is a successor franchise, which may contain terms that are materially different than the terms of this Agreement; provided, however, that you will not be required to pay an initial franchise fee, but will only be required to pay a successor franchise fee in the amount of \$5,000; and

1.8.5 you (and each of your owners) agree to sign, in a form satisfactory to us, guarantees and general releases of any and all claims against us, our shareholders, officers, directors, employees, agents, successors and assigns.

You agree to give us written notice of your election to acquire a successor franchise no more than one (1) year and no less than one hundred eighty (180) days before this Agreement expires. We agree to give you written notice of our decision to grant or not to grant you a successor franchise not more than six (6) months after we receive your notice of your election to renew. If applicable, our notice will describe the expansion, improvements, technology upgrades, trade dress updates, and/or modifications required to bring your JumpBunch Business into compliance with then-applicable Methods of Operation for new JumpBunch Businesses, and state the actions you must take to correct operating deficiencies and the time period in which you must correct these deficiencies. If we elect not to grant you a successor franchise, our notice will describe the reasons for our decision. If our notice states that you must cure certain deficiencies to your JumpBunch Business or its operation as a condition to our granting you a successor franchise, and you fail to cure those deficiencies, we will give you written notice of our decision not to grant a successor franchise not less than ninety (90) days before this Agreement expires; provided, that we need not give you ninety (90) days' notice if we decide not to grant you a successor franchise due to your breach of this Agreement during the ninety (90) day period before it expires. We may extend this Agreement's term for the time period necessary to give you either reasonable time to correct deficiencies or the ninety (90) days' notice of our refusal to grant a successor franchise. If you fail to notify us of your election to acquire a successor franchise within the prescribed time period, we need not grant you a successor franchise.

2. **FEES AND MARKETING.**

2.1 **INITIAL FRANCHISE FEE.** You agree to pay us a nonrecurring and nonrefundable lump sum initial franchise fee as stated on Attachment C that shall be due and payable when you execute the Agreement. You acknowledge and agree the initial franchise fee shall be fully earned by us upon your execution of the Agreement.

2.2 **DEFINITION OF GROSS REVENUE.** As used in this Agreement, the term "**Gross Revenue**" means the total selling price of all services and merchandise sold at or from your JumpBunch Business, including the full redemption value of any gift certificate, gift card or coupon sold for use by your JumpBunch Business and all income of every other kind and nature related to your JumpBunch Business operation, whether for cash or credit and regardless of collection in the case of credit. Gross Revenues do not include:

2.2.1 the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and in fact paid by you to the appropriate governmental authority; and

2.2.2 all customer refunds, valid discounts and coupons, and credits made by your JumpBunch Business (exclusions will not include any reductions for credit card user fees, returned checks or reserves for bad credit or doubtful accounts).

2.2.3 Gross Revenues shall be deemed received by you at the time the services or products from which they were derived are delivered or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether final payment (e.g., collection on a customer's personal check) actually has been received by you. Gross Revenues consisting of Products or Services shall be valued at the retail prices applicable and in effect at the time that they are received.

We may, in our sole discretion, update the Confidential Operations Manual (as defined in Section 3.5) to temporarily exclude certain items from "**Gross Revenue**." Any exclusions may be revoked at any time upon notice to you.

2.3 **ROYALTY.** You agree to pay us a non-refundable royalty ("**Royalty**") each calendar month (the "**Accounting Period**"). Your Royalty for each Accounting Period will be equal to the greater of: (i) 8% of your Gross Revenue for the preceding month, or (ii) the minimum royalty amount identified in the table below ("**Minimum Royalty**"). We must receive the Royalty and any other amounts due under this Agreement, on or before the third (3rd) business day following the end of each preceding Accounting Period.

MINIMUM ROYALTY

Accounting Periods 0 - 12 of the Term	Accounting Periods 13 - 24 of the Term	Accounting Periods 25 remainder of the Term
\$0	\$400 <u>Standard Franchise</u> , or \$300 <u>Small Market Franchise</u>	\$500 <u>Standard Franchise</u> , or \$400 <u>Small Market Franchise</u>

The Royalty shall be payable to us via electronic funds transfer ("**EFT**"), as more fully set forth in the Confidential Operations Manual (as defined in Section 3.5). You shall be required to execute the EFT authorization form contained in Exhibit G of the FDD, or any other form we may require to initiate payment by EFT. Under this procedure you shall authorize us to initiate debit entries and/or credit payable to us (or any of our affiliates) and any interest charged due thereon. You shall make funds available to us for withdrawal by electronic transfer no later than the due date for payment therefore. You shall not subordinate to any other obligation its obligation to pay the Royalty or any other fee or charge

due to us (or any of our affiliates) under this Agreement. Each Royalty payment shall be, without exception, accompanied by a statement of the previous month's Gross Revenues on a form approved and provided to you by us. This form may be electronic or generated by the proprietary software. Each failure to include a fully completed statement of the previous month's Gross Revenues with the Royalty payable to us when due shall constitute a material breach of this Agreement. If we accept any fees due to us via a credit card, we reserve the right to charge you a service fee of four percent (4%) of the total charge.

2.4 INTEREST ON LATE PAYMENTS. Interest at the lesser rate of fifteen percent (15%) or the highest contract rate allowed under applicable law will be due on late payments in excess of twenty (20) days past due to us or our affiliates, calculated from the date due until the date paid. We have the right to require that any payments due us or any be made by certified or cashier's check if any automatic payment is not honored by the bank upon which the check is drawn. We also reserve the right to charge you a fee of one hundred dollars (\$100) for any payment not honored by the bank upon which it is drawn. The imposition of interest under this Section shall be in addition to any other remedies we may have under this Franchise Agreement or at law, including termination of this Agreement as provided in Section 10.

2.5 APPLICATION OF PAYMENTS. Notwithstanding any designation you might make, we have sole business judgment to apply any of your payments to any of your past due indebtedness to us. You acknowledge and agree that we have the right to set off any amounts you or your owners owe us against any amounts we might owe you or your owners.

2.6 START-UP MARKETING EXPENSE. You agree to conduct initial start-up marketing locally for your JumpBunch Business and to spend not less than Five Hundred (\$500) Dollars (the "Start-Up Marketing Expense") within ninety (90) days of the execution of this Agreement. Such start-up marketing will utilize such marketing and public relations programs and media and advertising materials we have approved. Such start-up marketing shall be conducted at such times as we consider prudent.

2.7 NATIONAL FUND. Recognizing the value of advertising and marketing to the goodwill and public image of JumpBunch Businesses, the Marks and the JumpBunch brand generally, we established a national advertising and marketing fund ("National Fund") for the advertising, marketing, and public relations programs and materials we deem appropriate. You agree to contribute to the National Fund 1% of your Gross Revenue for the preceding month. We reserve the right to increase the percentage to 2% upon 30 days' written notice. JumpBunch Businesses owned by us or our affiliates will contribute to the National Fund on the same basis. We reserve the right to include a notation in advertising created by the National Fund, which indicates "Franchises Available" or similar phrasing. The following provisions apply to the National Fund:

2.7.1 We will direct all programs that the National Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. We do not have any fiduciary obligation for administering the National Fund. The National Fund may spend in any fiscal year more or less than the total National Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on National Fund contributions to pay costs before using the National Fund's other assets. We will prepare an annual, unaudited statement of National Fund collections and expenses and give you the statement within forty-five (45) days upon the receipt of a written request. We may incorporate the National Fund or operate each through a separate entity whenever we deem appropriate.

2.7.2 We have the right, but no obligation, to use collection agents and institute legal proceedings to collect National Fund contributions at the National Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the National Fund. We assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the National Fund.

2.7.3 We may at any time defer or reduce contributions of a JumpBunch franchisee and, upon thirty (30) days prior written notice to you, reduce or suspend National Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the National Fund. If we terminate the National Fund, we will distribute all unspent monies to our franchise owners, and to us and our affiliates, in proportion to their, and our, respective National Fund contributions during the preceding twelve (12) month period.

2.7.4 The National Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining a Website that promotes JumpBunch Businesses and/or related strategies; administering search engine, social media and other online marketing campaigns; administering regional and multi-regional marketing and advertising programs, including, without limitation, purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; developing and maintaining application software designed to run on computers and similar devices, including tablets, smartphones and other mobile devices, as well as any evolutions or next generations of any such devices; and supporting public relations, market research, and other advertising, promotion, and marketing activities.

2.7.5 We may use the National Fund to pay the reasonable salaries and benefits of personnel who manage and administer the National Fund, the National Fund's other administrative costs, travel expenses of personnel while they are on National Fund business, meeting costs, overhead relating to National Fund business, and other expenses that we incur in activities reasonably related to administering or directing the National Fund and its programs, including, without limitation, conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for National Fund contributions.

2.7.6 We intend the National Fund to maximize recognition of the Marks, increase patronage of JumpBunch Businesses and promote the JumpBunch brand generally. We do not ensure that National Fund expenditures in or affecting any geographic area are proportionate or equivalent to National Fund contributions by contributors operating in that geographic area or that any contributor benefits directly or in proportion to its National Fund contribution from the development of advertising and marketing materials or the placement of advertising and marketing.

2.7.7 You understand and acknowledge that you may not benefit directly or in proportion to your contribution to the National Fund from the development and placement of advertising and development of marketing materials.

2.8 ONGOING LOCAL MARKETING. In addition to your contribution to the National Fund and the Start-Up Marketing Expense, each month you agree to spend one percent (1%) of your previous month's Gross Revenue on local advertising ("**Local Advertisement Requirement**"). If you fail to spend the Local Advertising Requirement in any given year, you will be required to pay the deficient Local Advertising Requirement to the National Fund. The Local Advertising Requirement shall be used to advertise and promote your JumpBunch Business. All local advertising and promotion by you, including any internet promotions authorized by us, shall be conducted in a dignified manner, conform to Methods of Operation as we shall establish in the Confidential Operations Manual (as defined in Section

3.5) or otherwise in writing, and not be used without our prior approval. You shall submit to our designated department, samples of all advertising and promotional plans and materials prior to their use, and if we do not notify you of approval within 30 days, the advertising is deemed disapproved. We also shall have the right at any time after you commence use of such material to prohibit further use, effective immediately upon receipt of written notice by you. You may not advertise via the internet or a worldwide web page unless we have authorized you to do so in writing. We will notify of whether or not the advertising is approved within 30 days of receiving the advertisement from you.

If you fail to submit advertising materials for our prior approval, in addition to all other remedies available to us, you shall pay a Five Hundred Dollar (\$500) unauthorized advertising fee to the National Fund to offset the brand damage caused by your breach. If you fail to spend the Local Advertising Requirement in any given month, you will be required to pay the deficient Local Advertising Requirement to the National Fund.

2.9 ADVERTISING COOPERATIVES. We have the right, in our sole business judgment, to establish or approve local and/or regional advertising cooperatives for JumpBunch Businesses in your local or regional areas, covering such geographical areas as we may designate from time to time ("Advertising Cooperative"). You must participate in any such Advertising Cooperative and its programs and abide by its by-laws. If your JumpBunch Business is within the territory of an existing Advertising Cooperative at the time your JumpBunch Business opens for business, you agree to immediately become a member of the Advertising Cooperative. If an Advertising Cooperative applicable to your JumpBunch Business is established during the Term, you agree to become a member no later than thirty (30) days after the date approved by us for the Advertising Cooperative to commence operation and the provisions of our Methods of Operation relating to Advertising Cooperatives shall apply to any such Advertising Cooperative. Your contributions to any such local and/or regional Advertising Cooperative shall be credited towards your Local Advertising Requirement, provided such contributions are made pursuant to our Methods of Operation.

2.10 TECHNOLOGY FEE. In addition to the Royalty, you agree to pay us a non-refundable technology fee equal to (i) One Thousand Dollars (\$1,000) payable upon execution of this Agreement (the "Initial Technology Fee"), and (ii) One Hundred Dollars (\$100) per Accounting Period beginning with the 11th Accounting Period of the Term (the "Ongoing Technology Fee"). We may change the Ongoing Technology Fee from time to time thereafter during the remaining Term, upon thirty (30) days prior written notice from us to you, provided however that the Ongoing Technology Fee shall not be increased more than one (1) time in any period of twelve (12) Accounting Periods and any such increase shall not exceed more than fifteen percent (15%) of the most recent previous amount of the Ongoing Technology Fee. The Ongoing Technology Fee shall be payable in the same manner and at the same time as the Royalty.

2.11 FRANCHISEE WEBSITES. You agree not to promote, offer or sell any products or services relating to your JumpBunch Business, or to use any of the Marks, through the Internet or through the use of an Internet website, including social media websites such as Facebook, Twitter, Groupon or equivalent sites, without our prior written consent. In connection with any such consent we provide for you to establish a website, we may establish such requirements as we deem appropriate, in our business judgment, including obtaining our prior written approval of any Internet domain name and home page addresses; submission for our approval of all website pages, materials and content; use of all hyperlinks and other links; restrictions on use of any materials (including text, video clips, photographs, images and sound bites) in which any third party has any ownership interest; and obtaining our prior written approval of any modifications. We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, linking, advertising, and co-branding arrangements. You may

be requested to provide content for our Internet marketing, and you must follow our intranet and Internet usage rules, policies, and requirements.

2.12 CUSTOMER SERVICE. If we are contacted by a client or other patron of your JumpBunch Business who wishes to lodge a complaint, we reserve the right to address the person's complaints in order to preserve goodwill and prevent damage to the brands. Our right to address complaints may include refunding money to the complaining person, in which case you must reimburse us for these amounts.

3. TRAINING.

3.1 TRAINING. Before your JumpBunch Business begins operating, we will furnish initial training on the operation of a JumpBunch Business to your Managing Owner, and one (1) additional owner or employee you elect to enroll in the training program. Initial training consists of four (4) working days of training for your Managing Owner, and your owner or employee to be furnished at our training facility or at an operating JumpBunch Business. No other additional or refresher courses are required for you to commence operation of your JumpBunch Business. Your Managing Owner, and the additional owner or employee must complete the initial training to our satisfaction. Although we will furnish initial training to your Managing Owner and one (1) additional owner or employee at no additional fee or other charge, you will be responsible for all travel and living expenses which your Managing Owner and your owner or employee incur in connection with training. If we determine that you or any other person who has attended the initial training program requires additional training, we may require that person to undertake additional training via phone conference or another method we designate. If we determine that your Managing Owner is unable to complete initial training to our satisfaction, by written and/or oral exam or otherwise, we have the right to terminate this Agreement pursuant to Section 10.

3.2 ADDITIONAL TRAINING OR ASSISTANCE. You acknowledge and agree that, in our sole business judgment, we may require your Managing Owner and/or previously trained and experienced employees to attend refresher training courses at such times and locations that we designate, and we may charge reasonable fees for such courses. We also require you to pay us fees for any required training of any new employees hired after your JumpBunch Business commences operations. At your request, we may furnish additional guidance and assistance and, in such a case, may charge the *per diem* fees and charges we establish from time to time. If you request, or if we require, additional or special training for your employees, all of the expenses that we incur in connection with such training, including *per diem* charges and travel and living expenses for our personnel, will be your responsibility; and/or as we may mutually agree, we may provide ongoing assistance to you at the hourly fee and charge we establish from time to time. You shall attend at least one convention of some or all of our franchisees per year, in a location that we designate. You will be required to pay a convention fee whether or not you attend and you will be required to pay one fee for each person attending the convention. We reserve the right to change the convention fee at any time in our discretion. You shall be responsible for any and all other expenses incurred in connection with attending the convention or any additional training programs, including the costs of transportation, lodging, and meals. We may preclude you from attending any convention, system calls, meetings or webinars while you are in default of this Agreement.

