**FRANCHISE DISCLOSURE DOCUMENT**
**Launch Franchising, LLC**
a Delaware Limited Liability Company
920 Bald Hill Road Warwick, Rhode Island 02886
(401) 738-1259
www launchtrampolinepark com
info@launchtrampolinepark com



The franchise described in this Disclosure Document is to operate a Launch Trampoline Park, which is an indoor sports and family entertainment facility featuring large interconnected trampolines that form a giant jumping surface, designated jump areas for kid's play and dodgeball, a foam pit, arcade area cafe, and other competitive attractions

The total investment necessary to begin operation of a Launch Trampoline Park franchise is $1,113,285 to $2,828,080 This includes between $552,500 to $1,290,00 that must be paid to the franchisor and/or its affiliate

We also offer a Multi- Unit Development Agreement for the development of multiple Launch Trampoline Parks If you sign the Multi-Unit Development Agreement, you will pay the initial franchise Fee of $50,000 for the first Territory and a Reservation Fee equal to $25,000 multiplied by the total number of Launch Trampoline Parks to be developed in your development territory The estimated initial investment to operate as a Multi-Unit Developer will vary depending on the number of Launch Trampoline Parks to be developed The estimated initial investment to operate as a multi-Unit Development of three Franchised business is $1,165,285 to $2,880,580

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 the 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 government agency has verified the information contained in this document**

You may wish to receive your disclosure document in another format that is more convenient for you To discuss the availability of disclosures in different formats, contact Robert Arnold, CEO at Launch Franchising, LLC, 920 Bald Hill Road Warwick, Rhode Island 02886 and (401) 738-1259

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

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

There may also be laws on franchising in your state Ask your state agencies about them
**Issuance Date February 4, 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 A for information about the franchisor or about franchising in your state

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

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT AND MULTI-UNIT OPERATOR AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN RHODE ISLAND OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO ARBITRATE OR LITIGATE WITH US IN RHODE ISLAND THAN IN YOUR OWN STATE

2 THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT STATE THAT RHODE ISLAND LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 YOU MUST PURCHASE ALL OR NEARLY ALL OF YOUR INVENTORY OR SUPPLIERS THAT ARE NECESSARY TO OPERATE YOUR BUSINESS FROM THE FRANCHISOR, ITS AFFLIIATES OR SUPPLIERS THAT THE FRANCHISOR DESIGNATES, AT PRICES THE FRANCHISOR OR THEY SET THESE PRICES MAY BE HIGHER THAN PRICES YOU COULD OBTAIN ELSEWHERE FOR THE SAME OR SIMILAR GOODS THIS MAY REDUCE THE ANTICIPATED PROFIT OF YOUR FRANCHISE BUSINESS

4 YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE THIS GUARANTEE WILL PLACE BOTH YOUR SPOUSE'S MARITAL AND PERSONAL ASSET, PERHAPS INCLUDING YOUR HOUSE AT RISK IF YOUR FRANCHISE FAILS

5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

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

## STATE EFFECTIVE DATES

The following states require that this 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 either registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

| | |
|---|---|
| California | |
| Connecticut | Trademark Exempt |
| Florida | October 16, 2018 |
| Hawaii | N/A |
| Illinois | N/A |
| Indiana | N/A |
| Kentucky | N/A |
| Maine | N/A |
| Maryland | January 18, 2019 as amended |
| Michigan | N/A |
| Minnesota | N/A |
| Nebraska | N/A |
| New York | September 24, 2014 as amended |
| North Carolina | Trademark Exempt |
| North Dakota | N/A |
| Rhode Island | |
| South Carolina | Trademark Exempt |
| South Dakota | N/A |
| Texas | September 3, 2013 |
| Utah | N/A |
| Virginia | |
| Washington | November 9,2018 as amended |
| Wisconsin | N/A |

## TABLE OF CONTENTS

**<u>Exhibits</u>**

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

### The Franchisor

The Franchisor is Launch Franchising, LLC For ease of reference Launch Franchising, LLC will be referred to as "we" or "us" in this Disclosure Document We will refer to the person or entity who signs the Franchise Agreement as "you" throughout this Disclosure Document If you are a corporation or other legal entity, certain provisions of the Franchise Agreement applies to your "Owners" and "Principal Owners" (defined below) and will be noted

We are a Delaware limited liability company, formed on May 13, 2013 We do business under our corporate name and under the name "Launch Trampoline Park" Our principal business address is 920 Bald Hill Road Warwick, Rhode Island 02886 We are engaged in the business of granting and supporting franchises to franchisees under the "Launch Trampoline Park" trade name and trademark We have no other business activities We began offering franchises in August 2013 We have never offered franchises in this or any other line of business

Our agents for service of process are listed in Exhibit A

### Our Parent, Predecessors and Affiliates

We have no parent or predecessor Our first affiliate is Launch Trampoline Park, LLC, a Colorado limited liability company headquartered at our address and our second affiliate is Launch Trampoline Park CT LLC, a Connecticut limited liability company also headquartered at our address ('Affiliates") Our First Affiliates owns and operates one business of the type being franchised in Warwick, Rhode Island that has been open since November 2012 Our second Affiliates owns and operates one business of the type being franchised in Hartford, Connecticut that has been open since November 2013 Our Affiliates are not an approved supplier of any item that you must purchase or lease Our Affiliates have never offered franchises in this or any other line of business

Our third affiliate is Launch Manufacturing LLC, a Rhode Island limited liability company, organized on May 4, 2015, headquartered at our address Launch Manufacturing, manufactures trampolines and other competitive attractions (including installation) Our third affiliate is the approved equipment supplier Our Affiliate has never offered franchises in this or any other line of business

### The Franchise Offered

The "Franchise" offered by this Disclosure Document is for the right to own and operate a Launch Trampoline Park according to the terms of our "Franchise Agreement" which is attached to this Disclosure Document as Exhibit B Launch Trampoline Park is is an indoor sports and family entertainment facility featuring large interconnected trampolines that form a giant jumping surface, designated jump areas for kid's play and dodgeball, a foam pit, climbing features, competition games arcade area and cafe ("Launch Trampoline Park" or "Franchised Business") A typical Launch Trampoline Park has 19,000 to 38,000 square feet of space Larger parks may include indoor go-karting Parks that include indoor go-karting can range from 42,000 square feet to 100,000 square feet

Launch Trampoline Parks are established and operated under a comprehensive and unique proprietary system (the "System") The System includes distinctive signage, interior and exterior design, decor and color scheme, uniform standards, specifications, and procedures for operations, quality and uniformity of products and services offered, inventory, management and financial control procedures, training and assistance, and advertising and promotional programs, all of which we may change, improve, and further develop, in our discretion Certain aspects of the System are more fully described in this Disclosure Document and in the Confidential Operations Manual, which you should expect to evolve over time, which is loaned to you as our franchisee

Launch Trampoline Parks use certain trademarks, service marks, and commercial symbols, including the mark "Launch Trampoline Park", all of which we may modify periodically and which you should also expect to evolve over time A certain facility design, decor and image developed for Launch Trampoline Parks and certain associated logos (collectively the "Marks" or "Proprietary Marks") The Marks are owned by the franchisor, which has licensed them to us so that we may sub-license them to our franchisees

Because a Launch Trampoline Park requires franchisees and their employees to work directly with children, you must pass our rigorous screening process You must make sure that all of your employees also pass the same screening process You may not employ anyone who has been convicted of a felony crime or a crime against a child

**Multi-Unit Development Agreement**

If you meet our net worth, operational experience and other requirements for multi-unit development, you may enter into a Multi-Unit Development Agreement ("Multi-Unit Development Agreement") for the development of multiple Launch Trampoline Parks in a designated geographical area, known as a "Development Territory " Under the Multi-Unit Development Agreement, attached as Exhibit C to this Disclosure Document, you must develop an agreed upon number of Franchised Businesses in the Development Territory within a specified time period subject to our approval

You must sign the Franchise Agreement for your first Launch Trampoline Park at the same time you sign the Multi-Unit Development Agreement for any additional units For each Launch Trampoline Park developed after the first one you must sign our then-current form of Franchise Agreement, except that continuing fees payable to us shall be uniform as your first Franchise Agreement

**Market and Competition**

Launch Trampoline Parks offer their products and services to the general public, and primarily serve children and young adults between the ages of 3 and 30 Customers engage in activities that involve various trampoline jumping activities at the Launch Trampoline Park Each jumper (or the jumper's parent or guardian) must sign a waiver prior to participating in the facilities activities Your Launch Trampoline Park will compete with other similar entertainment centers or venues for children, young adults and their families, some of which may be regional or national in scope and may be franchise systems

**Industry Specific Laws and Regulations**

There may be regulations specific to the operation of a Launch Trampoline Park in your state that, among other things, require you to maintain a certain ratio between supervisory employees and the number of jumpers on the trampoline arena You must also comply with any standards issued by American Society for Testing and Materials ( ASTM International) as they relate to regulation and safety of indoor trampoline parks You must comply with all local, state, and federal health and sanitation laws and regulations

You should consult with your attorney and local, state, and federal government agencies before investing in a franchise to determine all of the legal requirements that you must comply with and consider their impact on you and the cost of compliance Building codes and requirements vary in different jurisdictions and it is important for you and your architect to be aware of and comply with all local laws as well as the federal laws including the Americans with Disabilities Act You may also be subject to certain health and safety requirements as well as licensing requirements in teaching and supervising children There may be laws requiring you to have an employee at your Launch Trampoline Park who is certified in basic cardiopulmonary resuscitation or on the use of an automated external defibrillator There may be a requirement that you must have certain types of first aid equipment on the premises such as an automated external defibrillator You should check with your local attorney for advice on complying with applicable law before you purchase a.franchise and during the operation of your Launch Trampoline Park You must investigate and satisfy and stay current on all local, state, and federal laws and regulations since they vary from place to place and can change over time

For the cafe portion of your Franchised Business, you must obtain all required licenses and permits to operate a food service business The restaurant industry is heavily regulated and competitive A wide variety of Federal, state and local laws, rules and regulations have been enacted that may impact the operation of your cafe, and may include those which (a) establish general standards, zoning, permitting restrictions and requirements and other specifications and requirements for the location, construction, design, maintenance and operation of the cafe's premises, (b) set standards pertaining to employee health and safety, (c) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants and laws and regulations relating to access by persons with disabilities, employee practices concerning the storage, handling, cooking and preparation of food, restrictions on smoking, available of and requirements for public accommodations and requirements for fire safety and general emergency preparedness, (d) establish requirements for food identification and labeling, and (e) regulate advertisements State and local agencies inspect restaurants to ensure that they comply with these laws and regulations You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are locating your cafe and you should consider both their effect and costs of compliance