3.3 GENERAL GUIDANCE. We may advise you from time to time regarding operating issues concerning your JumpBunch Business based on reports you submit to us or on-site inspections we make. Such guidance will, at our discretion, be furnished in our Confidential Operations Manual (defined in Section 3.5. below), bulletins or other written materials and/or during e-mail or telephone consultations and/or consultations at our office or your JumpBunch Business. In addition, we will furnish guidance to you with respect to:

- 3.3.1 Our Methods of Operation;
- 3.3.2 Purchasing required ancillary goods, equipment, materials, supplies and services;
- 3.3.3 Advertising and marketing programs;
- 3.3.4 Training; and
- 3.3.5 Administrative, bookkeeping and accounting procedures and services.

3.4 METHODS FOR GUIDANCE. During the Term, guidance may be provided in any of the following ways:

3.4.1 Telephone and e-mail consultation during such times as are outlined in the Confidential Operations Manual (as defined in Section 3.5);

3.4.2 Buying advisory services whereby we may provide you with lists of sources and approved suppliers for our ancillary goods, services, equipment, etc.;

3.4.3 Ongoing marketing programs;

3.4.4 Newsletter services whereby we may inform you periodically about the goings-on in the JumpBunch franchise program;

3.4.5 Meetings, seminars or conventions whereby we may get together with you and other JumpBunch franchisees for business or social purposes; and

3.4.6 Research and development regarding Methods of Operation.

3.5 CONFIDENTIAL OPERATIONS MANUAL. During the Term, we will allow you to use one (1) copy of our confidential operations manual, consisting of such materials (possibly including, but not limited to, audio tapes, videotapes, magnetic media, computer software, access to our Internet home page, and written materials) that we furnish to franchisees from time to time for use in operating a JumpBunch Business ("**Confidential Operations Manual**"). The Confidential Operations Manual contains information about the System and our Methods of Operation. The Confidential Operations Manual may be modified from time to time to reflect changes in Methods of Operation. You agree to keep your copy of the Confidential Operations Manual current and in a secure location at your JumpBunch Business. In the event of a dispute relating to its contents, the master copy of the Confidential Operations Manual we maintain at our principal office will be controlling. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Confidential Operations Manual. If your copy of the Confidential Operations Manual is lost, destroyed or significantly damaged, you agree to obtain a replacement copy at our then applicable charge. At our option we may post some or all of the Confidential Operations Manual on a restricted website or extranet to which you will have access and you agree to monitor and access the website or extranet for any updates to the Confidential Operations Manual or Methods of Operation. Any passwords or digital identifications necessary to access the Confidential Operations Manual on a website or extranet will be deemed to be Confidential Information (as defined in Section 4.5). You acknowledge that your compliance with the Confidential Operations Manual is vitally important to us and other System franchisees and is necessary to protect our reputation and the goodwill of the Trademarks and to maintain uniform quality of operation through the System. However, while the Confidential Operations Manual is designed to protect our reputation and the goodwill of the Trademarks, it is not designed to control the day-to-day operation of the JumpBunch Business.

4. MARKS.

4.1 OWNERSHIP AND GOODWILL OF MARKS. Your right to use the Marks is derived solely from this Agreement and limited to your operation of your JumpBunch Business pursuant to and in compliance with this Agreement and Methods of Operation, which we prescribe from time to time during the Term. Your unauthorized use of the Marks will be a breach of this Agreement and an infringement of our rights in and to the Marks. You acknowledge and agree that your usage of the Marks and any goodwill established by such use will be exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate your JumpBunch Business in compliance with this Agreement). All provisions of this Agreement applicable to the Marks apply to any additional proprietary trademarks and service marks and commercial symbols we authorize you to use.

4.2 LIMITATIONS ON YOUR USE OF MARKS. You agree to use the Marks as the sole identification of your JumpBunch Business, except that you agree to identify yourself as the independent owner thereof in the manner we prescribe. You may not use any Marks as part of any corporate or legal business name or as part of an Internet domain name or Internet e-mail address or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you hereunder), or in any modified form, nor may you use any Marks in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing. No Marks may be used in any advertising concerning the transfer, sale or other disposition of your JumpBunch Business or an ownership interest in you. You agree to display the Marks prominently in the manner we prescribe at your JumpBunch Business on supplies or materials we designate and in connection with forms and advertising and marketing materials. You agree to give such notices of trademark and service marks registrations; i.e., "®", "TM", as we specify and to obtain any fictitious or assumed name registrations required under applicable law. You agree to withdraw any fictitious or assumed name registrations immediately upon termination or expiration of this Agreement.

4.3 NOTIFICATION OF INFRINGEMENTS AND CLAIMS. You agree to notify us immediately of any apparent infringement or challenge to your use of any Marks, or of any claim by any person of any rights in any Marks, and agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We (or the owner of the Marks) will defend you against any third party claim, suit, or demand arising out of your use of the Marks in accordance with this Agreement. If we, in our sole discretion, determine that you have used the Marks in accordance with this Agreement, we will bear the cost of such defense, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the Marks in accordance with this Agreement, you will bear the cost of such defense, including the cost of any judgment or settlement. In the event of any litigation relating to your use of the Marks, you will execute any and all documents and do such acts as may, in our opinion, be necessary to carry out such defense or prosecution including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Marks in a manner inconsistent with the terms of this Agreement, we agree to reimburse you for your out of pocket litigation costs in cooperating with us with respect to the litigation.

4.4 DISCONTINUANCE OF USE OF MARKS. If it becomes advisable at any time in our sole business judgment for us and/or you to modify or discontinue the use of any Marks and/or use one or more additional or substitute trademarks or service marks, you agree to comply with our directions within

a reasonable time after receiving notice thereof. We will not be obligated to reimburse you for any loss of revenue attributed to any modified or discontinued Marks or for any expenditures you make to promote a modified or substitute trademark or service mark.

4.5 DETERMINATION OF CONFIDENTIAL INFORMATION. We possess (and will continue to develop and acquire), and may disclose to you, certain confidential information (the "**Confidential Information**") relating to the development and operation of JumpBunch Businesses, which may include (without limitation):

4.5.1 The System, the Confidential Operations Manual, our Methods of Operation, any other proprietary materials, the sales and marketing techniques used, and knowledge of and experience in developing and operating JumpBunch Businesses;

4.5.2 Strategic plans, including expansion strategies and targeted demographics;

4.5.3 Marketing and advertising programs for JumpBunch Businesses, including market research and promotional and marketing strategies;

4.5.4 Knowledge of specifications for and suppliers of certain ancillary goods, services, equipment, materials and supplies;

4.5.5 Knowledge of the operating results and financial performance of other JumpBunch franchisees; and

4.5.6 Information generated by, or used or developed, through your JumpBunch Business operation, including information relating to your customers, such as customer names, addresses, telephone numbers, email addresses, buying habits, preferences, demographic information ("**Customer Information**").

4.6 FOR JUMPBUNCH BUSINESS USE ONLY. You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to utilize Confidential Information disclosed to you in operating your JumpBunch Business during the Term, and that the use or duplication of any Confidential Information in any other business would constitute an unfair method of competition. You further acknowledge and agree that Confidential Information is proprietary, includes our trade secrets and is disclosed to you solely on the condition that you agree, and you do hereby agree, that you:

4.6.1 Will not use Confidential Information in any other business capacity;

4.6.2 Will maintain the absolute confidentiality of Confidential Information during and after the Term;

4.6.3 Will not make unauthorized copies of any portion of Confidential Information disclosed via electronic medium or in written or other tangible form; and

4.6.4 Will adopt and implement all reasonable procedures that we prescribe from time to time to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restrictions on disclosure thereof to JumpBunch Business personnel and others.

You agree to protect the Confidential Information from unauthorized use, access or disclosure in the same manner as you protect your own confidential or proprietary information of a similar nature and

with no less than reasonable care. We may require you to have your employees and contractors execute individual agreements of confidentiality and non-disclosure and we have the right to regulate the form of and to be a party to or third-party beneficiary under any such agreements. You acknowledge that any form of non-disclosure and non-competition agreement that we require you to use, provide to you, or regulate the terms of may or may not be enforceable in a particular jurisdiction. You agree that you are solely responsible for obtaining your own professional advice with respect to the adequacy of the terms and provisions of any confidentiality and non-compete agreement that your employees, agents and independent contractors sign.

You acknowledge and agree that, as between us and you, we are the sole owner of all right, title, and interest in and to the System and any Confidential Information. All Customer Information will be owned by us. You agree to use Customer Information only for the promotion of your JumpBunch Business during the Term and to refrain from using or selling Customer Information to third parties. Copies and/or originals of such data must be provided to us upon our request. We hereby license use of such data back to you, at no additional cost, solely for the term of this Agreement and solely for your use in connection with the business franchised under this Agreement. You will comply with all applicable laws governing the use, protection and disclosure of the Customer Information. If you become aware of a suspected or actual breach of security or unauthorized access involving Customer Information, you will notify us immediately and specify the extent to which Customer Information was compromised or disclosed.

4.7 IDEAS, CONCEPTS, TECHNIQUES OR MATERIALS. All ideas, concepts, techniques, improvements, developments, derivative works, enhancements, or modifications to the System and any Confidential Information (collectively, "**Innovations**"), whether or not constituting protectable intellectual property, and whether created by or on behalf of you or your owners, will be promptly disclosed to us, deemed to be our sole and exclusive property and part of the System and deemed to be works made for hire for us. You represent, warrant, and covenant that your employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to you. To the extent that you, your employees or your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to us. To that end, you shall execute, verify, and deliver such documents (including, without limitation, assignments) and perform such other acts (including appearances as a witness) as we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Your obligation to assist us with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. In the event we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this Section, you hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by you. The obligations of this Section shall survive any expiration or termination of the Agreement.

5. EXCLUSIVE RELATIONSHIP.

5.1 EXCLUSIVE DEALINGS. You acknowledge and agree that we would be unable to protect Confidential Information against unauthorized use or disclosure or to encourage a free exchange of ideas and information among JumpBunch Businesses if franchised owners of JumpBunch Businesses were permitted to hold interests in or perform services for a Competitive Business (defined below). You also acknowledge that we have granted you the franchise for your JumpBunch Business in consideration

of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during the Term, neither you nor any of your owners (nor any of your or your owners' spouses or children) will:

5.1.1 Have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business;

5.1.2 Perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business; or,

5.1.3 Recruit or hire any person who is our employee or the employee of any JumpBunch Business without obtaining the prior written permission of that person's employer.

5.2 **COMPETITIVE BUSINESS.** The term "**Competitive Business**" as used in this Agreement means any business providing sports, fitness, or physical education training or educational programs to children, or any business granting franchises or licenses to others to operate any business providing sports, fitness, or physical education training or educational programs to children, or any business which is similar to this JumpBunch Business (other than a JumpBunch Business operated under a franchise agreement with us).

6. **METHODS OF OPERATION.**

6.1 **COMPLIANCE WITH METHODS OF OPERATION.** You acknowledge and agree that your operation and maintenance of your JumpBunch Business in accordance with our Methods of Operation is essential to preserve the goodwill of the Marks and all JumpBunch Businesses. Therefore, at all times during the Term, you agree to operate and maintain your JumpBunch Business in accordance with Methods of Operation, as we periodically modify and supplement them during the Term. Methods of Operation may regulate any one or more of the following with respect to your JumpBunch Business:

6.1.1 Replacement of obsolete or worn out equipment;

6.1.2 Types, models and brands of Operating Assets;

6.1.3 Required or authorized services, ancillary goods and categories for same;

6.1.4 Designated or approved suppliers (which may be limited to or include us) of Operating Assets;

6.1.5 Terms and conditions of the sale and delivery of, and terms and methods of payment for Operating Assets, including direct labor, materials and supplies that you obtain from us, our affiliates or others;

6.1.6 Sales, marketing, advertising and promotional programs and materials and media used in such programs;

6.1.7 Use of the Marks;

6.1.8 Staffing levels for your JumpBunch Business and matters relating to managing your JumpBunch Business; communication to us of the identities of your JumpBunch Business' personnel; and qualifications, training, dress and appearance of employees;

6.1.9 Days and hours of operation of your JumpBunch Business;

6.1.10 Participation in market research and testing and services and ancillary goods development programs;

6.1.11 Participation in gift card and loyalty card programs. You agree, at your sole cost and expense, to issue and offer such rebates, giveaways, and other promotions in accordance with advertising programs established by us, and further agree to honor the rebates, giveaways, and other promotions issued by other JumpBunch franchisees under any such program, so long as such compliance does not contravene any applicable law, rule, or regulation. You will not create or issue any gift cards/certificates and will only sell gift cards/certificates that have been issued or sponsored by us and which are accepted at all JumpBunch Businesses, and you will not issue coupons or discounts of any type except as approved by us;

6.1.12 Acceptance of credit cards, other payment systems and check verification services, including such services or providers that we may periodically designate as mandatory. You agree to comply with the then-current Payment Card Industry Data Security Standards or any successor organization or standards that we may reasonably specify;

6.1.13 Bookkeeping, accounting, data processing and record keeping systems and forms; methods, formats, content and frequency of reports to us of sales, revenue, financial performance and condition; and furnishing tax returns and other operating and financial information to us;

6.1.14 Types, amounts, terms and conditions of insurance coverage required to be carried for your JumpBunch Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under such policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage for your JumpBunch Business at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims. We may, but shall not be obligated to, purchase insurance on your behalf from an insurance carrier of our choice, and you shall reimburse us for the full cost of such insurance, along with a ten percent (10%) service charge to compensate us for the time and effort expended to secure such insurance, within five days of the date we deliver an invoice detailing such costs and expenses to you. Notwithstanding the foregoing, your failure to obtain insurance constitutes a material breach of this Agreement entitling us to terminate this Agreement or exercise any or a combination of the other default remedies set forth in Section 10 of this Agreement;

6.1.15 Complying with applicable laws; obtaining required licenses and permits; adhering to good business practices; observing high standards of honesty, integrity, fair dealing and ethical business conduct in all dealings with customers, suppliers and us; and notifying us if any action, suit or proceeding is commenced against you or your JumpBunch Business. You agree to comply with all applicable laws pertaining to the privacy of customer, employee, and transactional information ("Privacy Laws"). You also agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards and policies pertaining to Privacy Laws and actual applicable law, you will: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You agree not to publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to said policy;

6.1.16 Only utilizing your "jumpbunch.com" email address for correspondences regarding your JumpBunch Business; and

6.1.17 Regulation of such other aspects of the operation and maintenance of your JumpBunch Business; that we determine from time to time to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and JumpBunch Businesses.

6.2 **COMPUTER SYSTEM.** You agree to obtain and use the computer hardware, sales and scheduling software, point-of-sale system and/or other operating software we specify from time to time (the "**Computer System**"). We may modify specifications for and components of the Computer System from time to time and you agree to implement our modifications within ninety (90) days after you receive notice from us. We might periodically require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over the remaining Term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. You must pay for any proprietary software or technology that we, our affiliates or third-party designees license to you and for other maintenance and support services that we, our affiliates or third-party designees provide during the Term. We or our affiliates may condition your license of any proprietary software, or your use of technology that we or our affiliates develop or maintain, on your signing a license agreement or similar document that we or our affiliates approve to regulate your use of, and our and your respective rights and responsibilities with respect to, such software or technology. The Computer System may give us and our affiliates access to all information generated by the Computer System, including price maintenance, Customer Information and payroll information for your JumpBunch Business. At our request, you agree to sign a release with any vendor of your Computer System providing us with unlimited access to your data. Despite the fact that you agree to buy, license, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for acquiring, operating, maintaining and upgrading: (1) the Computer System; (2) the connectivity of your Computer System (including the point-of-sale system); and (3) third-party interfaces between the Computer System and our and any third party's computer system. You will have sole and complete responsibility for any and all consequences if the Computer System is not properly operated, maintained, and upgraded. You acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System, and you agree to comply with those reasonable new standards that we establish.

6.3 **APPROVED PRODUCTS AND SERVICES.** You agree that: (1) your JumpBunch Business will offer the Products and Services that we specify from time to time; (2) your JumpBunch Business will offer and sell approved Products and Services only in the manner and at the locations we have prescribed and will not sell any Products and Services wholesale or through alternative channels of distribution (including the Internet or retail stores); (3) you will not offer for sale or sell any Products and Services we have not approved; (4) you will discontinue selling and offering for sale any Products and Services that we at any time decide (in our sole discretion) to disapprove; and (5) you will purchase and use only Operating Assets (including the Computer System) that we designate for operating your JumpBunch Business.

6.4 **APPROVED AND DESIGNATED SUPPLIERS.** We reserve the right to approve and/or designate, from time to time, manufacturers, vendors, distributors, suppliers, and producers (collectively referred to herein as "**vendors**"), terms, and distribution methods for any goods or services (which include, but are not limited to, services, insurance and Operating Assets). You shall purchase all goods and services required for the operation of your JumpBunch Business from such approved and/or designated vendors (which may be only one vendor for any given good or service) under terms, in the manner, and from the source designated by us. If we designate such goods and services are to

be purchased through approved and/or designated third party distributors, then you shall purchase such goods and services from such distributors pursuant to the terms and in the manner approved by us and our affiliates. We or any of our affiliates may be a supplier, distributor, or otherwise party to these transactions, and may derive revenue or profit from such transactions. We and/or any of our affiliates may use such revenue or profit without restriction.

We may require you to place an order for some or all of the Operating Assets that we determine you will need to begin operating your JumpBunch Business, from our designated vendor(s) for such Operating Assets, at the same time that you execute this Agreement. We further reserve the right to require that you place orders for additional Operating Assets at times we designate, including before you begin operating your JumpBunch Business.

In the event you desire to purchase equipment, products, services, supplies, or materials from manufacturers, suppliers, or distributors other than those previously approved by us and our affiliates, you shall, prior to purchasing any such equipment, products, services, supplies, or materials, give us a written request to change supplier. We shall notify you in writing of the approval or rejection of the proposed supplier within a reasonable time after completion of the investigation of the proposed supplier should we choose to conduct an investigation. We and our designees may from time to time inspect any manufacturer's, supplier's, or distributor's facilities and products to assure proper production, processing, storing, and transportation of equipment, products, services, supplies, or materials to be purchased from the manufacturer, supplier, or distributor by you. Permission for such inspection shall be a condition of the continued approval of such manufacturer, supplier, or distributor. We may, for any reason whatsoever at our sole discretion, elect to withhold or revoke approval of the manufacturer, supplier, or distributor. In order to make such determination, we may, at any time, require that samples from the supplier or a proposed new supplier be delivered for testing. We may charge you for reasonable cost of inspection and review. You acknowledge that we are likely to reject your request for a new supplier without conducting any investigation if we already have designated an exclusive manufacturer, supplier or vendor for the equipment, products, services, supplies, or materials proposed to be offered by the new manufacturer, supplier or vendor as permitted in this section.

You acknowledge and agree that we and/or our affiliates may derive revenue from your purchases or leases of Operating Assets. We also reserve the right for us and our affiliates to receive promotional allowances, rebates, volume discounts and other payments, services or consideration from suppliers based on your purchases or leases from those suppliers.

6.5 PROVISIONS OF THIS AGREEMENT. You agree that Methods of Operation prescribed from time to time in the Confidential Operations Manual, or otherwise communicated to you in writing or other tangible form, constitute provisions of this Agreement as if fully set forth herein. All references to this Agreement include all Methods of Operation as periodically modified.

6.6 MODIFICATION OF METHODS OF OPERATION. We may periodically modify Methods of Operation, as we determine, and any such modifications may obligate you to invest additional capital in your JumpBunch Business and/or incur higher operating costs; provided, however, that such modifications will not alter your fundamental status and rights under this Agreement. Except with respect to the Computer System, we will not obligate you to invest additional capital when such investment cannot, in our reasonable judgment, be amortized during the remaining Term, unless we agree to extend the Term so that such additional investment, in our reasonable judgment, may be amortized, or unless such investment is necessary in order to comply with applicable laws.

6.7 EMPLOYEES, AGENTS & INDEPENDENT CONTRACTORS. You alone are responsible for all decisions relating to employees, agents, and independent contractors that you may hire

to assist in the operation of your JumpBunch Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether you have received advice from us on these subjects or not. You agree that any employee, agent or independent contractor that you hire will be your employee, agent or independent contractor, and not our employee, agent or independent contractor. You agree to explain to your employees the respective roles of a franchisor and a franchisee and our relationship with you. Neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement nor our course of conduct be construed, to state or imply that we are the employer of your employees and/or independent contractors. We will have no liability for any action or settlement related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees and you agree to indemnify us for any liabilities that they incur related to the aforementioned. You are responsible for your employees' training, wages, taxes, benefits, safety, work schedules, work conditions, assignments, discipline and termination and for compliance with all workplace laws. You agree to manage the employment functions of your JumpBunch Business in compliance with federal, state, and local employment laws.

6.8 PRICING. We may periodically set a maximum or minimum price that you may charge for Products and Services offered by your JumpBunch Business. If we impose a maximum price for any Product or Service, you may not charge more for the Product or Service than the maximum price we impose. If we impose a minimum price for any Product or Service, you may not charge less for such Product or Service than the minimum price we impose. For any Product or Service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a Product or Service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any Product or Service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such Product or Service.

6.9 NON-DISPARAGEMENT. You agree not to (and to use your best efforts to cause your current and former shareholders, members, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates' directors, officers, employees, representatives or affiliates, the JumpBunch brand, the System, any JumpBunch Business, any business using the Marks, or which would subject the JumpBunch brand to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of us or the JumpBunch brand.

6.10 COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES. You must secure and maintain all required licenses, permits and certificates relating to your JumpBunch Business and must at all times operate your JumpBunch Business in full compliance with all applicable laws, ordinances and regulations. You agree to comply (and assist us in our compliance efforts) with any and all laws, regulations (including government regulations relating to truth in lending, safety and sanitation, truth in advertising, occupational hazards, health and anti-discrimination laws), executive orders, and anti-terrorist measures (including the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations). In connection with such compliance efforts, you agree not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to your JumpBunch Business as may be required by us or by law. You confirm that you are not listed in the Annex to Executive Order 13224 and agree not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at <http://www.treasury.gov>). You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders and/or regulations, and specifically acknowledge and agree that your indemnification responsibilities as provided

in Section 12.4 pertain to your obligations hereunder. Your JumpBunch Business must adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct in all dealings with its members, suppliers, us and the public. You must notify us in writing within five (5) days of the threat of or commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect your operation or financial condition or that of your JumpBunch Business and of any notice of violation of any law, ordinance, or regulation relating to your JumpBunch Business.

6.11 INFORMATION SECURITY. You must implement all administrative, physical and technical safeguards necessary to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information ("Personal Information") in accordance with applicable law and industry best practices. It is entirely your responsibility (even if we provide you any assistance or guidance in that regard) to confirm that the safeguards you use to protect Personal Information comply with all applicable laws and industry best practices related to the collection, access use, storage, disposal and disclosure of Personal Information. If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately and specify the extent to which Personal Information was compromised or disclosed.

7. RECORDS, REPORTS AND FINANCIAL STATEMENTS.

7.1 BOOKKEEPING. You agree to establish and maintain at your own expense a bookkeeping, accounting and record keeping system conforming to the requirements and formats we prescribe from time to time. We may require you to use approved computer hardware and software in order to maintain certain sales data and other information. We may require you to use an accountant approved by us in advance by us. You agree to furnish to us, upon our request, on such forms that we prescribe, without limitation, such records, reports, annual federal tax returns, and financial statements as we may require from time to time, including financial information of any of your owners. You shall keep and preserve full and complete records of Gross Revenues for at least three (3) years in a manner and form satisfactory to us. If we do not receive any report by the established deadline, then you must pay to us a non-refundable late fee of one hundred dollars (\$100) per occurrence and one hundred dollars (\$100) per week thereafter until you submit the report. You agree to maintain and furnish upon our request complete copies of federal and state income tax returns you file with the Internal Revenue Service and state tax departments, reflecting revenues and income of the Franchise or the corporation, partnership, or limited liability company that holds the Franchise. We reserve the right to require you to have audited or reviewed financial statements prepared by a certified public accountant annually.

7.2 VERIFICATION. You agree to verify and sign each report and financial statement in the manner we prescribe. We have the right to disclose data derived from such reports without identifying you. We also have the right to require you to have reviewed or audited financial statements prepared on an annual basis. Moreover, we have the right, as often as we deem appropriate, including on a daily basis, to access the Computer System and to retrieve all information relating to your JumpBunch Business's operations.

8. INSPECTIONS AND AUDITS.

8.1 OUR RIGHTS TO INSPECT YOUR JUMPBUNCH BUSINESS. To determine whether you and your JumpBunch Business are complying with this Agreement and Methods of Operation, we and our designated agents have the right at any time during your regular business hours, and without prior notice to you, to:

8.1.1 Inspect your operation of your JumpBunch Business;

8.1.2 Observe, photograph and videotape the operations of your JumpBunch Business for such consecutive or intermittent periods, as we deem necessary;

8.1.3 Remove samples of any ancillary goods, materials or supplies for testing and analysis;

8.1.4 Interview personnel and customers of your JumpBunch Business; and

8.1.5 Inspect and copy any books, records and documents relating to your operation of your JumpBunch Business.

8.2 COOPERATION. You agree to cooperate with us fully in connection with any such inspections, observations, photographing, videotaping, product removal and interviews. You agree to present to your customers such evaluation forms that we periodically prescribe and to participate and/or request your customers to participate in any surveys performed by us or on our behalf.

8.3 OUR RIGHT TO AUDIT. We have the right at any time during regular business hours, and without prior notice to you, to inspect and audit, or cause to be inspected and audited, your (if you are a corporation or partnership) and your JumpBunch Business' business, bookkeeping and accounting records, sales and income tax records and returns and other records. You agree to cooperate fully with our representatives and independent accountants we hire to conduct any such inspection or audit. In the event such inspection or audit is made necessary by your failure to furnish reports, supporting records or other information as herein required, or to furnish such items on a timely basis, you agree to reimburse us for the reasonable cost of such inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees. In the event an inspection or audit reveals that any payments have been understated in any report to us, then you shall immediately pay to us the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the highest contract rate of interest permitted by law. If an inspection or audit discloses an understatement in any report of two percent (2%) or more, you shall, in addition to repayment of monies owed with interest, reimburse us for any and all costs and expenses connected with the inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees. The foregoing remedies are in addition to our other remedies and rights under this Agreement and applicable law.

9. TRANSFER.

9.1 BY US. You acknowledge that our obligations under this Agreement are not personal. We shall have the absolute right, in our sole discretion and at any time, to unconditionally transfer or assign this Agreement or any of its rights or obligations under this Agreement to any person, affiliate, entity or other party.

9.2 BY YOU. You understand and acknowledge that the rights and duties this Agreement creates are personal to you and your owners and that we have granted you the franchise for your JumpBunch Business in reliance upon our perceptions of your and/or your owners' individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) your JumpBunch Business (or any right to receive all or a portion of your

JumpBunch Business profits or losses or capital appreciation related to your JumpBunch Business); (iii) substantially all of the assets of your JumpBunch Business; (iv) any ownership interest in you (regardless of its size); or (v) any ownership interest in any of your owners (if such owners are legal entities). A transfer of your JumpBunch Business ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect.

In this Agreement, the term "transfer" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition.

If you (and your owners) are in full compliance with this Agreement, then, subject to the other provisions of this Section 9, we will approve a transfer that meets all of the requirements in this Section. A non-controlling ownership interest in you or your owners (determined as of the date on which the proposed transfer will occur) may be transferred subject to our approval if the proposed transferee and its direct and indirect owners (if the transferee is an entity) are of good character and meet our then applicable standards for JumpBunch Business franchise owners (including no ownership interest in or performance of services for a Competitive Business). If the proposed transfer is of this Agreement or an ownership interest in you or one of your owners, or is one of a series of transfers (regardless of the time period over which these transfers take place) which in the aggregate transfer this Agreement or a controlling ownership interest in you or one of your owners, then all of the following conditions must be met before or concurrently with the effective date of the transfer:

9.2.1 the transferee has sufficient business experience, aptitude, and financial resources to operate the JumpBunch Business;

9.2.2 you have paid all Royalty fees and other amounts owed to us, our affiliates, and third party vendors; have submitted all required reports and statements;

9.2.3 you have not violated any provision of this Agreement or any other agreement with us during both the sixty (60) day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

9.2.4 neither the transferee nor its owners (if the transferee is an entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

9.2.5 the transferee (or its Managing Owner) satisfactorily complete our training program;

9.2.6 the transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of a controlling ownership interest in you or one of your owners), sign our then current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement;

9.2.7 you pay us a transfer fee in the amount of Seven Thousand Five Hundred dollars (\$7,500);

9.2.8 you and your transferring owners sign a general release, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, and agents;

9.2.9 we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of the JumpBunch Business;

9.2.10 if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in the JumpBunch Business are subordinate to the transferee's obligation to pay Royalty fees and other amounts due to us, our affiliates, and third party vendors and otherwise to comply with this Agreement;

9.2.11 you and your transferring owners (and your and their spouses and other immediate family members) will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 11.5 below; and

9.2.12 you and your transferring owners will not directly or indirectly at any time or in any manner (except with respect to other JumpBunch Businesses you own and operate) identify yourself or themselves or any business as a current or former JumpBunch Business, or as one of our franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a JumpBunch Business in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us.