Many of the laws, rules and regulations that apply to business generally, such as the Americans With Disabilities Act, Federal Wage and Hour Laws and the Occupational Safety and Health Act, also apply to cafes The U S Food and Drug Administration, the U S Department of Agriculture and state and local health departments administer and enforce laws and regulations that govern food preparation and service and restaurant sanitary conditions The federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on emissions from commercial food preparation Some areas have also adopted or are considering proposals that would regulate indoor air quality

You must identify, investigate, satisfy and comply with all laws, ordinances and/or regulations applicable to your business, including employment, workers' compensation, insurance, corporate, tax, public health and similar laws and regulations, because they vary from place to place, can change over time and may affect the operation of your business You should independently research and review the legal requirements of the food services industry with your own attorney before you sign any binding documents or make any investments

The Nutrition Labeling and Education Act (NLEA) sets regulations for food labeling, including nutritional label standards, nutrient content claims, and health claims NLEA applies to virtually all foods in the food supply, including food served and sold in restaurants While NLEA specifies a number of exemptions for restaurants, there are many instances where a nutritional label is required The Food and

Drug Administration's *Nutritional Labeling Guide for Restaurants and Other Retail Establishments* provides answers to commonly asked questions regarding the application of NLEA

Each of your managers and other employees we designate must be ServSafe (or similar) certified

## ITEM 2
## BUSINESS EXPERIENCE

**Co-Founder – Tajuan E Law**

Mr Law has been our Co-Founder since our inception in May 2013, and he has been a Co-Owner of our Affiliate since its inception in November 2012 From November 2011 to January 2013, Mr Law was a Commentator for the Comcast Sports Network in Burlington, Massachusetts

**Co-Founder and CEO– Robert Arnold**

Mr Arnold has been our Co-Founder and President since our inception in May 2013, and he has been a Co-Founder of our Affiliate since its inception in November 2012 Since 2001, Mr Arnold has been Owner of Efficient Exteriors Inc in North Kingston, Rhode Island

**Chief Operations Officer- Brad Artery**

Mr Artery has been our Chief Operations Officer since January 2017 Prior to this Mr Artery worked for Citizens Bank from 2006 to December 2016 where he held numerous senior operational roles at Citizens Bank including Head of Operations in Consumer Lending and Chief Procurement Officer

**Chief Financial Officer- Travis Kososki**

Mr Kososki has been our Chief Financial Office since August 2018 Mr Kososki worked for Maverick Development Corp in Almaty, Kazakhstan from August 2008 to August 2018

**Co-Founder and Director of Franchise Communications- Erin Arnold**

Ms Arnold has been our Co-Founder Director of Communications since our inception in May 2013 From January 2010 to May 2013 Ms Arnold was the Sole owner of Fit Families RI

**Joseph Pastore - Director of Engineering** --

Mr Pastore has been the Director of Engineering at Launch Trampoline Park in Warwick, RI since May 2014 Mr Pastore was the Sole owner of Pastore Construction in North Kingstown, RI from September 2004 until May 2014

**Director of Marketing- Derek Charello**

Mr Charello has been our Director of Marketing since April 2015 Prior to this Mr Charello worked for various organizations as a marketing consultant as well as a part time Professor at Bryant University in the management department

**Project Manager- Amanda Perry**

Ms Perry has been Project Manager since December 2014 From May 2013 to December 2014 Ms Perry was our Area Manager for the New England locations From January 2008 to May 2013 Ms Perry was employed by South Kingstown Parks and Recreation Department, in South Kingstown, RI as their Director

**Director of Franchise Development – Sidney H Lee**

Mr Lee has been the Director of Franchise Development since January 2018 Prior to this, Mr Lee worked has been the President at Choice Franchise Advisors in Bristow, Virginia since January 20,13

## 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

**The Maryland Securities Commissioner has required a financial assurance Therefore, all initial fees and payments owed by Franchisees shall be deferred until Franchisor completes its pre-opening obligations under the Franchise Agreement In addition, all development fees and initial payments by Area Developers shall be deferred until the first franchise under the Development Agreement opens**

**Franchise Agreement**

You must pay us an initial franchise fee of $50,000, which is due in a lump sum when you sign the Franchise Agreement The initial franchise fee is imposed uniformly on all franchisees The initial franchise fee is used in part for working capital and in part for profit If you are unable to find a suitable location for your Launch Trampoline Park within 180 days after you sign the Franchise Agreement, or if you and/or your General Manager are unable to complete our initial training program to our satisfaction (after giving you an opportunity to designate a replacement General Manager), we reserve the right to terminate your Franchise Agreement and refund $5,000 of the initial franchise fee to you We will retain the balance of the initial franchise fee to compensate us for use of resources, costs, opportunity loss and our efforts You must sign the documents we require, including a general release and a confidentiality and non-competition agreement, before we will refund any money

You may pay to us a site selection fee of $5,000 upon signing the Site Selection Agreement (Exhibit K to this Disclosure Document) This site selection fee does not bear interest If you then sign the Franchise Agreement, we will apply your site selection fee under the Site Selection Agreement against your initial franchise fee Upon termination of the Site Selection Agreement in accordance with its terms without signing a Franchise Agreement, we will refund your deposit

Except as described above, the initial franchise fee is deemed fully earned upon receipt by us and is non-refundable under any other circumstances

**Initial Purchases**

You must purchase from us or our approved vendors your trampolines (including installation), various attractions, mascot costume, and your initial inventory of logoed socks We estimate that the initial cost of these items will be between $502,500 to $1,200,000 This amount is not refundable

**Delayed Opening**

As described in Item 11 below, you must have your Launch Trampoline Park open within 12 months after you sign the Franchise Agreement If you are unable to open your Launch Trampoline Park within this 12month period, you must pay us a delayed opening fee of $2,500 per month for each additional month your opening is delayed, up to a maximum of six additional months If your Launch Trampoline Park is not open and operating within this additional six months period, we have the right to terminate your Franchise Agreement This delayed opening provision does not apply to a Launch Trampoline Park developed under the Multi-Unit Development Agreement In this event, neither the franchise fees, multi-unit development fees or the delayed opening fees that you have paid would be refundable

**Grand Opening Advertising Campaign**

You must spend a minimum of $25,000 on Grand Opening advertising campaign A minimum of $12,500 over the first thirty (30) days prior to your Grand Opening and a minimum of $12,500 must be spent within the first month of operation We reserve the right to require you to pay us $25,000 for your grand opening advertising campaign and we will conduct the campaign on your behalf Only when we request that you give the grand opening money to us, it is not refundable

**Multi-Unit Development Agreement**

If you sign a Multi-Unit Development Agreement, you must pay to us a reservation fee which is payable in a lump sum when you sign the agreement The reservation fee is equal to half of the then current franchise fee multiplied by the total number of Launch Trampoline Parks you commit to develop under the Multi-Unit Development Agreement The reservation fee is fully earned by us when received and is not refundable or credited against any other fees you must pay to us

Each time you sign the Franchise Agreement for a Launch Trampoline Park to be developed under the Multi-Unit Development Agreement, you must pay the remainder of the initial franchise fee in a lump sum We expect that you will sign the Franchise Agreement for your first Launch Trampoline Park at the same time you sign the Multi-Unit Development Agreement

The reservation fee is imposed uniformly on all multi-unit developers and is not reduced or refundable under any circumstances

There are no other payments to or purchases from us or our affiliates that you must make before your Launch Trampoline Park opens

## ITEM 6
## OTHER FEES

| Fees [1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Royalty Fee [2] | 6% of Gross Sales | Payable on Wednesday of each week for the previous week ending Sunday (or the next business day if Wednesday is not a business day) | Royalty Fees are calculated based on Gross Sales for the previous week ending Sunday Amounts due will be withdrawn by EFT from your designated bank account |
| Brand Development Fund [3] | Up to 1% of Gross Sales | Payable at the same time and in the same manner as the Royalty Fee | You must contribute when we establish the Brand Development Fund The Brand Development Fund is described in Item 11 |
| Google Apps for Business | $5-10 per license per user | Monthly | Email, file storage, google suite |
| Local Advertising | Minimum of $12,000 per month in months 2, 3, and 4 of operation 4% of Gross Sales or $4,000, whichever is greater for each succeeding month | Must be spent monthly | You will spend this money directly with approved advertising vendors |
| Cooperative Advertising [4] | As determined by Cooperative, but not more than 2% of Gross Sales | As determined by Cooperative | If an advertising cooperative is formed for your area, you must join the cooperative Any money you contribute to a cooperative will count toward your local advertising requirement |
| Initial Training (For New or Replacement Employees) | Our then-current per person training fee, plus expenses<br><br>Current per person training fee = $1,500 | Before Training | Training for the first three people is provided at no additional charge If you request that we provide our initial training program to any additional employees, or to new or replacement employees during the term of your Franchise Agreement, you must pay our training fee as well as the trainees' expenses, including travel, lodging, meals and wages |

| Fees (1) | Amount | Due Date | Remarks |
|---|---|---|---|
| Additional On-Site Training | Our then-current per diem rate per trainer, plus expenses<br><br>Current per diem rate = $450 | When billed | If you request that we provide additional training at your Launch Trampoline Park, you must pay our daily fee for each trainer we send to your Launch Trampoline Park, and you must reimburse each trainer's expenses, including travel, lodging and meals |
| Interest on overdue or late amounts | 1 5% per month or the highest rate allowed by applicable law, whichever is less In the state of California the maximum interest rate is 10% annually | On demand | Interest may be charged on all overdue amounts Interest accrues from the original due date until the amount is paid in full |
| Audit Fee | Cost of audit (estimated to be between $3,000 and $5,000) | When billed | Payable only if we find, after an audit, that you have understated any amount you owe to us or Gross Sales by 2% or more You must also pay the understated amount plus interest |
| Supplier Testing Fee | $250(currently) | If incurred | Payable if we have not previously approved the supplier of the item or if the sample fails to conform to our specifications |
| Inspection Fee | $250(Currently) | If incurred | If you wish to purchase, lease or use any products or other items for your Launch Trampoline Park, or purchase from an unapproved supplier, you must submit a written request for approval, or must request the supplier to do so, together with payment of our inspection fee |
| Prohibited Product or Service Fine | $250 per day of use of unauthorized products or services | If incurred | In addition to other remedies available to us |