We may review all information regarding the JumpBunch Business that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding the JumpBunch Business. Notwithstanding the provisions above, if you are in full compliance with this Agreement, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than the JumpBunch Business and, if applicable, other JumpBunch Business, in which you maintain management control, and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests, provided that all of the JumpBunch Business assets are owned, and the JumpBunch Business is conducted, only by that single corporation or limited liability company. The corporation or limited liability company must expressly assume all of your obligations under this Agreement. Transfers of ownership interests in the corporation or limited liability company are subject to all the requirements of this Section above except that you will not incur a transfer fee but must reimburse us for any legal fees that we incur in regards to the transfer. You agree to remain personally liable under this Agreement and sign the Owners Agreement attached to this Agreement as Attachment B.

9.3 OUR RIGHT OF FIRST REFUSAL. If you (or any of your owners) at any time decide to sell an interest in this Agreement, your JumpBunch Business or an ownership interest in you, you (and your owners) agree to obtain a *bona fide* executed written offer from a responsible and fully disclosed buyer and send us a true and complete copy of that written offer. We have the right, exercisable by written notice delivered to you or your selling owners within sixty (60) days from the date of the delivery to us of both an exact copy of such *bona fide* offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in such *bona fide* offer, provided that:

9.3.1 We may substitute cash for any form of payment proposed in such offer;

9.3.2 Our credit will be deemed equal to the credit of any proposed purchaser;

9.3.3 We will have not less than sixty (60) days after giving notice of our election to purchase to prepare for closing; and

9.3.4 We are entitled to receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the capital stock of an incorporated business, as applicable, including, without limitation, representations and warranties as to:

- (a) Ownership and condition of and title to stock or other forms of ownership interest and/or assets;
- (b) Liens and encumbrances relating to the stock or other ownership interest and/or assets; and
- (c) Validity of contracts and the liabilities, contingent or otherwise, of the corporation whose stock is being purchased.

Notwithstanding the foregoing, if your JumpBunch Business has been used as collateral for an SBA-guaranteed loan (which is subject to our consent as described in Section 9.2), we will not, while such loan remains unpaid, exercise our right of first refusal under this Section with respect to a transfer of part of the ownership interests in you unless, in connection with our exercise of the right of first refusal, we are paying off the SBA-guaranteed loan. If we fail to exercise our right of first refusal and the JumpBunch Business is not subsequently sold to the proposed purchaser for any reason, we shall continue to have, upon the same conditions, a right of first refusal for any subsequent offer. We retain the right to assign our right of first refusal with respect to such transfers to an unaffiliated third-party.

9.4 EXERCISE. If we exercise our right of first refusal, you and your selling owner(s) agree that, for a period of twenty four (24) months commencing on the date of the closing, you and they will be bound by the non-competition covenants contained in Section 11.5.

10. TERMINATION OF AGREEMENT.

10.1 BY YOU. If you and your owners are fully complying with this Agreement and we materially fail to comply with this Agreement and do not correct the failure within thirty (30) days after you deliver written notice of the material failure to us or, if we cannot correct the failure within thirty (30) days, give you within thirty (30) days after your notice reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate this Agreement effective an additional thirty (30) days after you deliver to us written notice of termination.

10.2 BY US. We have the right to terminate this Agreement, effective upon delivery of written notice of termination to you, if:

10.2.1 Your Managing Owner (including any replacement Managing Owner) fails to successfully complete initial training to our satisfaction;

10.2.2 You fail to complete your Opening Requirements within ninety (90) calendar days after the execution of this Agreement;

10.2.3 You abandon or fail actively to operate your JumpBunch Business, for ten (10) or more consecutive business days without first receiving our express written consent (such consent shall not be unreasonably withheld) or unless your JumpBunch Business ceased operating for a purpose we have approved or because of a major and significant casualty or by reason of a lawful government order;

10.2.4 You surrender or transfer control of the operation of your JumpBunch Business without our prior written consent;

10.2.5 You fail to maintain the insurance we require and you do not correct the failure within ten (10) days after we delivery written notice of that failure to you;

10.2.6 You (or any of your owners) have made any material misrepresentation or omission in connection with your purchase of the franchise for your JumpBunch Business;

10.2.7 You (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest to, a felony or any crime involving moral turpitude;

10.2.8 You (or any of your owners) engage in any dishonest or unethical conduct which may adversely affect the reputation of your JumpBunch Business or another JumpBunch Business or the goodwill associated with the Marks;

10.2.9 You (or any of your owners) make an unauthorized assignment of this Agreement or of an ownership interest in you or your JumpBunch Business;

10.2.10 In the event of the death or permanent disability of your Managing Owner, a new Managing Owner is not appointed by you within sixty (60) days of the date of the death or permanent disability of the Managing Owner;

10.2.11 You (or any of your owners) make any unauthorized use or disclosure of any Confidential Information or use, duplicate or disclose any portion of the Confidential Operations Manual in violation of this Agreement;

10.2.12 You violate any health, safety or sanitation law, ordinance or regulation and do not immediately begin to cure the non-compliance or violation, and correct such non-compliance or violation within twenty four (24) hours after written notice thereof is delivered to you;

10.2.13 You fail to make payments of any amounts due to us, our affiliates or any approved suppliers and do not correct such failure within seven (7) days after written notice of such failure is delivered to you;

10.2.14 You fail to pay when due any federal or state income, service, sales, employment related or other taxes due on the operations of your JumpBunch Business, unless you are, in good faith, legally contesting your liability for such taxes;

10.2.15 You (or any of your owners) fail to comply with any other provision of this Agreement or our Methods of Operation and do not correct such failure within thirty (30) days after written notice of such failure to comply is delivered to you;

10.2.16 You (or any of your owners) fail on three (3) or more separate occasions within any period of twelve (12) consecutive months to submit when due reports or other data, information or supporting records, or to pay when due any amounts due to us or otherwise to comply with this Agreement, whether or not such failures to comply were corrected after written notice of such failure was delivered to you; or

10.2.17 You make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee or liquidator of all or the substantial part of your property; your JumpBunch Business or any of its assets is attached, seized, subjected to a writ or distress warrant or levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee or liquidator of you or your JumpBunch Business is vacated within thirty (30) days following the entry of such order.

10.3 ATTORNEY FEES. You shall pay all costs and expenses (including reasonable fees of attorneys and other engaged professionals) incurred by us in successfully enforcing, issuing notices of default, or obtaining any remedy arising from the breach of, this Agreement. The existence of any claims, demands or actions which you may have against us, whether arising from this Agreement or otherwise, shall not constitute a defense to our enforcement of your or any equitable owners if you are a legal entity, representations, warranties, covenants, agreements or obligations herein. Additionally, the prevailing party in any arbitration or litigation arising out of or relating to this Agreement shall be entitled to recover from the other party all damages, costs and expenses, including court costs and reasonable attorney fees, incurred by the prevailing party in successfully enforcing any provision of this Agreement.

10.4 ASSUMPTION OF MANAGEMENT: We have the right (but not the obligation) to assume management of your JumpBunch Business (or to appoint a third party to assume its management) for any period of time we deem appropriate, if: (1) you abandon or fail actively to operate your JumpBunch Business; or (2) you fail to comply with any provision of this Agreement or any Methods of Operation and do not cure the failure within the time period we specify in our notice to you. All funds from your JumpBunch Business' operation while it is under our (or the third party's) management will be kept in a separate account, and all expenses will be charged to this account. If we (or a third party) assume your JumpBunch Business' management, you agree to pay us (in addition to the Royalty, your contribution to the National Fund, and other amounts due to us or our affiliates) \$100 per day (as may be adjusted from time to time for inflationary purposes), plus our (or the third party's) direct out-of-pocket costs and expenses, for up to sixty (60) days after we assume management. During the Term, we may adjust the amount of this daily fee from time to time by an amount that is commensurate with inflation. If we (or a third party) assume your JumpBunch Business' management, you acknowledge that we (or the third party) will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations your JumpBunch Business incurs, or to any of your creditors for any supplies, products, or other assets or services your JumpBunch Business purchases, while we (or the third party) manage it. Our decision to assume management of your JumpBunch Business (or to appoint a third party to assume management of your JumpBunch Business), will not affect our right to terminate this Agreement under Section 10.

11. RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION.

11.1 PAYMENT OF AMOUNTS OWED TO US. You agree to pay us the Royalties and contributions to the National Fund, interest, and all other amounts owed to us (and our affiliates), within fifteen (15) days after this Agreement expires or is terminated, or on any later date that we determine, calculated as of the date of payment. We have the right to set off any amount you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners.

You acknowledge that termination or expiration of this Agreement does not affect your liability for amounts you (or your owners) owe any third-parties or creditors and we do not assume any such liabilities. In addition, if this Agreement is terminated because of your default or you abandon your JumpBunch Business, you and we agree that it would be difficult if not impossible to determine the amount of damages that we would suffer. Therefore, you agree to pay to us liquidated damages determined by multiplying the combined monthly average of Royalty fees and National Fund contributions (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with the date you open your JumpBunch Business through the date of early termination, multiplied by the lesser of: (i) thirty-six (36), or (ii) the number of full months remaining in the term of the Agreement, except that liquidated damages will not, under any circumstances, be less than thirty thousand dollars (\$30,000). The parties consider this liquidated damages provision to be a reasonable, good faith pre-estimate of damages. The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty fees and National Fund contributions; it does not cover any other

damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty fee and National Fund sections. You and each of you Owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty fee and National Fund sections. You must follow any procedures established by us to ensure the expiration of this Agreement creates the least disruption possible to the System, including those procedures set forth in the Confidential Operations Manual.

11.2 **MARKS.** When this Agreement expires, you must remove all signs containing any Mark and return to us or destroy all items, forms and materials containing any Mark or otherwise identifying or relating to a JumpBunch Business on or before the date on which this Agreement expires. In the case of a termination, you must remove all signs containing any Mark and return to us or destroy all items, forms and materials containing any Mark or otherwise identifying or relating to a JumpBunch Business within seven (7) days after the date this Agreement is terminated. When this Agreement expires or is terminated:

11.2.1 you (and your owners) may not directly or indirectly at any time or in any manner (except with other JumpBunch Businesses you own and operate) identify yourself or any business as a current or former JumpBunch Business or as one of our current or former franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a JumpBunch Business in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

11.2.2 you agree to take the action required to cancel or assign all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

11.2.3 if applicable, you agree to immediately (i) cease using or operating any website or other online presences or electronic mediums, including social networking websites (such as LinkedIn®, Twitter®, Facebook®), related to your JumpBunch Business or the Marks, (ii) take any action as may be required to disable such websites or social networking website accounts, and (iii) cancel all rights in and to any accounts for such websites; and

11.2.4 you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

If you fail to take any of the actions (or refrain from taking any of the actions) described above, we may take whatever action and sign whatever documents we deem appropriate on your behalf to cure the deficiencies, including, without liability to you or third parties for trespass or any other claim, to remove any signs or other materials containing any Marks from your JumpBunch Business.

11.3 **CONFIDENTIAL INFORMATION.** You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including computer software or similar technology, digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the System, and Customer Information) in any business or otherwise and return to us all copies of the Confidential Operations Manual and any other Confidential Information that we have loaned you.

11.4 **CUSTOMERS.** Upon termination or expiration, you must notify all customers of your JumpBunch Business with whom you have an existing commitment immediately that your JumpBunch Business will cease to operate under the Marks. If this Agreement is being terminated or expiring without renewal, we may contact customers of your JumpBunch Business and offer such customers continued rights to use one or more other JumpBunch Businesses on such terms and conditions we deem

appropriate, which in no event will include assumption of any then-existing liability arising out of or relating to any agreement or act or failure to act by you or your JumpBunch Business. Upon expiration or termination of this Agreement, if you owe any customers of your JumpBunch Business a full or partial refund of any money they paid you, you will refund such money promptly and in full and will cooperate with us to preserve goodwill with such customers. If you fail to refund your customers as required pursuant to this Section, we reserve the right to refund such customers in order to preserve good will and prevent damage to the Marks. You must reimburse us for all amounts we refund to customers of your JumpBunch Business.

11.5 COVENANT NOT TO COMPETE. Upon our termination of this Agreement in accordance with its terms and conditions, including the transfer or assignment of this Agreement or any interest in your JumpBunch Business, or your termination of this Agreement without cause, or expiration of this Agreement (if we refuse to grant, or you elect not to acquire, a successor franchise), you and your owners agree that, for a period of twenty four (24) months (the "**Restriction Period**") commencing on the effective date of termination or expiration or the date on which a person restricted by this Section begins to comply with this Section, whichever is later, neither you nor any of your owners will have any direct or indirect interest (i.e., through a spouse or child) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any Competitive Business (as defined in Section 5.2. above) operating within the Territory or within twenty five (25) miles of the Territory, or within the territory of any other JumpBunch Business in operation or under a signed franchise agreement on the later of the effective date of the termination or expiration or the date on which a person restricted by this Section complies with this Section. Your Owners may not solicit any customer, employee or independent contractor of the JumpBunch Business or any other JumpBunch business for one year following the effective date of termination or expiration of this Agreement.

11.6 CONTINUING OBLIGATIONS. All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

12. RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION.

12.1 INDEPENDENT CONTRACTORS. You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that we and you are and will be independent contractors and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner or employee of the other for any purpose. You agree to conspicuously identify yourself in all dealing with customers, suppliers, public officials, JumpBunch Business personnel and others as the owner of your JumpBunch Business under a franchise we have granted and to place such notices of independent ownership in public records and on such forms, checks, business cards, stationery and advertising and other materials as we may require from time to time. You acknowledge that we have no responsibility to ensure that the JumpBunch Business is developed and operated in compliance with all applicable laws, ordinances and regulations and that we shall have no liability in the event the development or operation of the JumpBunch Business and that you are solely a franchisee of JumpBunch Inc.

12.2 NO LIABILITY FOR ACTS OF OTHER PARTY. You agree not to employ any of the Marks in signing any contract or applying for any license or permit, or in a manner that may result in our liability for any of your indebtedness or obligations, and that you will not use the Marks in any way we have not expressly authorized. Neither we nor you will make any express or implied agreements, warranties, guarantees or representations, or incur any debt in the name or on behalf of the other, represent that our respective relationship is other than franchiser and franchisee or be obligated by or have any

liability under any agreements or representations made by the other that are not expressly authorized in writing. We will not be obligated for any damages of any nature whatsoever to any person or property directly or indirectly arising out of your JumpBunch Business' operation or the business you conduct pursuant to this Agreement.

12.3 TAXES. We will have no liability for any sales, taxes on royalties, use, service, occupation, employment related, excise, gross receipts, income, property or other taxes, whether levied upon you or your JumpBunch Business, in connection with the business you conduct (except any taxes we are required by law to collect from you with respect to purchases from us). Payment of all such taxes is your responsibility.

12.4 INDEMNIFICATION. You agree to indemnify, exculpate, defend and hold us, our affiliates and our respective shareholders, directors, officers, employees, agents, successors and assignees (the "**Indemnified Parties**") harmless from and against and to reimburse any one or more of the Indemnified Parties for all claims, obligations and damages described in this Section, any and all taxes described in Section 12.3 and any and all claims and liabilities directly or indirectly arising out of your JumpBunch Business' operation or your breach of this Agreement, including but not limited to the acts and omissions of the JumpBunch Business, its Owners or your employees, or your employment or other contractual relationship with your employees, managers, or independent contractors, including but not limited to any allegation, claim, finding or ruling that we are an employer or joint employer of your employees. For purposes of this indemnification, "**claims**" includes all obligations, liabilities, costs, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. We have the right to defend any such claim against us. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

12.5 MITIGATION NOT REQUIRED. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you.

13. ENFORCEMENT.

13.1 SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS. Except as expressly provided to the contrary herein, each provision of this Agreement, and any portion thereof, will be considered severable, and if, for any reason, any such provision is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling will not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which will continue to be given full force and effect and bind the parties hereto, although any portion held to be invalid will be deemed not to be a part of this Agreement from the date the time for appeal expires, if you are a party thereto, otherwise upon your receipt from us of a notice of non-enforcement thereof.

13.2 LESSER COVENANT ENFORCEABLE. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all thereof, you and we

agree that such covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law is applicable to the validity of such covenant.

13.3 GREATER NOTICE. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice than is required hereunder of the termination of this Agreement or of our refusal to enter into a successor franchise agreement, or the taking of some other action not required hereunder, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any of Methods of Operation is invalid or unenforceable, the prior notice and/or other action required by such law or rule will be substituted for the comparable provisions hereof, and we will have the right in our sole business judgment to modify such invalid or unenforceable provision or unenforceable part of Methods of Operation to the extent required to be valid and enforceable. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof, or any part of Methods of Operation, any portion or portions which a court or arbitrator may hold to be unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order or arbitration award. Such modifications to this Agreement will be effective only in such jurisdiction, unless we elect to give them greater applicability, and will be enforced as originally made and entered into in all other jurisdictions. 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.

13.4 WAIVER OF OBLIGATIONS. We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver. Any waiver we grant will be without prejudice to any other rights we may have, will be subject to our continuing review and may be revoked, in our sole business judgment, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice.

13.5 NON-WAIVER. We and you will not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including without limitation the right to demand exact compliance with every term, condition and covenant herein or to declare any breach thereof to be a default and to terminate this Agreement prior to the expiration of its Term) by virtue of any custom or practice at variance with the terms hereof; our or your failure, refusal or neglect to exercise any right under this Agreement or to insist upon exact compliance by the other with our and your obligations hereunder including without limitation; Methods of Operation; our waiver, forbearance, delay, failure, or omission to exercise any right, power or option whether of the same, similar or different nature with respect to other JumpBunch Businesses; the existence of other franchise agreements for JumpBunch Businesses which contain different provisions from those contained herein; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will constitute a waiver, compromise, settlement, or

accord, and satisfaction. We are authorized to remove or obliterate any legend or endorsement, and such legend or endorsement will have no effect.

13.6 EXTEND PERFORMANCE. Any delay resulting from any of said causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes will not excuse payments of amounts owed at the time of such occurrence or payment of Royalties due on any sales thereafter.

13.7 DISCONTINUED PROGRAMS/PROMOTIONS. We are not liable to you for any loss or damage, or deemed to be in breach of this Agreement, if we discontinue any programs or promotions and they are no longer a part of our Methods of Operation or if we cannot deliver, or cause to be delivered, or if our affiliates or designated sources or approved suppliers cannot deliver, all of your orders for Operating Assets or other materials, where such items are out-of-stock or discontinued.

13.8 COSTS AND ATTORNEY FEES. If we incur expenses in connection with your failure to pay when due amounts owed to us, to submit when due any reports, information or supporting records or otherwise to comply with this Agreement, you agree to reimburse us for any of the costs and expenses which we incur, including, without limitation, reasonable accounting, attorneys', arbitrators' and related fees.

13.9 YOU MAY NOT WITHHOLD PAYMENTS DUE TO US. You agree that you will not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations hereunder. You agree that all such claims will, if not otherwise resolved by us, be submitted to arbitration as provided in Section 13.11.

13.10 RIGHTS OF PARTIES ARE CUMULATIVE. Our and your rights hereunder are cumulative, and no exercise or enforcement by us or you of any right or remedy hereunder will preclude our or your exercise or enforcement of any other right or remedy hereunder which we or you are entitled by law to enforce.

13.11 ARBITRATION. Except for money you owe us, or our affiliates and except for controversies, disputes or claims related to or based on your use of the Marks after the expiration or termination of this Agreement, all controversies, disputes or claims between us and our shareholders, officers, directors, agents and employees and you (your owners, guarantors, affiliates and employees, if applicable) arising out of or related to this Agreement or any other agreement between you and us or any provision of any such agreement; our relationship with you; the validity of this Agreement or any other agreement between you and us or any provisions of any such agreement; or any part of Methods of Operation relating to the establishment or operation of your JumpBunch Business, will be submitted for arbitration to the American Arbitration Association on demand of either party. All proceedings will be conducted at a suitable location chosen by the arbitrator in or within fifty (50) miles of our then-current principal place of business (currently, ~~Annapolis, Maryland~~ Oldsmar, Florida). You acknowledge and agree that the following provisions shall apply to any arbitration proceeding between you and us.

13.11.1 Such arbitration proceedings will be conducted in such office, except as otherwise provided in this agreement, and will be heard by one arbitrator in accordance with the then current commercial arbitration rules of the American Arbitration Association. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et. seq.) and not by any state arbitration law.

13.11.2 Each party will bear its own portion of the arbitrator's fees and its own costs, expenses and legal fees; provided, however, that the arbitrator will have the right to award or include in his award any relief which he deems proper in the circumstances, including, without limitation, money

damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorney's fees and costs, provided that the arbitrator will not have the right to declare any Marks generic or otherwise invalid or, except as otherwise provided in Section 13.14., to award exemplary or punitive damages. The award and decision of the arbitrator will be conclusive and binding upon all parties hereto, and judgment upon the award may be entered in any court of competent jurisdiction.

13.11.3 We and you agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. We and you further agree that, in connection with any such arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed as described above will be forever barred.

13.11.4 Arbitration will be conducted on an individual, not a class-wide basis, and an arbitration proceeding between us and our affiliates, and our and their respective shareholders, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates and/or employees) may not be commenced, conducted or consolidated with any other arbitration proceeding between us and any other person. Notwithstanding the foregoing or anything to the contrary in this Section 13.11, if any arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding in accordance with Section 13 (excluding this Section 13.11).

13.11.5 Notwithstanding anything to the contrary contained in this Section, we and you each have the right in a proper case to obtain temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that we and you must contemporaneously submit our dispute for arbitration on the merits as provided herein.

13.11.6 The provisions of this Section are intended to benefit and bind certain of your third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. The provisions of this Section 13.11 will in no cases apply to our parent company(ies), subsidiary company(ies), or affiliated company(ies).

13.12 GOVERNING LAW. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 *et. seq.*). Except to the extent governed by the Federal Arbitration Act as required hereby, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 *et. seq.*) or other federal law, this Agreement, your franchise for a JumpBunch Business and all claims arising from the relationship between us and you will be governed by the laws of the State where the JumpBunch Business is located, without regard to its conflict of laws principles, except that any law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless jurisdictional requirements are met independently without reference to this Section.

13.13 CONSENT TO JURISDICTION. Subject to Section 13.11, you and your owners agree that we may institute any action against you or your owners in any state or federal court of general jurisdiction closest to our then-current principal place of business (currently Annapolis, Maryland Oldsmar, Florida), and you (and each owner) irrevocably submit to the jurisdiction of such courts and waive any objection you (or her or she) may have to either the jurisdiction of or venue in such courts.

13.14 WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL. Except with respect to your obligation to indemnify us pursuant to Section 12.4 and 12.5 and claims we bring against you for your unauthorized use of the Marks or unauthorized use or disclosure of any Confidential Information, we and

you and your respective owners waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. We and you irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either of us.

13.15 BINDING EFFECT. This Agreement is binding upon us and you and our respective executors, administrators, heirs, beneficiaries, assigns and successors in interest and may not be modified except by written agreement signed by you and us.

13.16 LIMITATIONS OF CLAIMS. Except for claims arising from your nonpayment or underpayment of amounts you owe us pursuant to this Agreement, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial or arbitration proceeding is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims.

13.17 CONSTRUCTION. The preambles and exhibits are a part of this Agreement which, together with the Confidential Operations Manual and our other written policies, constitutes our and your entire agreement except as provided below, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement, except that you acknowledge that we justifiably have relied on your representations made prior to the execution of this Agreement as set forth in Section 1. Except as contemplated by the arbitration provisions of Section 13.11 hereof, nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any person or legal entity not a party hereto. Nothing in the Agreement or in any related agreement is intended to disclaim our representations made in the FDD.

13.18 WITHHOLD APPROVAL. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed or effected actions that require our approval.

13.19 HEADINGS. The headings of the several Sections hereof are for convenience only and do not define, limit or construe the contents of such Sections.

13.20 JOINT AND SEVERAL OWNERS' LIABILITY. If two or more persons are at any time the owner of your JumpBunch Business hereunder, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to "**owner**" mean any person holding a direct or indirect, legal or beneficial ownership interest or voting rights in you (or a transferee of this Agreement and your JumpBunch Business or an interest in you) including without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement or your JumpBunch Business and any person who has any other legal or equitable interest, or the power to vest in himself any legal or equitable interest, in the revenue, profits, equitable interest or the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets thereof. References to a "**controlling interest**" in you mean thirty three and one-third percent (33.33%) or more of your voting shares or other voting rights if you are a corporation or partnership owned by three (3) or more persons; otherwise, fifty percent (50%) or more of your voting shares or other voting rights will constitute a "**controlling interest**." "**Person**" means any natural person, corporation, general or limited partnership, unincorporated association, cooperative or other legal or functional entity.

13.21 JUMPBUNCH BUSINESS. The term "**JumpBunch Business**" as used herein includes all of the assets of your JumpBunch Business you operate pursuant to this Agreement, including its revenue and income.

13.22 EXECUTION. This Agreement may be executed in multiple copies, each of which will be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement and all other documents related to this Agreement may be executed by manual or electronic signature. Either party may rely on the receipt of a document executed or delivered electronically, as if an original had been received.

13.23 CORPORATION OR PARTNERSHIP. The term "**corporation or partnership**" as used herein to describe your business entity shall, if applicable, include reference to your formation as a limited liability company, limited liability partnership, or any other type of limited liability entity.

14. **NOTICES AND PAYMENTS.**

14.1 NOTICES. All written notices and reports permitted or required to be delivered by the provisions of this Agreement or the Confidential Operations Manual will be deemed so delivered:

14.1.1 At the time delivered by hand;

14.1.2 One (1) business day after transmission by facsimile or other electronic system;

14.1.3 One (1) business day after being placed in the hands of a commercial courier service for next business day delivery; or

14.1.4 Three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; and must be addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days prior thereto) will be deemed delinquent.

14.1.5 Upon receipt of electronic mail provided that the recipient of such electronic mail expressly acknowledges receipt of such electronic mail in writing.

[THE SPACE BELOW IS LEFT BLANK BY INTENTION]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement on
the date stated on the first page hereof.
JUMPBUNCH, INC.

Sign: _____

Name: _____

Title: _____

Dated: _____

***EACH OF THE UNDERSIGNED PARTIES WARRANTS AND REPRESENTS THAT HE/SHE HAS
NOT RELIED UPON ANY GUARANTEES CONCERNING REVENUE, PROFIT OR THE
SUCCESS OF THIS FRANCHISE IN SO SIGNING.***

[OWNER CORPORATION OR PARTNERSHIP]

Sign: _____

Name: _____

Title: _____

Dated: _____

As Individuals:

Sign: _____

Name: _____

Title: _____

Dated: _____

Sign: _____

Name: _____

Title: _____

Dated: _____

ATTACHMENT A

STATEMENT OF OWNERSHIP

Franchisee: _____

Trade Name (if different from above): _____

**Form of Ownership
(Check One)**

____ Individual ____ Partnership ____ Corporation ____ Limited Liability Company

If a Partnership, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a Corporation, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a Limited Liability Company, give the state and date of formation, the name and address of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

State and Date of Formation: _____

Management (managers, officers, board of directors, etc.):

Name	Title

Members, Stockholders, Partners:

Name	Address	Percentage of Stock

Identification of Managing Owner. Your Managing Owner is _____.
_____. You may not change the Managing Owner without prior written approval.

(Signatures on following page)

FRANCHISEE:

Date: _____

Individually

OR:
(if an Entity)

Company Name

Date: _____

By: _____

Title: _____

ATTACHMENT B

OWNERS AGREEMENT

As a condition to the granting by JumpBunch, Inc. ("we" or "us") of a franchise agreement with _____ ("Franchisee"), each of the undersigned individuals ("Owners"), who constitute all of the owners of a beneficial interest in Franchisee, as well as their respective spouses, covenant and agree to be bound by this Owners Agreement ("Owners Agreement").

1. Acknowledgments.

1.1 **Franchise Agreement.** Franchisee entered into a franchise agreement with us effective as of _____, 20____ ("Franchise Agreement"). Capitalized words not defined in this Owners Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2 **Owners' Role.** Owners are the beneficial owners of all of the equity interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives, and assigns. Franchisee's obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee's owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Owners Agreement.

2. **Non-Disclosure and Protection of Confidential Information.** Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee's non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data which we designate as confidential will also be deemed Confidential Information for purposes of this Owners Agreement.

3. Covenant Not To Compete.

3.1 **Non-Competition During and After the Term of the Franchise Agreement.** Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures, and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee's restrictions on competition both during the term of the Franchise Agreement and following the expiration or termination of the Franchise Agreement are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2 **Construction of Covenants.** The parties agree that each such covenant related to non-competition will be construed as independent of any other covenant or provision of this Owners

Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Owners Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

4. Guarantee.

4.1 Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement on the dates and in the manner required for payment in the relevant agreement.

4.2 Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement on the date and times and in the manner required in the relevant agreement.

4.3 Indemnification. Owners will indemnify, defend, and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4 No Exhaustion of Remedies. Owners acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Owners Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6 Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death, and the obligations of any other Owners will continue in full force and effect.

5. Transfers. Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources, and personal character. Accordingly, Owners agree not to sell, encumber, assign, transfer, convey, pledge, merge, or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding Transfers. Owners acknowledge and agree that any attempted Transfer of an interest in Franchisee requiring our consent under the Franchise Agreement for

which our express written consent is not first obtained will be a material breach of this Owners Agreement and the Franchise Agreement.

6. Notices.

6.1 Method of Notice. Any notices given under this Owners Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2 Notice Addresses. Our current address for all communications under this Owners Agreement is:

JumpBunch, Inc.
~~302 Annapolis Street~~
~~Annapolis, Maryland 21401~~
4871 Bridle Court
Oldsmar, Florida 34677

The current address of each Owner for all communications under this Owners Agreement is designated on the signature page of this Owners Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

7. Enforcement of This Owners Agreement.

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Owners Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Owners Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Owners Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Owners Agreement, and any other claim or controversy between the parties, will be governed by the choice of law and jurisdiction and venue provisions of the Franchise Agreement.