| Fees [1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Transfer Fee | 50% of our then-current initial franchise fee | Submitted with transfer application | No fee charged to an individual or partnership franchisee that transfers its rights, one time only, to a corporate entity controlled by the same interest holders |
| Renewal | 50% of our then-current initial franchise fee | Six months before expiration of the Franchise Agreement | Your Franchise Agreement will renew automatically and we will bill you for the renewal fee, unless you provide us with written notice that you do not wish to renew your agreement |
| Liquidated Damages | See footnote 5 | | |
| Computer Software Licensing | $500-$1500 | Monthly | Payable to the approved supplier for point of sale computer software, support, scheduling and online ticket sales This fee is subject to change by the approved supplier |
| Costs and Attorneys' Fees | Will vary under circumstances | On demand | If you default under your agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating your agreement |
| Indemnification | Will vary under circumstances | On demand | You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Franchised Business or for costs associated with defending claims that you used the trademarks in an unauthorized manner |

| Fees [1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Repair, Maintenance, and Remodeling/ Redecorating | Will vary under circumstances | As incurred | Payable to approved suppliers You must regularly clean and maintain your Launch Trampoline Park and its equipment to our standards We may require you to remodel or redecorate your Launch Trampoline Park to meet our then-current image for all Launch Trampoline Parks We will not require you to remodel your Launch Trampoline Park more frequently than every five years, , however we may require you to redecorate annually If you do not maintain your Launch Trampoline Park according to our standards, we may arrange for the necessary maintenance and you must reimburse our costs, on demand |
| Insurance Premiums | Reimbursement of premium costs plus a 10% administrative fee | Within 15 days after demand for payment | If you fail to maintain the required insurance coverages, we may (but are not required to) obtain insurance on your behalf All insurance must be purchased through one of our approved suppliers |
| Management Fee | 5% of Gross Sales, plus expenses | If incurred | We have the right to step in and manage your Franchised Business in certain circumstances, including your death, disability or prolonged abandonment |

| Fees (1) | Amount | Due Date | Remarks |
|---|---|---|---|
| Product or Supplier Evaluation | Our costs and expenses incurred in connection with examination, testing and/or inspection of proposed new approved supplier, goods or services Typically, this amount will range from $1000 to $5000 | If incurred | If you request our approval of a particular product or supplier that we have not previously approved, or if a product we remove from your Franchised Business for testing does not meet our specifications or was purchased from an unapproved supplier |
| Mystery Shopper Service | Up to $800 | Annually | We may develop a mystery shopper program to periodically conduct mystery shops For any shops conducted at your Franchised Business, you will pay the applicable fee directly to the approved supplier |
| Centralized Reservation, Ticket Sale and/or Call Center System | A proportionate share of the costs of the system or reasonable charges for participation in the system (e g $250/month + up to 6% of overall group and birthday party revenue | Monthly | We have a right to require you to participate in a centralized reservation, ticket sale, and/or call center system |

1 All fees described in this Item 6 are non-refundable Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed uniformly and you must pay them to us Except as specifically stated above, the amounts given may be due to changes in market conditions, our cost of providing services and future policy changes These fees are not negotiable At the present time we have no plans to increase payments over which we have control

2 For the purposes of determining the fees to be paid under the Franchise Agreement, "Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the point of sale system and any cash shortage will not be considered in the determination Gross Sales expressly excludes taxes collected from your customers and paid to the appropriate taxing authority and customer refunds or adjustments

We may authorize certain other items to be excluded from Gross Sales Any exclusion may be revoked or withdrawn at any time by us The Royalty Fee and Brand Development Fund contribution will be withdrawn from your designated bank account by electronic funds transfer ("EFT") on Wednesday of each week based on Gross Sales for the preceding week ending Sunday If you do not report Gross Sales, we may debit your account for 120% of the last Royalty Fee and Brand Development Fund contribution that we debited If the Royalty Fee and Brand Development Fund contribution we debit are less than the Royalty Fee and Brand Development Fund contribution you actually owe us, once we have been able to determine the true and correct Gross Sales for your Franchised Business, we will debit your account for the balance on a day we specify If the Royalty Fee and Brand Development Fund contribution we debit are greater than the Royalty Fee and Brand Development Fund contribution you actually owe us, we will credit the excess against the amount we otherwise would debit from your account during the following week

In the Future if any state imposes a sales or other tax on the royalty fees, then we have the right to collect this tax from you

3 We will establish and administer a Brand Development Fund on behalf of the System (see Item 11) to provide national or regional creative materials or other marketing related materials or services for the benefit of the System

4 Cooperatives will include all Launch Trampoline Parks located in a specific geographic area, whether owned by us, our affiliates or our franchisees Each Launch Trampoline Park has one vote in the cooperative, except that no franchisee (or commonly controlled group of franchisees) may have more than 25% of the total vote, regardless of the number of Launch Trampoline Parks owned No Cooperatives have been established as of the date of this Disclosure Document

5 If we terminate your Franchise Agreement for cause, you must pay us within 15 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is higher

6 A remodel is defined as an improvement cost over $20,000 in a calendar year A redecoration is defined as an improvement cost under $20,000 in a calendar year A redecoration is used to bring your park to current brand and environmental standards You will not be required to redecorate within the first two calendar years

## ITEM 7
## - ESTIMATED INITIAL INVESTMENT

| YOUR ESTIMATED INITIAL INVESTMENT LAUNCH TRAMPOLINE PARK | | | | |
|---|---|---|---|---|
| **Type of Expenditure** | **Amount** | **Method of Payment** | **When Due** | **To Whom Payment is to be Made** |
| Initial Franchise Fee [1] | $50,000 | Lump Sum | On signing Franchise Agreement | Us |

| YOUR ESTIMATED INITIAL INVESTMENT<br>LAUNCH TRAMPOLINE PARK | | | | |
|---|---|---|---|---|
| **Type of Expenditure** | **Amount** | **Method of Payment** | **When Due** | **To Whom Payment is to be Made** |
| Delayed Opening Fee (1) | $0 to $15,000 | Monthly | As incurred | Us |
| Rent – 3 Months (2) | $36,700 to $78,000 | As determined by Landlord | Before opening | Landlord |
| Security Deposits (3) | $14,333 to $54,000 | As arranged | As arranged | Landlord, Utility Companies |
| Leasehold Improvements (4) | $297,752 to $1,117,820 | As arranged | As arranged | Approved Contractors |
| Equipment, Furnishings and Fixtures(5) | $502,500 to $1,200,000 | As arranged | As arranged | Us and Approved Suppliers |
| Computer System (6) | $37,000 to $48,700 | As arranged | As arranged | Approved Suppliers |
| Insurance – 3 Months (7) | $25,000 to $35,000 | As arranged | As arranged | Insurance Companies |
| Permits and Licenses (8) | $400 to $4,000 | As arranged | As arranged | Government Agencies |
| Initial Inventory (9) | $32,000 to $43,000 | As arranged | As arranged | Us and Approved Suppliers |
| Signage (10) | $25,000 to $34,360 | As arranged | As arranged | Approved Suppliers |
| Grand Opening Advertising (11) | $25,000 | As arranged | As arranged | Approved Suppliers |
| Blueprints (12) | 25,000 to $34,000 | As arranged | As arranged | Architect |
| Travel Expenses for Training (13) | $100 to $4,000 | As arranged | As incurred | Airlines, Hotels, Restaurants, Employees |
| Professional Fees (14) | $2,000 to $4,000 | As arranged | As arranged | Attorney, Accountant |
| Project Management Fees (15) | $15,000 to $30,000 | As arranged | As incurred | Us and/or approved vendors |

| YOUR ESTIMATED INITIAL INVESTMENT<br>LAUNCH TRAMPOLINE PARK | | | | |
|---|---|---|---|---|
| **Type of Expenditure** | **Amount** | **Method of Payment** | **When Due** | **To Whom Payment is to be Made** |
| Website Development (16) | $500 to $1200 | As arranged | As incurred | Us and/or approved vendors |
| Additional Funds (17) | $25,000 to $50,000 | As arranged | As incurred | Various |
| **Total** (18) | $1,113,285 to $2,828,080 | | | |

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable and the initial franchise fee is partially refundable in certain circumstances We do not finance any portion of your initial investment

**Notes**

1 ***Initial Franchise Fee, Delayed Opening Fee*** These fees are discussed in Item 5

2 ***Rent*** If you do not own adequate property, you must lease the property for your business The typical size for a Launch Trampoline Park is 19,000 to 38,000 square feet The costs will vary widely and may be significantly higher than projected in this table depending on factors such as property location, population density, economic climate, prevailing interest rates and other financing costs, conditions of the property and extent of alterations required for the property You should investigate all of these costs in the area where you wish to establish a Launch Trampoline Park

Landlords may vary the base rental rate and charge rent based on a percentage of gross sales In addition to base rent, the lease may require you to pay common area maintenance ("CAM Charges") charges, your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges The actual amount you pay under the lease will vary depending on the size of the property, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates in the geographic region that you will open your Launch Trampoline Park within

If you choose to purchase real property on which to build your Launch Trampoline Park, your initial investment will probably be significantly higher than what we estimate above If you purchase real property, we cannot estimate how this purchase will affect your total initial investment

3 ***Security Deposits*** We expect that you will need to pay deposits for your local utilities, such as telephone, electricity and gas, and your landlord may require you to pay a security deposit The amount of your deposits will depend, in part, on your credit rating and the policies of the individual utility companies and the terms of your lease

4 ***Leasehold Improvements*** The cost of leasehold improvements will vary depending on numerous factors, including (i) the size and configuration of the premises, (ii) pre-construction costs (such as demolition of existing walls and removal of existing improvements and fixtures), and (iii) cost of

materials and labor, which may vary based on geography and location These amounts are based on the cost of adapting our prototypical architectural and design plans to remodel and finish-out of Launch Trampoline Parks and the cost of leasehold improvements These amounts may vary substantially based on local conditions, including the availability and prices of labor and materials and whether you must use union labor These costs may also vary depending on whether certain of these costs will be incurred by the landlord Our estimate does not include any tenant improvement allowance that you may negotiate, as this is impossible for us to predict