7.3 Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce Owners' obligations under this Owners Agreement. Owners acknowledge and agree that there is no adequate remedy at law for Owners' failure to fully comply with the requirements of this Owners Agreement. Owners further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. If injunctive relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

8. Miscellaneous.

8.1 No Other Agreements. This Owners Agreement constitutes the entire, full, and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings, or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Owners Agreement, other than those in this Owners Agreement. No other obligations, restrictions, or duties that contradict or are inconsistent with the express terms of this Owners Agreement may be implied

into this Owners Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Owners Agreement), no amendment, change, or variance from this Owners Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2 Severability. Each provision of this Owners Agreement, and any portions thereof, will be considered severable. If any provision of this Owners Agreement or the application of any provision to any person, property, or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Owners Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e., to provide maximum protection for us and to effectuate the Owners' obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.

8.3 No Third-Party Beneficiaries. Nothing in this Owners Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors, and assigns) any rights or remedies under or by reason of this Owners Agreement.

8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Owners Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Owners Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Owners Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

8.5 Binding Effect. This Owners Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Owners Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors, and (permitted) assigns.

8.6 Successors. References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns, or transferees.

8.7 Nonwaiver. Our failure to insist upon strict compliance with any provision of this Owners Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Owners Agreement shall be cumulative.

8.8 No Personal Liability. You agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Owners Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

8.9 Owners Agreement Controls. In the event of any discrepancy between this Owners Agreement and the Franchise Agreement, this Owners Agreement shall control.

IN WITNESS WHEREOF, the parties have entered into this Owners Agreement as of the effective date of the Franchise Agreement.

OWNERS:

OWNERS SPOUSES:

[Insert Name and Address of Owner]

[Insert Name of Spouse]

[Insert Name and Address of Owner]

[Insert Name of Spouse]

[Insert Name and Address of Owner]

[Insert Name of Spouse]

[Insert Name and Address of Owner]

[Insert Name of Spouse]

We hereby accept the Owners' agreements hereunder.

JUMPBUNCH, INC.

By: _____

Title: _____

ATTACHMENT C

FRANCHISE DATA SHEET

1. The "Effective Date" set forth in the introductory Paragraph of the Franchise Agreement is: _____, 20____.
2. The Franchise Owner set forth in the introductory Paragraph of the Franchise Agreement is: _____
3. The Initial Franchise Fee set forth in Section 2.1 is \$_____.
4. The additional territory fee, if any, under Section 1.5 is \$_____.

Agreed and Acknowledged by:

FRANCHISEE

Sign: _____

Name: _____

Title: _____

Dated: _____

ATTACHMENT D
PROTECTED TERRITORY; TERRITORY POPULATION

1. Territory Population. The approximate population of the Territory as of the date of execution of this Agreement is _____. We are not required to adjust your Territory in the event the population changes over the Term.
2. Protected Territory. The Territory referred to in Section 1.5 of this Agreement shall be the geographic area described below and as depicted on the following map:

INSERT MAP HERE

EXHIBIT B
FINANCIAL STATEMENTS



FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2017, 2016 AND 2015**

JUMPBUNCH, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

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Thaddeus Toal, CPA
Norma Toal, CPA
Patrick Murray, CPA
Adrianne Day, CPA
Heather Lalor, CPA

130 Admiral Cochrane Drive, Suite 200 - Annapolis, MD 21401
Office: 410-224-0343 Fax: 410-224-0043

Independent Auditor's Report

To the Stockholder
JumpBunch, Inc.

We have audited the accompanying financial statements of JumpBunch, Inc. (a Maryland corporation), which comprise the balance sheet as of December 31, 2017, and the related statements of income and retained earnings and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Other Matter 2016 and 2015 Financial Statements

The financial statements of JumpBunch, Inc. as of and for the years ended December 31, 2016 and 2015, were audited by other auditors whose reports dated March 6, 2017 and February 23, 2016, respectively, expressed unmodified opinions on those statements.

Paul Murray, Day & Lohr LLP

Annapolis, Maryland
April 27, 2018

JUMPBUNCH, INC.
BALANCE SHEETS
DECEMBER 31, 2017, 2016 AND 2015

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 50,430	\$ 13,324	\$ 8,063
Accounts Receivable	24,574	2,502	8,343
Due from Stockholder	-	28,849	107,070
Total Current Assets	<u>75,004</u>	<u>44,675</u>	<u>123,476</u>
Fixed Assets:			
Software	11,792	11,792	11,792
Equipment	6,893	5,200	5,200
Accumulated Depreciation	<u>(11,174)</u>	<u>(10,952)</u>	<u>(10,606)</u>
Net Fixed Assets	7,511	6,040	6,386
Other Assets	<u>11,894</u>	<u>16,583</u>	<u>13,422</u>
Total Assets	<u>\$ 94,409</u>	<u>\$ 67,298</u>	<u>\$ 143,284</u>
<u>LIABILITIES AND STOCKHOLDER'S EQUITY</u>			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 24,647	\$ 7,039	\$ 48,476
Line of Credit	<u>-</u>	<u>13</u>	<u>99,016</u>
Total Current Liabilities	<u>24,647</u>	<u>7,052</u>	<u>147,492</u>
Total Liabilities	24,647	7,052	147,492
Stockholder's Equity:			
Common Stock, \$1 Par Value, 1,000 Shares Authorized and 100 Shares Issued and Outstanding	100	100	100
Additional Paid-in Capital	53,842	53,842	53,842
Retained Earnings	<u>15,820</u>	<u>6,304</u>	<u>(58,150)</u>
Total Stockholder's Equity	<u>69,762</u>	<u>60,246</u>	<u>(4,208)</u>
Total Liabilities and Stockholder's Equity	<u>\$ 94,409</u>	<u>\$ 67,298</u>	<u>\$ 143,284</u>

See auditor's report and accompanying notes to financial statements.

JUMPBUNCH, INC.
STATEMENTS OF INCOME AND RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

	2017	2016	2015
REVENUE			
Franchise Fees	\$ 192,192	\$ 182,557	\$ 121,162
Franchise Royalty Income	386,874	421,292	425,761
Miscellaneous Income	5,923	11,049	6,176
Total Revenue	584,989	614,898	553,099
EXPENSES			
Advertising	55,086	40,227	74,199
Certification and Education	3,486	1,577	4,211
Charitable Contributions	500	475	625
Conferences	17,127	19,426	4,826
Depreciation	222	346	496
Employee Benefits	3,694	6,369	14,911
Equipment	219	620	417
Insurance	1,547	-	-
Interest	-	7,205	12,640
Marketing and Promotions	5,731	20,009	22,918
Miscellaneous Expenses	-	-	1,357
Payroll Taxes	17,045	14,647	17,259
Postage, Printing, and Shipping	108	148	258
Professional Fees	99,700	122,575	135,506
Registration Fees and Licenses	2,265	6,824	5,380
Rent	-	7,536	7,875
Salaries and Wages	223,296	199,440	213,370
Supplies and Office Expense	9,969	7,834	700
Taxes - Other	4,432	1,568	3,659
Telephone	5,636	5,849	5,415
Travel and Entertainment	13,195	22,269	12,196
Total Expenses	463,258	484,944	538,218
Income from Operations	121,731	129,954	14,881
Net Income	121,731	129,954	14,881
Distributions to Stockholder	(112,215)	(65,500)	-
Retained Earnings , Beginning of Year	6,304	(58,150)	(73,031)
Retained Earnings , End of Year	\$ 15,820	\$ 6,304	\$ (58,150)

See auditor's report and accompanying notes to financial statements.

JUMPBUNCH, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

	2017	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES			
Net Income	\$ 121,731	\$ 129,954	\$ 14,881
Adjustments to Reconcile Net Income to			
Net Cash Provided by Operating Activities:			
Interest Accrued on Note From Stockholder	(715)	(1,838)	(1,403)
Depreciation Expense	222	346	496
(Increase) Decrease in Operating Assets:			
Accounts Receivable	(22,072)	5,841	5,284
Other Assets	4,689	(3,161)	7,578
Increase (Decrease) in Operating Liabilities:			
Accounts Payable	17,608	(41,437)	2,070
Net Cash Provided by Operating Activities	121,463	89,705	28,906
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Draws on Line of Credit	-	6,500	10,200
Purchase of Fixed Asset	(1,693)	-	-
Principal Payments on Line of Credit	(13)	(103,665)	(10,715)
Repayments (Advances) on Due from Stockholder	29,564	78,221	(21,100)
Distributions to Stockholder	(112,215)	(65,500)	-
Net Cash Used by Financing Activities	(84,357)	(84,444)	(21,615)
Net Increase in Cash and Cash Equivalents	37,106	5,261	7,291
Cash and Cash Equivalents at Beginning of Year	13,324	8,063	772
Cash and Cash Equivalents at End of Year	\$ 50,430	\$ 13,324	\$ 8,063
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash Paid During the Year for:			
Income Taxes	\$ -	\$ -	\$ -
Interest	\$ -	\$ 7,205	\$ 12,640

See auditor's report and accompanying notes to financial statements.

JUMPBUNCH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company

The Company is closely held and was incorporated on May 31, 2001 under the general laws of the State of Maryland. The certificate of incorporation authorized 1,000 shares of stock at \$1 par. The Company was capitalized May 31, 2001 by the issuance of 100 shares of common stock at \$1 par value. The shareholder has contributed additional paid-in capital in the amount of \$53,842.

The Company operates out of Annapolis, Maryland, selling single and multiple unit franchises to owner/operators in key population areas. There are currently franchises operating in over twenty states. The operations of the individual franchises are mainly providing fitness programs to preschool children.

The Company typically grants franchise rights to franchisees for a term of 5 years, with a renewal option for two additional terms if various conditions are satisfied by the franchisee. The Company provides management expertise, training, general guidance, and a franchise website in exchange for franchise fees, technology fees, and royalties of 8% of the gross revenue of the franchisee. Franchisees are required to contribute 1% of gross revenue to a national advertising fund managed by the Company, and are required to spend 1% of gross revenue on local advertising. Franchisees are required to purchase all goods and services for the operation of their franchise from suppliers or vendors that are approved or designated by the Company.

Revenue Recognition

Revenue consists of franchise fees, royalties, and other miscellaneous revenue, and are recognized when earned based on the terms of the franchise agreement.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

JUMPBUNCH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable approximate fair value and are stated at unpaid balances. No interest or late fees accrue on unpaid receivables. Receivables are considered impaired if full principal payments are not received in accordance with contract terms. It is the Company's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. In making that determination, management evaluates the financial condition of the customer, historic experience, and current economic conditions. At December 31, 2017, 2016, and 2015, management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Income Taxes

The Company has elected to be covered by the S Corporation provisions of the Internal Revenue Code and similar state statutes. Earnings or losses are to be included in the personal income tax returns of the stockholders and taxed depending on their personal tax strategies; accordingly, no provision has been made for federal income tax in the accompanying financial statements. The Company's income tax filings are subject to audit by the Internal Revenue Service and the State of Maryland, generally for three years after filing.

Advertising

The Company expenses advertising costs as they are incurred.

Property and Equipment

Property and equipment are recorded at cost. Assets are capitalized if they are expected to have a useful life of greater than one year. Maintenance and repairs that do not improve or extend the lives of furniture and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related depreciation are removed from the accounts and any gain or loss is reported in the statements of income and retained earnings.

For financial reporting purposes depreciation is calculated using the straight line method over the estimated useful life of the asset, generally three to five years.

Subsequent Events

The Company evaluated subsequent events through the date the financial statements were available to be issued. The Company is not aware of any significant events that occurred subsequent to the balance sheet date but prior to April 27, 2018 that would have a material impact on the financial statements.

JUMPBUNCH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

NOTE 2 – INITIAL FRANCHISE FEES

The Company includes revenue earned from initial franchise fees in the amounts reported as Franchise Fees on the Statement of Income and Retained Earnings. The Company earned revenue from initial franchise fees for the years ended December 31, 2017, 2016, and 2015 of \$60,000, \$60,000, and \$15,000, respectively.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company has provided a loan to the Stockholder. The loan has no maturity date and interest on the loan is calculated and accrued using the annual mid-term federal interest rate. The loan balance as of December 31, 2014 was \$84,568. The loan balance increased during the year ended December 31, 2015 as a result of an advance to the Stockholder of \$21,100. The loan balance has been reduced during the years ended December 31, 2017 and 2016, by the recognition of distributions to the Stockholder and repayments inclusive of interest totaling \$29,564 and \$78,221, respectively. The loan balance as of December 31, 2017, 2016, and 2015, was \$0, \$28,849, and \$107,070, respectively.

In November 2017, the Stockholder established a single member LLC (Jumpbunch South Charlotte, LLC) to operate a franchise in North Carolina and South Carolina. There was no revenue or expense recognized by Jumpbunch, Inc. related to this franchise during the year ended December 31, 2017.

NOTE 4 – LINE OF CREDIT

The Organization has a \$100,000 working capital credit facility with PNC Bank. The line of credit bears interest at prime plus 1%. Interest is payable monthly on funds advanced; principal is payable on demand. The balance on the line of credit is \$0, \$13, and \$99,016 as of December 31, 2017, 2016, and 2015, respectively.

NOTE 5 – RETIREMENT PLAN

The Company maintains a 401(k) Savings Plan ("401k Plan") which covers eligible employees who have satisfied the service requirements and reached 21 years of age. The 401k Plan, which qualifies under section 401(k) of the Internal Revenue Code, allows employees to defer specified percentages of their compensation on a pre-tax basis. The Company makes matching contributions up to 3% of eligible participant contributions. The Company recognized matching contribution expense of \$3,694, \$6,369, and \$5,483 in 2017, 2016, and 2015, respectively as reflected as employee benefits on the accompanying statements of income and retained earnings.

EXHIBIT C

**STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

CALIFORNIA**State Administrator and Agents for Service of Process:**

Department of Business Oversight
320 W. 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
(866) 275-2677

HAWAII

Commissioner of Securities of the State of Hawaii
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Agents for Service of Process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

ILLINOIS

Illinois Attorney General
Chief, Franchise Division
500 S. Second Street
Springfield, IL 62706
(217) 782-4465

INDIANA

Secretary of State
Securities Division
Room E-018
302 W. Washington Street
Indianapolis, IN 46204
(317) 232-6681

MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410) 576-6360

Agents for Service of Process:

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

MICHIGAN

Michigan Department of Attorney General
Consumer Protection Division
525 W. Ottawa Street
Lansing, MI 48913
(517) 373-7117

MINNESOTA

Department of Commerce
Commissioner of Commerce
85 Seventh Place East, #500
St. Paul, MN 55101-3165
(651) 539-1600

NEW YORK**Administrator:**

Office of the New York Attorney General
Investor Protection Bureau
Franchise Section
120 Broadway, 23rd Floor
New York, NY 10271-0332
(212) 416-8236 (Phone)
(212) 416-6042 (Fax)

Agents for Service of Process:

Attention: New York Secretary of State
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
(518) 473-2492

NORTH DAKOTA

North Dakota Securities Department
State Capitol, Fifth Floor, Dept. 414
600 E. Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-4712

RHODE ISLAND

Department of Franchise Regulation
1511 Pontiac Avenue
John O. Pastore Complex, Bldg. 69-1
Cranston, RI 02920
(401) 462-9527

SOUTH DAKOTA

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

VIRGINIA

State Corporation Commission
Division of Securities and
Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, VA 23219

Agent for Service of Process:

Clerk of the State Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, VA 23219

WASHINGTON

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

WISCONSIN

Department of Financial Institutions
Division of Securities
201 W. Washington Avenue
Madison, WI 53703
(608) 266-3364

EXHIBIT D

**STATE ADDENDA
AND AGREEMENT RIDERS**

STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR JUMPBUNCH, INC.