5 ***Equipment, Furnishings and Fixtures*** Our estimate includes the installed trampoline areas for your Franchised Business and a video surveillance camera system/security system Additional equipment you will need for your cafe includes reach-in refrigerators and freezers, pizza ovens, prep tables, convection oven, ice maker, microwaves and small wares You will also need tables, chairs and decor items for your cafe area A comprehensive list of these items may be obtained from us

6 ***Computer System*** You must purchase the computer system that we specify (see Item 11) A list of our current specifications may be obtained from us

7 ***Insurance*** You must have the insurance that we specify for your Launch Trampoline Park at all times during the term of your Franchise Agreement Our insurance requirements are included in Item 8

8 ***Permits and Licenses*** Our estimate includes the cost of obtaining local business licenses which typically remain in effect for one year The cost of these permits and licenses will vary substantially depending on the location of your Launch Trampoline Park You should consult the appropriate governmental authority concerning the availability of required licenses and the associated expenses for your Launch Trampoline Park before you sign a Franchise Agreement

9 ***Initial Inventory*** Our estimate includes your initial inventory of logoed items, including mascot costumes, Launch shoes, uniforms, shirts and other logoed items, as well as your initial inventory of food, beverages and paper products for your cafe A comprehensive list of these items may be obtained from us

10 ***Signage*** These amounts represent your cost for your interior and exterior signage Your landlord or your local ordinances may have different restrictions it places on interior and exterior signage which may affect your costs Additionally, our estimate does not include the cost of replacing any signage if you enter into an optional contract with a celebrity athlete

11 ***Grand Opening Advertising*** You must conduct a grand opening advertising campaign to promote the opening of your Launch Trampoline Park, and your grand opening advertising must include give-aways, such as promotional tickets and radio and print advertising We reserve the right to approve your grand opening advertising campaign, and your campaign must be conducted in the 60 day period that includes 30 days before and 30 days after opening of your Launch Trampoline Park At our request, you must give the grand opening advertising money to us and we will conduct the grand opening marketing on your behalf If we manage this money, we will provide an accounting of these funds to you

12 ***Blueprints*** You must hire an architect to create construction drawings that are specific to your approved location and that incorporate our specifications and requirements We reserve the right to approve the Architect or we may specify the architect you must use All proposed plans and drawings are subject to our approval before construction may begin, and any changes proposed during construction must also be approved by us

13 *Travel and Living Expenses While Training* These estimates include only your out-of-pocket costs associated with attending our initial training program, including travel, lodging, meals and applicable wages for the first three trainees These amounts do not include any fees or expenses for training any other personnel Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation The lower end of our estimate assumes that the trainees live within driving distance of our training facility

14 *Professional Fees* We strongly encourage you to retain an attorney and/or an accountant to assist you with evaluating this franchise offering, and with negotiating your lease or purchase agreement for the approved location

15 *Project Management Fees* This is used during the construction phase to coordinate between vendors, the corporate office, your general contractor, and subcontractors

16 *Website Development* This is used for the development of your local website

17 *Additional Funds* This estimates your initial start up expenses for an initial three-month period, not including payroll costs, and does not include any revenue that your Launch Trampoline Park may earn in the first three months of operation These figures are estimates only and we cannot guarantee that you will not have additional expenses starting your business Your expenses will depend on factors such as how well you follow our methods and procedures, your management skill, the quality of the staff you hire and must manage, experience and business acumen, local economic conditions (such as the local market for our products or services), the prevailing wage rate, competition and the sales level reached during the initial period These are only estimates and your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations The costs outlined in this Item 7 are not intended to be a forecast of the every cost that you could incur or costs to any particular franchisee

18 *Totals* We relied on our Affiliate's experience in operating a Launch Trampoline Park since 2012 to prepare these estimates You should review these figures carefully with a business advisor before making any decision to purchase the franchise We do not provide financing arrangements for you If you obtain financing from others to pay for some of the expenditures necessary to establish and operate the franchise, the cost of financing will depend on your creditworthiness, collateral, lending policies, financial condition of the lender, regulatory environment, and other factors

* * * * *

**YOUR ESTIMATED INITIAL INVESTMENT – MULTI-UNIT OPERATOR**

If you become a Multi-Unit Operator, you will pay a Development Fee as described in Item 5 The Development Fee is fully earned by us when received and is not refundable or credited against any other fees you must pay to us

For example, if you sign a Multi-Unit Operator Agreement to open three Restaurants under separate Franchise Agreements, the following chart shows your estimated initial investment, based on the first table of this Item 7

| YOUR ESTIMATED INITIAL INVESTMENT MULTI-UNIT DEVELOPMENT AGREEMENT DEVELOPMENT OF THREE FRANCHISED BUSINESSES | | | | |
|---|---|---|---|---|
| **Type of Expenditure** | **Amount** | **Method of Payment** | **When Due** | **To Whom Payment is to be Made** |
| Reservation Fee (1) ($25,000 times 3 Launch Trampoline Parks equals $75,000) | $75,000 | Lump Sum | On signing Multi-Unit Development Agreement | Us |
| Initial Franchise Fee for the first Launch Trampoline Park (1) | $25,000 | Lump Sum | On signing Franchise Agreement | Us |
| Vehicle (2) | $2,000 to $2,500 | As arranged | As incurred | Suppliers |
| Other Expenditures for First Business (3) | $1,063,285 to $2,778,080 | As Per First Table | As Per First Table | As Per First Table |
| **Total** | $1,165,285 to $2,880,580 | | | |

In general, none of the expenses listed in the above chart are refundable We do not finance any portion of your initial investment

**Notes**

1 ***Reservation Fee, Initial Franchise Fee*** The reservation fee is equal to half of the then current franchise fee multiplied by the total number of Launch Trampoline Parks you commit to develop under the Multi-Unit Development Agreement

Each time you sign the Franchise Agreement for a Launch Trampoline Park to be developed under the Multi-Unit Development Agreement, you must pay the remainder of the initial franchise fee in a lump sum

Our estimate assumes you will develop three Launch Trampoline Parks

2 ***Vehicle*** We anticipate that you will need a vehicle to view potential sites and to oversee the build-out of the Launch Trampoline Park Our estimate includes three months of expenses for gas, maintenance and vehicle payments

3 ***Other Expenditures for First Franchised Business*** These are the estimates to build-out your first Launch Trampoline Park Costs associated with building out additional Parks are subject to

factors that we cannot estimate or control, such as inflation, increased labor costs or increased materials costs There are no other expenditures required of the Multi-Unit Developer

## ITEM 8
## RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure that the highest degree of quality and service is maintained, you must operate your Launch Trampoline Park in strict conformity with our methods, standards and specifications, as set forth in the Confidential Operations Manual ("Manual") or otherwise in writing by us You must not deviate from these methods, standards and specifications without our prior written consent We may revise the contents of the Manual without notice and you must comply with each new or changed standard and specification You must at all times make sure that your copy of the Manual is kept current and up to date We may provide the Manual in hard copy or electronically, through a third- party vendor or by a password-protected website

You must maintain in sufficient supply (as we may prescribe in the Manual or otherwise in writing) and use at all times Only the products purchased from suppliers designated or approved by us and any other products, materials, supplies, paper goods, fixtures, furnishings, equipment, signs and food items that conform with our standards and specifications You must not deviate from those standards and specifications by the use of non-conforming items without our prior written consent

You must sell and offer for sale only those products and services that we have expressly approved for sale in writing You must offer for sale all products and services required by us in the manner and style we require We do not control the prices at which you sell any items You must discontinue offering for sale any products and services we may disapprove in writing at any time We can, and expect to, modify our standards and specifications as we deem necessary We will provide you notice in the Manual or other methods (such as by e-mail) of any changes in the standards and specifications A comprehensive list of these items may be obtained from us

You must permit us or our agents, at any reasonable time, as solely determined by us, to remove a reasonable number of samples of food or non-food items from your inventory or from the Launch Trampoline Park free of charge for testing by us or by an independent laboratory to determine whether the samples meet our then-current standards and specifications In addition to any other remedies we may have, we may require you to pay for the testing (currently $1000) if we have not previously approved the supplier of the item or if the sample fails to conform to our specifications

You must purchase and install, at your expense, all fixtures, furnishings, equipment, decor and signs as we may reasonably direct, and you must not, without our prior written consent, install or permit to be installed any fixtures, furnishings, equipment, decor, signs or other items not previously approved as meeting our standards and specifications You must purchase computer software and hardware in accordance with our specifications and from approved suppliers

If you wish to purchase, lease or use any products or other items for your Launch Trampoline Park, or purchase from an unapproved supplier, you must submit a written request for approval, or must request the supplier to do so, together with payment of our inspection fee (currently $250) We must approve any product or supplier in writing before you make any purchases of that product or from that supplier We can require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered either to us or to an independent laboratory for testing We reserve the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current standards Our supplier approval procedure does not obligate us to approve any particular supplier We will notify you within 30 days after we complete the inspection and evaluation process of our approval or disapproval of any proposed supplier We are not required to make available to you or to any supplier the criteria for product or supplier approval that we deem confidential

We reserve the right to develop for use in the System certain products which are proprietary and which bear the Marks We anticipate the introduction of new or improved products and services for our franchisees and their customers The importance of quality and uniformity of production and the significance of those products in the System, it is to your and our benefit that we closely control the production and distribution of those products Therefore, if we develop proprietary products, you will use only our proprietary products and will purchase those items only from us or from the supplier we designate

We are an approved supplier of some items and we reserve the right to designate our Affiliate as an approved supplier and to make a profit from the sale of supplies to you Currently we are the approved supplier for the trampolines, mascot costumes and logoed merchandise (such as Launch shoes and socks) that you must purchase for your Franchised Business We reserve the right to earn a profit from the sale of these items to our franchisees During the fiscal year ended December 31, 2018, Launch Manufacturing generated $3,880,308 in gross revenue

The following officers listed in Item 2 have an ownership interest in us Ty Law, Robert Arnold, Travis Kososki and Brad Artery None of our officers has an ownership interest in another approved supplier

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of the System As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives for any of the items described above in which you must participate We may or may establish these in the future

We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply certain products, equipment, or services to some or all of the Launch Trampoline Parks in our System If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products, equipment and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System in our sole opinion