The following modifications are made to the JumpBunch, Inc. ("Franchisor," "us," "we," or "our") Franchise Disclosure Document ("FDD") given to Franchisee ("Franchisee," "you," or "your") and may supersede certain portions of the Franchise Agreement between you and us dated _____, 20____ ("Franchise Agreement"). When the term "Franchisor's Choice of Law State" is used, it means the laws of the state where the JumpBunch Business is located. When the term "Supplemental Agreements" is used, it means none.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State-Specific Addendum ("State Addendum") will modify these agreements to comply with the state's laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD.

California Corporations Code Section 31125 requires us to give to you a FDD approved by the Department of Business Oversight before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Franchisor's Choice of Law State. 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 the Franchise Agreement or Supplemental Agreements restricting venue to a forum outside the State of California. The Franchise Agreement may contain a mediation provision. If so, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator's fees.

The Franchise Agreement and Supplemental Agreements require the application of the law of Franchisor's Choice of Law State. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed 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.

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

The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Franchisee, for itself and themselves, and on behalf of its constituents, acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Our website has not been reviewed or approved by the California Department of Business Oversight. Any complaints concerning the content of this website may be directed to the California Department of Business Oversight at www.dbo.ca.gov.

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 INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE

PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

Registered agent in the state authorized to receive service of process:

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

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed on the third page of the FDD on the page entitled, "State Effective Dates".
2. States which have refused, by order or otherwise, to register these Franchises are:
None
3. States which have revoked or suspended the right to offer the Franchises are:
None
4. States in which the proposed registration of these Franchises has been withdrawn are:
None

ILLINOIS

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or

any other law of this State is void." The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

Item 17.w, Choice of Law, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act".

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

Fee Deferral

Payment of the Initial Franchise Fee is deferred until all of our initial obligations under the Franchise Agreement or Supplemental Agreements have been fulfilled by us and you have commenced doing business pursuant to the Franchise Agreement. This requirement has been imposed by the Illinois Attorney General's Office based on our financial condition.

INDIANA

Item 13 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The "Summary" column in Item 17.r. of the FDD is deleted and the following is inserted in its place:

No competing business for two (2) years within the Territory.

The "Summary" column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The "Summary" column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor's Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The "Summary" column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor's Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor's Choice of Law State law, if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.
3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.
4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).
5. The following provision will be added to the Franchise Agreement:

No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three (3) business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten (10) business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty (20) days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to JumpBunch, Inc., ~~302 Annapolis Street, Annapolis, Maryland 21401~~ 4871 Bridle Court, Oldsmar, Florida 34677 not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: _____

By: _____

Print Name: _____

Its: _____

Date: _____

MARYLAND

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENTS AND SUPPLEMENTAL AGREEMENTS

Item 17 of the FDD, the Franchise Agreement and the Release Agreement are amended to state: "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

Representations in the Franchise Agreement and Supplemental Agreements are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the FDD and sections of the Franchise Agreement and Supplemental Agreements are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

The Franchise Agreement and franchisee questionnaire are amended to state that all representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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.).

MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

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

- (a) A prohibition on your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- (c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the Franchise business are not subject to compensation. This subsection applies only if: (i) the term of the Franchise is less than five (5) years; and (ii) you are prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the Franchise or you do not receive at least six (6) months' advance notice of our intent not to renew the Franchise.
- (e) A provision that permits us to refuse to renew a Franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the Franchise. Good cause shall include, but is not limited to:

(i) the failure of the proposed transferee to meet our then-current reasonable qualifications or standards.

(ii) the fact that the proposed transferee is a competitor of us or our subfranchisor.

(iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us a right of first refusal to purchase the assets of a Franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services.

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
525 W. Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

MINNESOTA

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by

Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.

2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.
3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement relating to arbitration.
4. With respect to Franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and that consent to the transfer of the Franchise will not be unreasonably withheld.
5. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.
6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement, to the extent required by Minnesota law.
7. The following language will appear as a new paragraph of the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C.
8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three (3) years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.

NEW YORK

The following is added to the Risk Factors on the cover page:

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE

**TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE CONTAINED
IN THIS PROSPECTUS.**

Item 3 of the FDD is modified to read as follows:

Other than as described in Item 3 of the FDD, neither franchisor, its predecessor, a person identified in Item 2, or an affiliate offering Franchises under Franchisor's principal trademark:

A. Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations, pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the Franchise System or its business operations.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or within the ten (10) year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: a violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

C. Is subject to a currently effective injunctive or restrictive order or decree relating to the Franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunction or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including without limitation, actions affecting a license as a real estate broker or sales agent.

Item 4 of the FDD is modified to read as follows:

Other than as described in Item 4 of the FDD, neither the franchisor, its affiliate, its predecessor, officers or general partner during the ten (10) year period immediately before the date of the FDD: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one (1) year after the officer or general partner of the Franchisor held this position in the company or partnership.

The following sentence is added to the end of the first paragraph of Item 5 of the FDD:

We may use the proceeds from your payment of the Initial Franchise Fee to defray our costs and expenses for providing training and assistance to you; for commission payments to brokers involved in the sale of a Franchise to you; for general working capital purposes; and for other expenses.

The first paragraph of Item 17 of the FDD is revised to read as follows:

You may terminate the Franchise Agreement on any grounds available by law.

Item 17.d. of the FDD is revised to read as follows:

You may terminate the Franchise Agreement on any grounds available by law.

Item 17.j. of the FDD is revised to read as follows:

However, no assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

Item 17.w. of the FDD is revised to read as follows:

The foregoing choice of law should not be considered a waiver of any right conferred upon either the franchisor or upon the Franchisee by Article 33 of the General Business Law of the state of New York.

FRANCHISOR REPRESENTS THAT IT HAS NOT KNOWINGLY OMITTED FROM THE FRANCHISE DISCLOSURE DOCUMENT ANY MATERIAL FACT, NOR DOES THE FRANCHISE DISCLOSURE DOCUMENT CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

NORTH DAKOTA

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the FDD and Section 7 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within

the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

OHIO

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials _____ Date _____

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five (5) business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten (10) business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to JumpBunch, Inc., ~~302 Annapolis Street, Annapolis, Maryland 21401~~ 4871 Bridle Court, Oldsmar, Florida 34677 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

Date: _____

By: _____

Print Name: _____

Its: _____

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including but not limited to, all

venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

SOUTH DAKOTA

Intentionally left blank.

VIRGINIA

Item 17(h). The following is added to Item 17(h):

"Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable."

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for JumpBunch, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 8 and Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Franchise Fee Deferral

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement.

WASHINGTON

The state of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement and Supplemental Agreements in your relationship with the franchisor including the areas of termination and renewal of your Franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your Franchise. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

In any arbitration involving a Franchise purchased in Washington, the arbitration site shall be either in Washington or in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated

settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

(Signatures on following page)

APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states ("Addenda") is checked as an "Applicable Addenda" below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

☐ California
☐ Hawaii
☐ Illinois
☐ Iowa
☐ Indiana
☐ Maryland

☐ Michigan
☐ Minnesota
☐ New York
☐ North Dakota
☐ Ohio

☐ Rhode Island
☐ South Dakota
☐ Virginia
☐ Washington
☐ Wisconsin

Dated: _____, 20____

FRANCHISOR:

JUMPBUNCH, INC.

By: _____

Title: _____

FRANCHISEE:

By: _____

Title: _____

Rev. 031516

EXHIBIT E

**FRANCHISE OPERATIONS MANUAL
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3	21
4	23

Total Number of Pages: 124

OPERATIONS MANUAL



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	Wage and Salary	P-3
	Evaluations & Salary Reviews	P-4
	Training	P-5
	Termination	P-6
	Employee Rules	P-7
	Accident Reporting	P-8
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OPERATIONS MANUAL



SECTION: Table of Contents

ISSUE DATE: January 2012

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	Selling	CSS-3
	Sales Literature	CSS-4
	Telephone Manner	CSS-5

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EXHIBIT F

LIST OF CURRENT AND FORMER FRANCHISEES

Current Franchisees as of December 31, 2017 2018:

Last Name	First Name	Entity Name	Address	Telephone Number	Email Address
Karlin	Scott	Desert Kids Sports and Fitness, LLC	303 W. Macaw Dr. Chandler, AZ 85286	480-664-1187	skarlin@jumpbunch.com
Vethavanam	Johann	JV, Inc.	1075 Prewett Ranch Dr. Antioch, CA 94531	925-457-9374	jvetha@jumpbunch.com
Wollen	Grant	Bay Area Sports Corp.	5955 Larabee Ct. San Jose, CA 95120	408-666-9990	coachgrant@jumpbunch.com
Lifshen	Staci	High Altitude Youth Sports, LLC	1301 S. Seneca Ct. Denver, CO 80223	720-979-9828	stacilifshen@jumpbunch.com
Ungvary	Debbie	3-2-1-Fun, Inc.	187 1/2 Roosevelt Dr. Seymour, CT 06483	203-720-0321	debby@jumpbunch.com
Brian	Heather	Hop, Skip and Jump, LLC	5 Chestnut Hill Road West Simsbury, CT 06092	860-217-0656	heather@jumpbunch.com
Hopkins	Tamisha	Team Hop, LLC	223 Century Drive Smyrna, DE 19977	302-241-3352	thopkins@jumpbunch.com
St. John	Tracy	Grasshopper Sports, LLC	58 Shiver Lane Box Springs, GA 31801	706-332-5148	tracy@jumpbunch.com
Dial	Terri	Get Up and Move Iowa, LLC	12409 Ridgemoor Dr. Urbandale, IA 50323	515-422-3601	tdial@jumpbunch.com
Anjum	Ali	AALI Fitness, Inc.	2201 S. Stewart Ave. #2L Lombard, IL 60148	312-835-7724	aanjum@jumpbunch.com
Santiago	Teresita	The Kids Villa, Inc.	3348 Wilder St Skokie, IL 60076	847-675-8955	tsantiago@jumpbunch.com
Goldberg	Susan	Anset Bethesda, LLC	9500 Singleton Drive Bethesda, MD 20817	240-994-2331	sgoldberg@jumpbunch.com
McKenna	Regina	BETTR Enterprises, Inc.	22505 Old Rolling Road California, MD 20619	301-737-4700	southernmd@jumpbunch.com
Dugan	Christy	HMKS, Inc.	6126 Downs Ridge Ct Elkridge, MD 21075	443-799-4436	christy@jumpbunch.com
Cornes	Molly	Krazy-Kidz Sports and Fitness, LLC	7905 E. Riverside Dr Pasadena, MD 21122	443-254-8035	molly@jumpbunch.com
Palm	Michele	Keep Fit, LLC	28 Milton Brennan Manor Court Wentzville, MO 63385	636-332-6744	mpalm@jumpbunch.com
Richardson	Brad	Carolina Kidsports, LLC	16226 Grafham Circle Huntersville, NC 28078	704-575-9207	brichardson@jumpbunch.com
Bergstrom	Angie	Fitness4Fun, LLC	8016 Kentshire Dr Las Vegas, NV 89117	702-544-9686	abergstrom@jumpbunch.com
Schultz	Winkie	WE Fitness, Inc. #2	146 Van Horn Ave. Holbrook, NY 11741	631-848-6839	wschultz@jumpbunch.com
Retzer	Tabitha	Jeremy Joseph, Inc.	1348 Ridge Rd, #36 Lackawanna, NY 14218	716-602-6635	tretz@jumpbunch.com
Ibrahim	Linda	Kids 4 Ever Fit Corp.	70 Primrose Dr New Hyde Park, NY 11040	516-457-2709	librahim@jumpbunch.com
Pliss	Robin	I Like Sports, Inc.	5 Burling Lane Old Bethpage, NY 11804	516-851-3320	robin@jumpbunch.com
Anderson	Jilaine	Buckeye Sportskids, LLC	872 Vernon Rd Bexley, OH 43209	614-403-7681	janderson@jumpbunch.com
Farenga	Jeff	Farith, LLC	148 Lawn Road Hershey, PA 17078	717-877-3908	jfarenga@jumpbunch.com
Frank	Jenifer	Carolina Kids Sports & Fitness, LLC	375 Oakbrook Village Rd Columbia, SC 29223	803-290-2372	jfrank@jumpbunch.com

Last Name	First Name	Entity Name	Address	Telephone Number	Email Address
Nelson	Mary Kathryn	Palmetto Sprout Sports, LLC	7448 Painted Bunting Way Hanahan, SC 29410	843-670-1337	mknelson@jumpbunch.com
Newcomer	Joanna	SC Kids, LLC	18 Montfort Ct Travelers Rest, SC 29690	864-354-0940	jn@jumpbunch.com
Smith	Shane	Denver Children's Athletic Endeavors, Inc.	701 Shadycrest Lane Franklin, TN 37212	615-614-3783	ssmith@jumpbunch.com
Donohue	Joe	Sport4kids, LLC	2108 Bentley Dr Flower Mound, TX 75028	817-229-2148	joe@jumpbunch.com
Davis	Jeanie	Fantastic Fitness for Kids, LLC	1619 Capstan Rd Houston, TX 77062	832-867-7607	jdavis@jumpbunch.com
Taylor	Cindy	CSCRM, Inc.	4212 Childress St Houston, TX 77005	713-661-2000	cindyabreu@jumpbunch.com
Cates	Nalani	Day Barn, LLC	3524 Arlington Blvd Arlington, VA 22204	703-672-1760	ncates@jumpbunch.com
Torres	Henry	SkyvFit, LLC	8124 Prescott Road, #203 Vienna, VA 22180	703-380-1336	htorres@jumpbunch.com
Appleyard	Kent	Badger Youth Sports, LLC	7841 E. Oakbrook Circle Madison, WI 53717	608-829-0275	kent@jumpbunch.com
Sutherland	Diana	OneShape, LLC	W346S3282 Holland Ct Oconomowoc, WI 53066	414-587-0486	dsutherland@jumpbunch.com
Michaelson	Rachel	Play 2B Fit, LLC	216 Kenney Dr Sewickley, PA 15143	412-979-1216	rachelm@jumpbunch.com
White	Michael	JumpBunch of Colorado Springs, LLC	4530 Champions View, #110 Colorado Springs, CO 80923	719-203-1833	mwhite@jumpbunch.com
McCabe	Ann-Marie	Jump for Good, LLC	18 Weathervane Circle Cream Ridge, NJ 08514	609-213-7246	amccabe@jumpbunch.com
Bartow	Jeb	Jebletics, LLC	5 Brookvale Terrace Kinnelon, NJ 07505	201-841-0663	jbartow@jumpbunch.com
Himes	Brian	B&D Sports, Inc.	1140 Woodruff Rd. #162 Greenville, SC 29607	317-397-3270	brian@jumpbunch.com
Holeccek	Amy	SC Kids Fitness, LLC	2808 Wheat St. Unit A Columbia, SC 29205	803-309-1232	amy@jumpbunch.com

Franchisees with Unopened Outlets as of the Issuance Date:

None

Former Franchisees:

The name and last known address of every franchisee who had a JumpBunch Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2017 2018 to December 31, 2017 2018, or who has not communicated with us within ten (10) weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

Last Name	First Name	Address	City	State	Zip Code	Phone
Chittenden	Chris	512 Southgate Dr.	Blacksburg	VA	24060	540-200-7742
Robakiewicz	Kim	7882 Bufflehead Ct	Greensboro	NC	27455	336-253-0294
Wilson	Jeanna	2075 Legacy Lane	Granite Falls	NC	20720	828-396-6881
Hunter	Ron	15639 Preseott Hill Ave	Charlotte	NC	28277	704-608-1714
Haseon	Brian	933 Gastine St.	Terrance	GA	90502	818-612-8489
Santiago	Tet	3348 Wilder St.	Skokie	IL	60076	708-655-8955
Palm	Michelle	28 Milton Brennan Manor Court	Wentzville	MO	63385	314-974-3790
Bergstrom	Angie	8016 Kentshire Dr	Las Vegas	NV	89117	702-544-9686
Davis	Jeanie	1619 Capstan Rd	Houston	TX	75028	832-867-7607
Newcomer	Joanna	18 Montfort Ct	Travelers Rest	SC	29690	864-354-0940

Former Franchisees that Transferred their JumpBunch Businesses

Last Name	First Name	Address	City	State	Zip Code	Phone
Williams	Avis	1550 Tattersall Way	West Chester	PA	19380	848-250-4425
Himes	Brian	11506 E. 75th St.	Indianapolis	IN	41802	317-440-7095
Frank	Jenifer	375 Oakbrook Village Rd	Columbia	SC	29223	803-290-2372

EXHIBIT G

CONTRACTS FOR USE WITH THE JUMPBUNCH FRANCHISE

The following contracts contained in Exhibit G are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the JumpBunch Business. The following are the forms of contracts that JumpBunch, Inc. uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked "Sample," they are subject to change at any time.