We have the right to collect and retain any and all allowances, rebates, credits, incentives, or benefits (collectively, "Allowances") offered by manufacturers, suppliers, and distributors to you, to us, or to our affiliates, based upon your purchases of products and services from manufacturers, suppliers, and distributors We or our affiliates will have all of your right, title, and interest in and to any and all of these Allowances We or our affiliates may collect and retain any or all of these Allowances without restriction (unless otherwise instructed by the manufacturer, supplier, or distributor) During the fiscal year ended December 31, 2018, we received $338,702 03 from Allowances

We estimate that your purchases from us or approved suppliers, or that must conform to our specifications, will represent approximately 80% to 85% of your total purchases in establishing your

Launch Trampoline Park, and approximately 70% to 80% of your total purchases in the continuing operation of your Launch Trampoline Park

When determining whether to grant new or additional franchises to existing franchisees many factors are considered by us, including compliance with the requirements described above

**Insurance**

You must obtain and maintain at your own expense the insurance coverage that we or your landlord periodically require and you must meet the other insurance-related obligations during the term of the Franchise Agreement Our insurance requirements are included in the Operations Manual and may change over time

As of the date of this Disclosure Document, you must have the following insurance coverages (1) general liability coverage in the amount of $1,000,000 per occurrence and $2,000,000 aggregate, (2) "all risks" coverage for the full cost of replacement of the premises and all other property in which we may have an interest with no coinsurance clause, (3) business interruption insurance in a sufficient amount to cover profit margins, maintenance of competent and desirable personnel and fixed expenses for a period of at least 90 days, (4) workers' compensation and employer liability insurance in amounts required by applicable law, but not less than $500,000, (5) an umbrella liability policy with limits of not less than $5,000,000, and (6) other insurance required by the state or locality in which your Launch Trampoline Park is located and operated or as may be required by the lease or mortgage for the premises Also, related to any construction, renovation or remodeling of the Launch Trampoline Park, you must maintain builders risks insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, satisfactory to us These requirements are subject to change by us, without notice

We may require you to obtain insurance coverage for other risks or increase the required amount of coverage and require different or additional insurance during the Franchise Agreement term Your premiums depend upon the insurance carrier's charges, terms of payment and your history Each insurance policy must (1) name us as an additional named insured and contain a waiver of all subrogation rights against us, (2) provide for 30 days' prior written notice to us of any material modification, cancellation, or expiration of such policy, (3) provide that coverage applies separately to each insured against whom a claim is brought, (4) contain no provision which limits coverage in the event of a claim by a party who is indemnified under the Franchise Agreement, (5) be primary, and (6) extend to and provide indemnity for all obligations assumed by you under the Franchise Agreement We must approve your insurance carriers

If you do not obtain and maintain the insurance coverages that we require, we may (but are not obligated to) obtain insurance on your behalf If we do this, you must reimburse the premium costs we incur on your behalf plus a 10% administrative fee

**Marketing Materials**

Before you use them, you must send us for approval samples of all advertising, promotional and marketing material which we have not prepared and/or previously approved We will have 15 days after receipt of the proposed materials to approve or disapprove of them Unless you receive our specific approval of the proposed materials, they are deemed not approved You may not use any advertising or promotional materials that we have disapproved Any materials you submit to us for our review will become our property for the benefit of the system, and there will be no restriction on our use or distribution of these materials You must include certain language on your advertising and marketing materials as we require, such as "Franchises Available" and our website address and telephone number

**Site Approval and Development**

Your Launch Trampoline Park must be at a site that we have approved We will not unreasonably withhold our approval of a site that meets our minimum criteria for your Launch Trampoline Park premises Our approval doesn't assure or guarantee your success in that site Any lease or sublease for an approved site must be in a form satisfactory to us and must include a signed copy of the Collateral Assignment of Lease which is attached as Exhibit D to the Franchise Agreement

You must prepare all required construction plans to suit the shape and dimensions of the approved premises and that must incorporate our specifications and requirements You must make sure that your plans and specifications comply with applicable law (including the Americans with Disabilities Act), ordinances, all building codes, permit requirements and lease requirements and restrictions We will provide you with our mandatory and suggested specifications and requirements for a Launch Trampoline Park, including requirements for dimensions of the premises, design, image, decor, layout, signs, furniture, fixtures, equipment and color scheme We must review and approve all construction plans before you begin to construct the Launch Trampoline Park to make sure that they meet our design requirements Our review of your plans is only meant to determine that the plans comply with our requirements for the appearance of a Launch Trampoline Park and presentation of the Marks, and is not meant to assess compliance with any applicable law, ordinance or building code We may inspect the Launch Trampoline Park during its construction You may not open your Franchised Business until we have give our approval

## 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 Agreement | Disclosure Document Item |
|---|---|---|
| (a) Site selection and acquisition/lease | FA Section 4<br>MUDA Section 2<br>Site Selection Agreement 2,4,5 | Items 7, 8 and 11 |
| (b) Pre-opening purchases/leases | FA Section 4 | Items 5, 7 and 11 |
| (c) Site development and other pre-opening requirements | FA Section 4 | Items 8 and 11 |
| (d) Initial and ongoing training | FA Section 5 | Items 5, 6, 7 and 11 |
| (e) Opening | FA Section 4<br>MUDA Section 1 | Item 11 |
| (f) Fees | FA Sections 10, 12, 16, 17 and 19<br>MUDA Section 3<br>Site Selection Agreement 3 | Items 5, 6, 7 and 11 |

| Obligation | Section in Agreement | Disclosure Document Item |
|---|---|---|
| (g) Compliance with standards and policies/Operating Manual | FA Sections 5 4 and 11 | Item 11 |
| (h) Trademarks and proprietary information | FA Sections 6, 7, 8 and 9 | Items 13 and 14 |
| (i) Restrictions on products/services offered | FA Section 11 | Items 8 and 16 |
| (j) Warranty and customer service requirements | Not applicable | Not applicable |
| (k) Territorial development and sales quotas | MUDA Section 1 | Not applicable |
| (l) On-going product/service purchases | FA Section 11 | Item 8 |
| (m) Maintenance, appearance and remodeling requirements | FA Sections 4 10 and 11 1 | Item 6 |
| (n) Insurance | FA Section 11 9 | Items 6 and 8 |
| (o) Advertising | FA Sections 4 8 and 12 | Items 6, 8 and 11 |
| (p) Indemnification | FA Sections 6 5 and 15<br>MUDA Section 9 | Item 6 |
| (q) Owner's participation/management/ staffing | FA Section 11 8<br>MUDA Section 1 | Items 11 and 15 |
| (r) Records/reports | FA Section 13 | Item 11 |
| (s) Inspections/audits | FA Section 14 | Items 6 and 8 |
| (t) Transfer | FA Section 16<br>MUDA Section 6 | Items 6 and 17 |
| (u) Renewal | FA Section 17<br>MUDA Section 1 | Items 6 and 17 |
| (v) Post-termination obligations | FA Section 19<br>MUDA Section 5 | Item 17 |
| (w) Non-competition covenants | FA Sections 9, 16 3 and 19 4<br>MUDA Section 5<br>Site Selection Agreement 6 | Item 17 |
| (x) Dispute resolution | FA Section 20<br>MUDA Section 8 | Item 17 |
| (y) Liquidated damages | FA Section 19 | Item 6 |

## ITEM 10
## FINANCING

We do not offer direct or indirect financing We do not guarantee your note, lease or obligation

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

**Except as listed below, Launch Franchising, LLC is not required to provide you with any assistance**

**Pre-Opening Obligations**

**Multi-Unit Development Agreement** Before you begin operating under the Multi-Unit Development Agreement, we will provide you with the following assistance

1 We will grant you the exclusive rights to a Development Territory within which you will assume the responsibility to establish an agreed upon number of Launch Trampoline Parks under separate Franchise Agreements and according to an agreed-upon schedule (Multi-Unit Development Agreement – Section 1 )

2 We will grant you exclusive rights to establish an agreed upon minimum number of Franchised Businesses at locations we approve within the Development Territory (Multi-Unit Development Agreement – Section 4 )

**Franchise Agreement** Before you open your Launch Trampoline Park, we will

1 Approve sites that meet our requirements You must submit to us the information we require, including demographic, commercial, and other information and photographs, for the site at which you propose to establish and operate the Launch Trampoline Park In approving or disapproving any proposed site, we will consider the matters we deem material, such as demographic characteristics of the proposed site, traffic patterns, parking, the predominant character of the neighborhood, competition from other businesses providing similar services within the area (including other Launch Trampoline Parks), the number of households, income levels, population, the purchase price or lease terms for the proposed site and other commercial characteristics, the size of the premises, appearance, and other physical characteristics of the proposed site We do not have to state the reasons we either approve or disapprove of any specific site If you do not locate a suitable site within 180 days after you sign the Franchise Agreement, we may terminate the Franchise Agreement and provide you with a partial refund of the initial franchise fee (Franchise Agreement – Section 4 1 )

2 Approve a lease or purchase agreement for the approved site, if the lease or purchase agreement meets our criteria We do not have to state the reasons we either approve or disapprove of any specific lease If we do not notify you of our approval or disapproval a proposed lease or purchase agreement within 30 days, it shall be deemed approved (Franchise Agreement – Section 4 2 ) At our request, you and your landlord must sign a Collateral Assignment of Lease, in the form attached to the Franchise Agreement as Exhibit D

3 Furnish specifications and requirements for design, decoration, layout, equipment, furniture, fixtures, color scheme, signs and other operating materials needed for the Launch Trampoline Park to open We will approve your construction plans if they meet our requirements (Franchise Agreement – Section 4 3 ) Our review of your construction plans is not meant to assess compliance with

any applicable laws, ordinances, or building codes  Our review of your proposed plans is only to verify that your Launch Trampoline Park will be built out according to our specifications for design, appearance and presentation of the Marks

4 Loan you for your sole use one copy of the Manual for the term of the Franchise Agreement in any format we choose  (Franchise Agreement – Section 5 4 )

5 Train up to three people in the operation of your Launch Trampoline Park  We describe this training later in this Item  We will also provide one of our representatives to assist with opening your Launch Trampoline Park for up to five days  If you are opening your second or later Launch Trampoline Park, we reserve the right to not provide opening assistance  (Franchise Agreement – Section 5 )

6 Approve or disapprove the grand opening advertising and promotional program you must conduct for the Launch Trampoline Park  (Franchise Agreement – Section 4 8 )  At our request, you must give us the money for your grand opening, advertising campaign and we will conduct this marketing for you, as previously described

<u>**Continuing Obligations**</u>

**Franchise Agreement**  During the operation of your Launch Trampoline Park, we will do the following

1 Furnish guidance to you with respect to  (i) specifications, standards and operating procedures utilized by Launch Trampoline Parks and any modifications of them, (ii) purchasing approved equipment, fixtures, signs, inventory, and operating materials and supplies, (iii) developing and implementing local marketing and promotional programs, (iv) administrative, bookkeeping, accounting, inventory control, and general operating and management procedures of Launch Trampoline Parks, and (v) establishing and conducting employee training programs at the Launch Trampoline Park  This guidance will be furnished in the form of updates to the Manual, bulletins, written reports and recommendations, other written materials (including e-mail), refresher training programs and/or periodic telephone consultations, consultations at our offices or at your Launch Trampoline Park  (Franchise Agreement – Section 5 3 )

2 Additional training and assistance on-site at your Launch Trampoline Park at your request  You must pay our then-current per diem fee for each trainer we send to you, and you must reimburse our trainers' expenses, including travel, lodging and meals  We may also provide periodic refresher training  (Franchise Agreement – Sections 5 1 and 5 2 )

3 License to you the right to use the Marks and certain copyrighted works and will indemnify you from certain claims relating to your use of the Marks as more fully described in Items 13 and 14  (Franchise Agreement – Sections 6 and 7 )

4 Maintain a Brand Development Fund  (Franchise Agreement – Section 12 1 )

5 Designate the minimum and/or maximum prices that you may charge for the products and services offered at your Launch Trampoline Park, as permitted by applicable law  Currently we have not set the minimum and/or maximum prices  (Franchise Agreement – Section 11 4 )

6 Indemnification against and reimbursement for all damages for which you are held liable in any proceeding arising out of your use of any of the Marks (including settlement amounts), if you and

your Owners have fully complied with the terms of the Franchise Agreement (Franchise Agreement- Section 6 5 )

**Brand Development Fund**

The Fund was not created in fiscal 2017, so no money was spent by the Fund We reserve the right to establish a brand development fund (referred to as the "Fund") for brand development, advertising, marketing and public relations programs that we believe are necessary or appropriate to promote Launch Trampoline Parks You must contribute up to 1% of your Gross Sales to the Fund each week once the Fund is established Any Launch Trampoline Parks owned and operated by us or our affiliates will contribute to the Fund on the same basis as you

We will direct all advertising and public relations programs financed by the Fund with sole discretion over the creative concepts, materials, and endorsements it uses, and the geographic, market, and media placement and allocation of it The Fund may be used to pay the costs of developing advertising ideas and concepts, developing market research and merchandising programs, preparing advertising campaigns, developing promotional ideas and strategies, preparing collateral creative materials, preparing advertisements, preparing public relations campaigns, providing technical and professional advice in connection with any of the above including all labor costs associated with this marketing activity, and placement of advertising We may receive reimbursement from the Fund to cover administrative costs and overhead we may incur, including salary costs of employees working exclusively for the Fund and collecting and accounting for contributions to the Fund (including attorneys' fees) The Fund will not otherwise benefit us

You must participate in all advertising and public relations programs conducted by the Fund The Fund may furnish you with samples of certain marketing, advertising and promotional formats and other materials without charge We will not spend any contributions to the Fund on advertising that is principally a solicitation of new franchisees

The Fund will be held in an account that is separate from our other funds We may spend in any fiscal year an amount greater or less than the aggregate contribution of all Launch Trampoline Parks to the Fund in that year and the Fund may borrow from us or at our election other lenders at standard commercial interest rates to cover deficits of the Fund or cause the Fund to invest any surplus for future use by the Fund Any money remaining in the Fund at the end of any year will carry over to the next year We will prepare, and furnish to you upon written request, an annual statement of money collected and costs incurred by the Fund We are not required to have the Fund, or any annual statements, audited

You authorize us to collect for payment to the Fund any advertising or promotional monies or credits offered by any supplier based upon purchases from that supplier by Launch Trampoline Parks in the System Any advertising or promotional monies or credits we collect from any supplier based upon your purchases from that supplier will not count toward your required contribution to the Fund

We may have the Fund incorporated or operated through an entity separate from us that we solely select, at any time we deem appropriate, and the successor entity will have all our rights and duties as described in this section and in the Franchise Agreement

The Fund is intended to maximize recognition of the Marks and patronage of Launch Trampoline Parks broadly Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising, to benefit all Launch Trampoline Parks franchisees, we have no obligation to make sure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Fund by the Launch Trampoline Parks operating in that geographic area, or that any Launch Trampoline Park will benefit directly or in proportion to its contribution to the Fund from the development of advertising and marketing materials or the placement of advertising Your failure to derive this benefit will not serve as a basis for a reduction or elimination of your obligation to contribute fully to the Fund We have no fiduciary obligation to you or any other Launch Trampoline Park in connection with the establishment of the Fund or the collection, control or administration of monies paid into the Fund Except as expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you or your organization with respect to the maintenance, direction, or administration of the Fund (Franchise Agreement – Section 12 1)

We have the right to terminate the Fund at any time We will not terminate the Fund until all money in the Fund has been spent for advertising and promotional purposes If we choose to terminate the Fund, we also have the right to reinstate it at any time, and any reinstated Fund will be maintained as described above

Since the Fund has not yet been established, no money has been spent by the Fund

**Grand Opening Advertising**

You must conduct a grand opening advertising campaign to promote the opening of your Launch Trampoline Park to the public, and you must spend $25,000 for your grand opening advertising campaign Your Grand Opening Advertising plan must be designed and managed by our approved vendors and the plan must be approved by us prior to execution Your grand opening advertising and promotional program must include the give-aways we specify, including, but not limited to,coupons, promotional tickets, radio advertising and print advertising Such advertising and promotion program shall be in addition to advertising and promotion conducted pursuant to this Agreement, shall utilize marketing and public relations programs and media and advertising materials approved by us, and shall be conducted in accordance with our specifications and standards

In addition to paid advertising, you must participate in local event marketing weekly using the mascot (Joey) Event marketing must begin 60 days prior to opening your park Your campaign must be conducted in the 60 day period that includes 30 days before and 30 days after opening of your Launch Trampoline Park At our request, you must give the grand opening advertising money to us and we will conduct the grand opening marketing on your behalf If we control this money, we will use all of it for your benefit

**Local-Advertising**

You must conduct local advertising and promotional programs in your Territory to promote your Launch Trampoline Park, and you must spend at least 4% of Gross Sales or $4,000 each month, whichever amount is greater, on your local advertising Within 30 days after our request, you must provide us with a report detailing your local advertising activities The information we may request includes verification copies of your advertising The amounts you spend for local advertising and promotion do not include any reimbursed expenses or direct expenses paid by a supplier of your Launch Trampoline Park (Franchise Agreement – Section 12 2)

Any advertising or marketing materials you propose to use that have been prepared by or for you, or that we have not approved in the immediately preceding 12 month period, must be submitted to us for our review before you may use them We will have 15 days after receipt of these materials to approve or disapprove of them If we do not provide our specific approval of your materials, they are deemed not approved Any advertising or promotional materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials

At our request, you must include certain language in your local advertising, including "Franchises Available" and our Website address and telephone number

**Advertising Cooperatives**

We may designate any geographic area in which two or more Launch Trampoline Parks are located as an area for purposes of establishing an advertising Cooperative, or we may approve of the formation of an advertising Cooperative by our franchisees The members of the Cooperative for any area will consist of all franchised Launch Trampoline Parks, and may include Launch Trampoline Parks operated by us or our affiliates We have the right to form, dissolve, merge or change the structure of the Cooperatives Each Cooperative will be organized for the exclusive purposes of administering advertising programs and developing, subject to our approval as described above, promotional materials for use by the members in local advertising If a Cooperative has been established for a geographic area where your Launch Trampoline Park is located when the Franchise Agreement is signed, or if any Cooperative is established during the term of the Franchise Agreement, you must become a member of the Cooperative You will not have to participate in more than one Cooperative If the Cooperative will operate according to written documents, we must approve of these documents, and a copy of the Cooperative documents applicable to the geographic area in which your Launch Trampoline Park will be located will be provided to you if you request it We may make ongoing modifications to our advertising cooperative and we will communicate these changes to you in a variety of ways, including through changes in our Operational Manuals

Any contributions you make to a Cooperative will count toward and not exceed your 4% local advertising requirement, but if the amount you contribute to a Cooperative is less than the amount you must spend on local advertising, you must still spend the difference locally All contributions to the Cooperative will be maintained and administered in accordance with the documents governing the Cooperative, if any The Cooperative will be operated solely as a conduit for the collection and expenditure of the Cooperative fees for the purposes outlined above The Cooperative is not required prepare an annual financial statement

Each Cooperative member, including us or our affiliates, will have one vote on all Cooperative matters, but no franchisee (or commonly controlled group of franchisees) will have greater than 25% of the total vote

**Advisory Council**

We may, in our discretion, form an advisory council to work with us to improve the System, the products and services offered by Launch Trampoline Parks, advertising conducted by the Fund, and any other matters that we deem appropriate If an advisory council is formed it will act solely in an advisory capacity and will not function as a Board of Directors in any manner, nor have decision making authority We will have the right to form, change, merge or dissolve any advisory council The advisory council will include our representatives and franchisee representatives The franchisee representatives may be chosen by us or may be elected by other franchisees in the System as we solely choose If you participate in an advisory council you will pay any expenses you incur related to your participation, which may include travel, lodging and meals expenses and related travel expenses, if you must travel to attend council meetings

## Website / Intranet

We solely may establish, maintain, modify or discontinue all internet, worldwide web and all electronic commerce activities pertaining to the System in every manner We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and provide for the benefit of your Launch Trampoline Park a "click through' subpage at our website for the promotion of your Franchised Business If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Franchised Business, you must routinely provide us with updated copy, photographs and news stories about your Franchised Business suitable for posting on your "click through" subpage, which we will review and approve, prior to it being made visible on the internet We reserve the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage

Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the products, programs or services available at Launch Trampoline Parks – also be devoted in part to offering Launch Trampoline Park franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and system-wide communications (among other activities) can be done You may not maintain your own website or a private email address from which you or others may use to conduct any business from, otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Franchised Business, establish a link to any website we establish at or from any other website or page, or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "Launch Trampoline Park" name or any name confusingly similar to the Marks