EXHIBIT G-1

JUMPBUNCH FRANCHISE

SAMPLE GENERAL RELEASE AGREEMENT

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 JumpBunch, Inc., a Maryland corporation ("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 JumpBunch business;

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:

1. **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. The
undersigned 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.

2. **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.

3. 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.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. 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.

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

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

d. 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.

e. 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.

f. 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.

g. 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.

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

(Signatures on following page)

IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

FRANCHISEE:

_____, a

By: _____

Name: _____

Its: _____

FRANCHISEE'S OWNERS:

Date _____

Signature

Typed or Printed Name

EXHIBIT G-2

JUMPBUNCH FRANCHISE

SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement (this "Agreement") is entered into by the undersigned ("you" or "your") in favor of JumpBunch, Inc., a Maryland corporation, and its successors and assigns ("us", "we" or "our"), 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:

"Competitive Business" means any business that derives at least 25% of its revenue from providing sports, fitness, physical education training, and educational programs to children in preschool facilities, daycare centers, other school facilities, and similar facilities. A Competitive Business does not include a JumpBunch business operating pursuant to a franchise agreement with us.

"Copyrights" means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a JumpBunch business or the solicitation or offer of a JumpBunch franchise, whether now in existence or created in the future.

"Franchisee" means the JumpBunch franchisee for which you are an officer, director or manager.

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

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

"Manual" means our confidential operations manual for the operation of a JumpBunch business, which may be periodically modified by us.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a JumpBunch business, including "JUMPBUNCH," and any other trademarks, service marks, or trade names that we designate for use by a JumpBunch business. The term "Marks" also includes any distinctive trade dress used to identify a JumpBunch business, whether now in existence or hereafter created.

"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 five percent (5%) 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 or attempting to induce: (a) any of our employees or managers (or those of our affiliates or franchisees) to leave their position; or (b) any customer of ours (or of one of our affiliates or franchisees) 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 you cease to be a manager of Franchisee's JumpBunch business; 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 you cease to be a manager or officer of Franchisee's JumpBunch business.

"Restricted Territory" means the geographic area within: (i) a 25-mile radius from Franchisee's JumpBunch business (and including the premises of the JumpBunch Business); and (ii) a 25-mile radius from all other JumpBunch businesses that are operating or under construction as of the beginning of the Restricted Period; 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 a 13-mile radius from Franchisee's JumpBunch business (and including the premises of the JumpBunch Business).

"System" means our system for the establishment, development, operation, and management of a JumpBunch business, including Know-how, proprietary programs and products, Manual, and operating system.

2. Background. You are an officer, director, or manager of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire 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 JumpBunch 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 manager of Franchisee's JumpBunch business. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

4. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are an officer, director or manager of Franchisee's JumpBunch business by engaging in any Prohibited Activities.

5. 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 customers who 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.

6. 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, grandparent 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.

7. **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.**

8. **Breach.** You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other JumpBunch 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, our owners or our affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

9. **Miscellaneous.**

a. If we pursue legal remedies 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 the state where the JumpBunch business is located, 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. If 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.

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms 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 this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

(Signatures on following page)

EXECUTED on the date stated below.

Date _____

Signature

Typed or Printed Name

EXHIBIT G-3

JUMPBUNCH FRANCHISE

SAMPLE CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (this "Agreement") is entered into by the undersigned ("you") in favor of JumpBunch, Inc., a Maryland corporation, 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(s) have secured common law or registered copyright protection and that we allow JumpBunch franchisees to use, sell, or display in connection with the marketing and/or operation of a JumpBunch Business, whether now in existence or created in the future.

"*Franchisee*" means the JumpBunch franchisee for which you are an employee, independent contractor, agent, representative, or supplier.

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

"*JumpBunch Business*" means a business that provides sports, fitness, physical education training, and educational programs to children in preschool facilities, daycare centers, other school facilities, and similar facilities and other related products and services using our Intellectual Property.

"*Know-how*" means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a JumpBunch Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

"*Manual*" means our confidential operations manual for the operation of a JumpBunch Business.

"*Marks*" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a JumpBunch Business, including "JUMPBUNCH" and any other trademarks, service marks, or trade names that we designate for use by a JumpBunch Business. The term "Marks" also includes any distinctive trade dress used to identify a JumpBunch Business, whether now in existence or hereafter created.

"*System*" means our system for the establishment, development, operation, and management of a JumpBunch Business, including Know-how, proprietary programs and products, confidential operations manuals, and operating system.

2. Background. You are an employee, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our Intellectual Property. 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 use such Intellectual Property in any way other than as described in this Agreement. In order to avoid such damage, you agree to comply with this Agreement.

3. Know-How and Intellectual Property: Nondisclosure and Ownership. You agree:
(i) you will not use the Intellectual Property in any business or capacity other than for the benefit of the

JumpBunch Business operated by Franchisee or in any way detrimental to us or to the Franchisee; (ii) you will maintain the confidentiality of the Intellectual Property at all times; (iii) you will not make unauthorized copies of documents containing any Intellectual Property; (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 Intellectual Property; and (v) you will stop using the Intellectual Property immediately if you are no longer an employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of JumpBunch, Inc. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

4. Immediate Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property 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 Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual Property 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 this Agreement will cause substantial and irreparable damage to us and/or other JumpBunch franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation 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 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. Although this Agreement is entered into in favor of JumpBunch, Inc., you understand and acknowledge that your employer/employee, independent contractor, agent, representative, or supplier relationship is with [Franchisee] and not with us, and for all purposes in connection with such relationship, you will look to [Franchisee] and not to us.

b. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

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

d. Each section of this Agreement, including each subsection and portion, is severable. If 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.

EXECUTED on the date stated below.

Date _____

Signature

Typed or Printed Name

EXHIBIT G-4

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)		
☐ Checking ☐ Savings		
Bank Account No.	(check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)	Bank Phone No.	

Authorization:

Franchisee hereby authorizes JumpBunch, Inc. ("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.

EXHIBIT G-5

JUMPBUNCH FRANCHISE

SAMPLE APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment ("Agreement") is entered into this ____ day of _____, 20____, between JumpBunch, Inc. ("Franchisor"), _____ ("Former Franchisee") and _____ ("New Franchisee").

RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated _____, 20____, ("Franchise Agreement"), in which Franchisor granted Former Franchisee the right to operate a JumpBunch franchise located at _____ ("Franchised Business"); and

WHEREAS, Former Franchisee desires to assign ("Requested Assignment") the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto hereby covenant, promise, and agree as follows:

1. **Payment of Fees.** In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement ("Franchisor's Assignment Fee").
2. **Assignment and Assumption.** Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Agreement, and conditioned upon New Franchisee's signing of a franchise agreement pursuant to Section 5 of this Agreement.
3. **Consent to Requested Assignment of Franchised Business.** Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor's Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Franchise Agreement and waives any obligation for Former Franchisee to enter into a subordination agreement pursuant to the Franchise Agreement.
4. **Termination of Rights to the Franchised Business.** The parties acknowledge and agree that all of Former Franchisee's rights to operate the Franchised Business and rights under the Franchise Agreement are hereby relinquished and that from the date of this Agreement only New Franchisee shall have the sole right to operate the Franchised Business. Former Franchisee and its owners agree to comply with all of the covenants in the Franchise Agreement that expressly or by implication survive the

termination, expiration, or transfer of the Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement, which is attached to this Agreement as Attachment A.

5. New Franchise Agreement. New Franchisee shall execute Franchisor's current form of Franchise Agreement and attachments for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), which is attached to this Agreement as Attachment B, and any other required contracts for the operation of a JumpBunch franchise as stated in Franchisor's Franchise Disclosure Document.

6. Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three (3) year period following the execution of this Agreement.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("**Transaction**") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of a new franchise agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Franchisee, and shall not involve Franchisor.

8. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Franchise Agreement or Franchised Business. Buyer hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the new Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

9. Notices. Any notices given under this Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

10. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including any and all actions that may be required or contemplated by the Franchise Agreement.

11. Affiliates. When used in this Agreement, the term "**Affiliates**" has the meaning as given in Rule 144 under the Securities Act of 1933.

12. Miscellaneous. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the state of where the JumpBunch business is located.

(Signatures on following page)

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

FRANCHISOR:

JUMPBUNCH, INC.

By: _____

Title: _____

FORMER FRANCHISEE:

By: _____

Title: _____

NEW FRANCHISEE:

By: _____

Title: _____

Rev. 030216

EXHIBIT G-5 Attachment A

(INSERT Termination and Release Agreement)

EXHIBIT G-5 Attachment B

(INSERT New Franchise Agreement to be Signed)

EXHIBIT H

FRANCHISE DISCLOSURE QUESTIONNAIRE

FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, JumpBunch, Inc. ("we" or "us"), and you are preparing to enter into a Franchise Agreement for the operation of a JumpBunch 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.** 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 in the table provided below.

1. Yes___ No___ Have you received and personally reviewed the Franchise Agreement and each attachment or exhibit attached to it that we provided?
2. Yes___ No___ Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
3. Yes___ No___ Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4. Yes___ No___ Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
5. Yes___ No___ Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
6. Yes___ No___ Have you had the opportunity to discuss the benefits and risks of developing and operating a JumpBunch Franchise with an existing JumpBunch franchisee?
7. Yes___ No___ Do you understand the risks of developing and operating a JumpBunch Franchise?
8. Yes___ No___ Do you understand the success or failure of your JumpBunch 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?
9. Yes___ No___ Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated in Maryland, if not resolved informally or by mediation?
10. Yes___ No___ Do you understand that you must satisfactorily complete the initial training program before we will allow your JumpBunch Franchise to open or consent to a transfer of the JumpBunch Franchise to you?

11. Yes__ No__ 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 JumpBunch 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?
12. Yes__ No__ 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 and any addendum, 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?
13. Yes__ No__ 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 JumpBunch 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?
14. Yes__ No__ Do you understand that the Franchise Agreement, including each attachment or exhibit to the Franchise Agreement, contains the entire agreement between us and you concerning the JumpBunch Franchise, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments or exhibits to the Franchise Agreement will not be binding?
15. Yes__ No__ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

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.

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Date

Date

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

EXHIBIT I

RECEIPT

RECEIPT
(Retain This Copy)

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 JumpBunch, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa or Rhode Island law, if applicable, JumpBunch, Inc. must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires JumpBunch, Inc. to give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If JumpBunch, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit C.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:	
Thomas Bunchman, JumpBunch, Inc., 302 Annapolis Street Annapolis, MD 21401	4871 Bridle Court, Oldsmar, FL 34677, (410) 703-2300
Kathleen Bunchman, JumpBunch, Inc., 302 Annapolis Street Annapolis, MD 21401	4871 Bridle Court, Oldsmar, FL 34677, (410) 703-2300
Joey St. John, 58 Shiver Lane, Box Springs, GA 31801, (706) 566-9239	

Issuance Date: ~~April 27, 2018~~ April 30, 2019

I received a disclosure document issued ~~April 27, 2018~~ April 30, 2019 which included the following exhibits:

Exhibit A	Franchise Agreement
Exhibit B	Financial Statements
Exhibit C	List of State Administrators/Agents for Service of Process
Exhibit D	State Addenda and Agreement Riders
Exhibit E	Confidential Operations Manual Table of Contents
Exhibit F	List of Current and Former Franchisees
Exhibit G	Contracts for use with the JumpBunch Franchise
Exhibit H	Franchise Disclosure Questionnaire
Exhibit I	Receipt

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

**RECEIPT
(Our Copy)**

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 JumpBunch, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa or Rhode Island law, if applicable, JumpBunch, Inc. must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires JumpBunch, Inc. to give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If JumpBunch, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit C.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Thomas Bunchman, JumpBunch, Inc., 302 Annapolis Street Annapolis, MD 21401 4871 Bridle Court, Oldsmar, FL 34677, (410) 703-2300
Kathleen Bunchman, JumpBunch, Inc., 302 Annapolis Street Annapolis, MD 21401 4871 Bridle Court, Oldsmar, FL 34677, (410) 703-2300
Joey St. John, 58 Shiver Lane, Box Springs, GA 31801, (706) 566-9239

Issuance Date: ~~April 27, 2018~~ April 30, 2019

I received a disclosure document issued ~~April 27, 2018~~ April 30, 2019 which included the following exhibits:

Exhibit A	Franchise Agreement
Exhibit B	Financial Statements
Exhibit C	List of State Administrators/Agents for Service of Process
Exhibit D	State Addenda and Agreement Riders
Exhibit E	Confidential Operations Manual Table of Contents
Exhibit F	List of Current and Former Franchisees
Exhibit G	Contracts for use with the JumpBunch Franchise
Exhibit H	Franchise Disclosure Questionnaire
Exhibit I	Receipt

_____	_____	_____
Date	Signature	Printed Name

_____	_____	_____
Date	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and return it to JumpBunch, Inc., 302
~~Annapolis Street, Annapolis, Maryland 21401~~ 4871 Bridle Court, Oldsmar, FL 34677.