You are not permitted to promote your Franchised Business or use any of the Marks in any manner on any social or networking websites, such as Facebook, LinkedIn or Twitter, without our prior written consent We will control all social media initiatives

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage

## Computer / Point of Sale System

You must purchase and use certain computer hardware and software, including point of sale systems, that meet our specifications and that are capable of electronically interfacing with our computer system The computer system is used to collect and monitor point of sale information, to create business reports and for scheduling, and may be used to collect and monitor inventory control and shrinkage, payroll and accounting information, on line ticket sales, scheduling, capacity management, liability waiver management, time clock, and credit card processing

The computer system must allow us to have immediate access to the information monitored by the system, and there is no contractual limitation on our access or use of the information we obtain You must install and maintain equipment and a high-speed telecommunication line (such as T-1 or cable modem) in accordance with our specifications to permit us to access the computer system at your Launch Trampoline Park premises as described above This will permit us to electronically inspect and monitor information concerning your Launch Trampoline Park's Gross Sales and any other information that may be contained or stored in the computer system You must make sure that we have unlimited access at the times and in the manner we specify, at your cost

You must purchase or lease the Center Edge or the approved point of sale system with the minimum components we require Our specific requirements for the computer system will be included in our Manual, and the components you must purchase may be determined by the size of your Launch Trampoline Park You must purchase the computer system from any authorized seller, unless we designate a specific supplier We expect that the computer system will cost between $37,000 to $48,700 You must also pay a usage fee for your point of sale computer software and online components which we anticipate will cost approximately $5,500 per year We reserve the right to change the designated computer system in the future

You must also purchase and install a surveillance camera system for your building security, if permitted by applicable law We may require you to purchase or lease this system from a single approved vendor We expect that the security system will cost between $8,000 to $16,500 You must make sure that we have unlimited access to your security system at all times

You must obtain all upgrades and/or updates to the software used with the computer system, at your expense All software used with the computer system must be kept up to date In addition, we may require you to update and/or upgrade all or a portion of your computer system during the term of your Franchise Agreement, at your expense The Franchise Agreement does not limit our ability to require you to update and/or upgrade your computer system or the cost of any update and/or upgrade Neither we nor any affiliate of ours will provide you with any updates, upgrades or maintenance for your computer system

You must obtain and maintain a high speed internet connection at all times for your computer system as defined in our operations manual and this is subject to change It will be a material default under the Franchise Agreement if you do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the term of the Franchise Agreement We will have independent access to your surveillance system, and there are no limitations on our rights to do so We must have unlimited access at all times and in the manner that we specify

**Site Selection and Opening**

- You must assume all costs, liabilities, expenses and responsibility for locating, obtaining and developing a site for the Launch Trampoline Park and for constructing and equipping the Launch Trampoline Park at the accepted site You will select the site for the Launch Trampoline Park subject to our approval and using our site submittal forms and/or criteria The Launch Trampoline Park may not be relocated without first obtaining our written consent Before you lease or purchase the site for the Launch Trampoline Park, you must locate a site that satisfies our site selection guidelines If you request that we conduct an on-site evaluation, then before we conduct the on-site evaluation, you must submit to us in the form we specify a description of the site, including evidence that the site satisfies our site selection guidelines as defined in our Operations Manual, together with other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site

You must submit information and materials for the proposed site to us for approval no later than 180 days after you have signed the Franchise Agreement We will have 30 days after we receive this information and materials from you to approve or disapprove the proposed site as the location for the Launch Trampoline Park If we do not provide our specific approval of a proposed site, the site is deemed not approved We do not warrant or guarantee that your Launch Trampoline Park will be successful at any site that we approve Our approval only means that the site meets our general requirements for a Launch Trampoline Park

You must submit to us the information we require, including demographic, commercial, and other information and photographs, for the site at which you propose to establish and operate the Launch Trampoline Park In approving or disapproving any proposed site, we will consider the matters we deem material, such as demographic characteristics of the proposed site, traffic patterns, parking, the predominant character of the neighborhood, competition from other businesses providing similar services within the area (including other Launch Trampoline Parks), the number of households, income levels, population, the purchase price or lease terms for the proposed site and other commercial characteristics, the size of the premises, appearance, and other physical characteristics of the proposed site If you do not locate a suitable site within 180 days after you sign the Franchise Agreement, we may provide you with an extension of this timeframe or we may terminate the Franchise Agreement and provide you with a partial refund of the initial franchise fee

We estimate that the time from when the Franchise Agreement is signed to the opening of the Launch Trampoline Park will be approximately 9 to 12 months This time may be shorter or longer depending on the time necessary to obtain an accepted site, to obtain financing, to obtain the permits and licenses for the construction and operation of the Launch Trampoline Park, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Launch Trampoline Park, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Launch Trampoline Park, including purchasing inventory and supplies You must open the Launch Trampoline Park and begin business within 12 months after the Franchise Agreement is signed, unless your opening is delayed due to circumstances beyond your control If you are unable to open your Launch Trampoline Park within 12 months after you sign the Franchise Agreement, except for circumstances not in your control, you must pay a delayed opening fee as described in Item 5

If you are a Multi-Unit Developer, you must sign your first Franchise Agreement at the same time you sign the Multi-Unit Development Agreement The typical length of time between the signing of the Franchise Agreement and the opening of your Launch Trampoline Park is the same as for an individual franchisee

**Training**

No later than 30 days before the date your Launch Trampoline Park begins operation, you, your General Manager and one additional employee (for a maximum of three people) must attend and complete, to our satisfaction, our initial training program Approximately two weeks of training will be conducted at our affiliate's Launch Trampoline Park in Warwick, Rhode Island, or at another location we designate Initial training programs will be offered at various times during the year depending on the number of new franchisees entering the System, replacement general managers and other personnel needing training, the number of new Launch Trampoline Parks being opened and the timing of the scheduled openings of Launch Trampoline Parks There is currently no regular schedule for providing our training program

We will provide instructors and training materials for the initial training of you, your General Manager and two additional employee at no additional charge, but you must pay the travel expenses and wages incurred by you and your trainees while attending training You may also have additional personnel trained by us for your Launch Trampoline Park, at your expense You and your General Manager must complete the initial training program to our satisfaction If the General Manager does not satisfactorily complete the initial training program or if we determine that the General Manager cannot satisfactorily complete the training program, you must designate a replacement to satisfactorily complete the training, at your expense, before you will be permitted to open your Launch Trampoline Park Any General Manager subsequently designated by you must also receive and complete the initial training to our satisfaction, even if this requires sending that Manager to the headquarters training program, at your expense We reserve the right to charge a reasonable fee for the initial training we provide to a replacement or successor employee if we have not approved you to provide the training You must also pay for all expenses you, your General Manager and other personnel incur for any training program, including costs of travel, lodging, meals and applicable wages If your replacement General Manager does not complete our training program to our satisfaction, we may terminate your Franchise Agreement and provide you with a partial refund of the initial franchise fee

For the opening of your Launch Trampoline Park, we will provide you with one of our trained representatives of our sole choice to your location The trained representative will provide on-site pre-opening and opening training, supervision, and assistance to you for up to five calendar days around your Launch Trampoline Park's opening

If, during the term of your Franchise Agreement, you request that we provide additional training on-site at your Launch Trampoline Park, you must pay our then-current per diem fee for each trainer we provide, and you must reimburse us for any expenses our trainers incur, such as costs of travel, lodging, and meals

We reserve the right to use our affiliate's employees to assist in portions of the training The minimum experience of the instructors in the field that is relevant to the subject taught and our operations is from one to twelve years The instructional materials used in the initial training consist of our Manual, marketing and promotion materials, programs related to the operation of the computer system, and any other materials that we believe will be beneficial to our franchisees in the training process

As of the date of this Disclosure Document, we provide the following training program

**TRAINING PROGRAM**

| Subject | Hours of Classroom Training | Hours of On-the-Job Training | Location |
|---|---|---|---|
| Online Info & Booking | 3 | 3 | Warwick, RI |
| Open Jump, POS & Customer Service | 4 | 20 | Warwick, RI |
| Birthday Parties & Special Programs | 2 | 8 | Warwick, RI |
| Cafe Procedures | 2 | 8 | Warwick, RI |
| Administration & Management | 5 | 20 | Warwick, RI |
| Marketing | 4 | 8 | Warwick, RI |

The entire training program is subject to change due to updates in materials, methods, manuals and personnel without notice to you The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the experience or individual needs of those persons being trained

All of our instructors are part of our management

The minimum experience of the instructors in the field that is relevant to the subject taught and our operations is from [5 to 15] years

We may choose to hold an annual meeting of our franchisees to provide additional training, introduce new products or changes to the System, or for other reasons We may designate that attendance at an annual meeting is mandatory for you, your General Manager and/or other personnel We do not anticipate charging a fee to attend the meeting, but you will pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages We will designate the location of any franchisee meeting, such as a resort hotel

We may also choose to hold refresher training courses, and we may designate that attendance at refresher training is mandatory for you, your General Manager and/or other personnel We do not anticipate charging a fee for refresher training, but you will pay for all of the expenses incurred by your trainees, including travel, lodging, meals and wages

In addition to our initial training program, you, your managers and any other personnel we designate must be ServSafe (or similar) certified The cost of this certification is not included in the initial franchise fee and we do not provide this certification You must provide us with a copy of the completion certificates for all employees of your location(s) You may need to receive periodic additional training and/or certification

**Operations Manual**

The table of contents to the Operations Manual is attached to this Disclosure Document as Exhibit G The Operations Manual includes approximately 442 pages of material

## ITEM 12
## TERRITORY

**Franchise Agreement**

Your Franchise Agreement will specify the site that will be the Approved Location for your Launch Trampoline Park You will not receive an exclusive territory You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control There are no minimum territorial boundaries granted to you

During the term of the Franchise Agreement, we will not establish or operate, nor license any other person to establish or operate, a Launch Trampoline Park in the Territory, except as may be permitted under the Franchise Agreement and those exceptions are described below Your territorial protection does not depend on your achieving a certain sales volume, market penetration, or other factor, other than compliance with the Franchise Agreement for that relocation

If, during the term of the Franchise Agreement, you wish to relocate your Launch Trampoline Park, or if your Launch Trampoline Park is damaged or destroyed and cannot be repaired within 60 days, you must submit to us in writing the materials we require to consider your request, including information concerning the proposed new location for your Launch Trampoline Park You must also meet certain other requirements, such as being in compliance with the Franchise Agreement, the location meets our then-current requirements for a Launch Trampoline Park and is located within your Territory, and you must sign our then-current form of Franchise Agreement If we permit you to relocate, you will not pay a new initial franchise fee when you sign the new Franchise Agreement

We and our affiliates retain all rights with respect to Launch Trampoline Parks, the Marks, and any products and services anywhere in the world including the right (a) to produce, offer and sell and to grant other the right to produce, offer and sell the products offered at Launch Trampoline Parks and any other goods through alternative channels of distribution, including Internet, catalog sales, telemarketing or other direct marketing sales, both within and outside the Territory, under trade and service marks other than the Marks and under any terms and conditions we deem appropriate, (b) to operate and to grant others the right to operate Launch Trampoline Parks located outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to your Launch Trampoline Park, and (c) the right to acquire and operate a business with one or more indoor recreation facilities located or operating in your Territory, but if we do acquire this business any facilities located or operating within your Territory will not use the Marks

We and our affiliates may sell products and services under the Marks within and outside your Territory through any method of distribution other than a dedicated Launch Trampoline Park, including sales through channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing sales (together, "alternative distribution channels") You may not use alternative distribution channels to make sales anywhere, except as described in the following paragraph, and you will not receive any compensation for our sales through alternative distribution channels except as described in the following paragraph

If we engage in electronic commerce through any alternative distribution channel and we receive orders for any products offered by a Launch Trampoline Park calling for delivery or performance in your Territory, such as advance ticket sales, then we will offer the order to you Orders for retail logoed merchandise placed through our website will be fulfilled by us or our Affiliate, we do not have to pay you and you will not receive any portion of the revenues from the sales even if the order originates from or is delivered to an address within your Territory

You may not engage in any promotional activities or sell our proprietary products or similar products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the "Electronic Media"), through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere, or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Territory subject to our approval, and you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the internet, printed media or reach of television and radio, are viewed by prospective customers outside of your Territory, you may not make any sales or deliver any products to customers located outside of your Territory In addition, you may not directly solicit customers outside of your Territory You have no options, rights of first refusal, or similar rights to acquire additional franchises You may not sell any products to any business or other customer at wholesale

We have not yet established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark We describe earlier in this Item 12 what we may do anywhere and at any time

Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned Launch Trampoline Park which sell our products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent

**Multi-Unit Development Agreement**

If you enter into a Multi-Unit Development Agreement, you will receive a Development Territory within which you will have certain rights to develop multiple Launch Trampoline Parks The size of the Development Territory will depend on the number of Launch Trampoline Parks you commit to develop, and may be described in terms of contiguous zip codes, street or county boundaries, or other similar methods, and may be depicted on a map Continuation of your exclusive territory does depend on your achieving a certain sales volume, market penetration, or other contingency, or we may terminate your agreement If you meet the minimum Development Schedule, comply with all other provisions described in the Multi-Unit Development Agreement and otherwise comply with the provisions of each related Franchise Agreement, we will not establish or license others to establish a Launch Trampoline Park within the Development Territory assigned to you You maintain your rights to your Development Territory even if the population increases

Upon completion of your Development Schedule pursuant to the Multi-Unit Development Agreement, your rights to develop Launch Trampoline Parks within the Development Territory will end and you will have no further rights in the Development Territory, except for the individual Territories granted under the Franchise Agreements you have signed with us You have no options, rights of first refusal, or similar rights to acquire additional franchises within the Territory or contiguous territories

Under the Multi-Unit Development Agreement we retain the right, in our sole discretion and without granting any rights to you (a) to own and operate, or to grant other persons the right to own and operate, Businesses at locations outside your Development Territory, and on terms and conditions we deem appropriate in our sole discretion, and (b) to sell outside the Development Territory the services and products authorized for Businesses under the Marks or other trademarks, service marks and commercial symbols through dissimilar channels of distribution and according to the terms and conditions we deem appropriate

**Site Selection Agreement**

For each proposed site that you identify, you must submit to us a Franchise Site Application including such information about the site as Franchisor may reasonably request to perform its evaluation This information may include, among other things, a description of the proposed site, demographic characteristics, traffic patterns, parking, character of the neighborhood, competition from other businesses in the area, the proximity to other businesses, the nature of other businesses in proximity to the site, and other commercial characteristics (including the purchase price, rental obligations and other lease terms for the proposed site) and the size, appearance, other physical characteristics and a site plan of the premises

The term of this Agreement begins on the Effective Date and expires one-hundred twenty (120) days after the Effective Date At your request and at our sole discretion, we may grant an extension of up to sixty (60) days after the expiration of the Term The term may be extended only by a written agreement signed by both parties This Agreement will expire automatically upon execution of the Franchise Agreement by the parties

## ITEM 13
## TRADEMARKS

Under the Franchise Agreement, we grant you the non-exclusive right to use the Marks The Multi-Unit Development Agreement does not authorize you to use the Marks Our principal trademark is "Launch Trampoline Park" and associated design We have registered or applied for registration of the following Marks on the Principal Register of the United States Patent and Trademark Office ("USPTO") as follows

| Mark | Filing Date | Serial Number | Reg Date | Reg Number |
|---|---|---|---|---|
| Launch Trampoline Park (design) | May 16, 2013 | 85/933,761 | December 31, 2013 | 4458880 |
| Launch Trampoline Park | May 16, 2013 | 85/933,564 | January 14, 2014 | 4465385 |
| Joey (design) | May 16, 2013 | 85/933,557 | January 14, 2014 | 4465384 |

We own the following principal Mark, which are on the Principal Register with the U S Patent and Trademark Office ("USPTO") We intend to file all required affidavits and to renew our registrations for the Marks when they become due

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation involving the Marks There are no agreements currently in effect that significantly limit our right to use or license the use of the Marks in any manner material to you We intend to file all affidavits and other documents required to maintain our interests in the Marks

Your right to use the Marks is derived solely from the Franchise Agreement and is limited to your operation of a Launch Trampoline Park in compliance with the Franchise Agreement and all applicable standards, specifications and operating procedures we prescribe during the term of the Franchise Agreement Any unauthorized use of the Marks by you constitutes a material breach of the agreement and a serious infringement of our rights in and to the Marks Your use of the Marks and any goodwill established by your use will be for our exclusive benefit All provisions of the Franchise Agreement applicable to the Marks will apply to any other trademarks, service marks, commercial symbols and trade dress we authorize in writing for use by and licensed to you after you sign the agreement

You must use the Marks as the sole trade identification of the Launch Trampoline Park and must identify yourself in the form we prescribe as the independent owner of the Launch Trampoline Park You may not use any Mark or variation thereof as part of any corporate name or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form You may not use any Mark or any variation of it in connection with the performance or sale of any unauthorized services or products, as part of the domain name or address of a website, or in any other manner we have not expressly authorized in writing You must display the Marks prominently in the manner we prescribe You must give notices of trademark and service mark registrations that we specify and obtain business name registrations as required under applicable law

You must immediately notify us of any apparent infringement of or challenge to your use of any Mark or claim by any person of any rights in any Mark You may not communicate with anyone except us and our counsel with respect to any infringement, challenge or claim unless instructed by us in writing to do so We will have sole discretion to take any action we deem appropriate in connection with any infringement, challenge or claim, and we have the sole right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark You must sign any and all instruments and documents, give assistance, and do any acts and things as may in the opinion of our counsel be necessary or advisable to protect and maintain our interests in any litigation or proceeding or otherwise to protect and maintain our interests in the Marks We will reimburse you for the reasonable out-of-pocket expenses you incur and pay in complying with these requirements

The Franchise Agreement does not require us to take affirmative action when notified of any infringements of or challenges to the Marks, but we intend to vigorously defend the Marks We have the right to control any litigation or administrative proceedings involving the Marks We will indemnify you against and reimburse you for all damages for which you are held liable in any proceeding arising out of your use of any Mark pursuant to and in compliance with the agreement, and for all costs you reasonably incur in the defense of any claim in which you are named as a party, if you have promptly notified us of the claim, have given us sole control of the defense and settlement of the claim and have otherwise complied with your Franchise Agreement

If it becomes advisable at any time in our sole judgment for you to modify or discontinue the use of any Mark and/or for the Launch Trampoline Park to use one or more additional or substitute trade or service marks, you must immediately comply with our directions to modify or otherwise discontinue the use of the Marks and/or to use one or more additional or substitute trademarks, service marks, logos or commercial symbols or substitute trade dress after our notice to you We are not obligated to reimburse you for any expenses you incur in connection with any discontinuance or modification

If, during the term of your Franchise Agreement, you choose to enter into an agreement with a celebrity athlete to endorse your Launch Trampoline Park, and if we have approved of the endorser, you must change signage and other decor as we require to reflect the endorsement with Launch Trampoline Park We are not obligated to reimburse you for any expenses you incur related to replacing signage or decor items in relation to an endorsement

As of the date of this Disclosure Document, we do not actually know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks in any state

## ITEM 14
## PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not have an ownership interest in any patents or copyrights that are material to the franchise

We claim common law copyrights in the Operations Manual, advertising materials, computer works, and similar items used in operating the Launch Trampoline Park We have not registered these copyrighted works with the United States Registrar of Copyrights, and we are not required to do so to protect them

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted works No agreement limits our right to use or license the copyrighted works Finally, we do not know of any infringing uses which could materially affect your use of the copyrighted works in any state We are not required by any agreement to protect or defend the copyrighted works except as described below

In the Franchise Agreement, you acknowledge and agree (1) that we may authorize you to use certain copyrighted or copyrightable works in our discretion, (2) that the copyrighted works are the valuable property of us or our affiliates and of which we or our affiliates are the owner, and (3) that the rights granted to you are solely on the condition that you comply with the terms of the Franchise Agreement You must acknowledge and agree that we own or are the licensee of the owner of the copyrighted works and will further create, acquire or obtain licenses for certain copyrights in various works of authorship used in connection with the operation of Launch Trampoline Parks Copyrighted works include the Operations Manual and may include all or part of the Marks, trade dress and other portions of the System We intend that all works of authorship related to the System and created in the future will be owned by us or our affiliates and copyrighted

Your right to use the copyrighted works is derived solely from the Franchise Agreement and is limited to the use of the copyrighted works in compliance with the agreement and all applicable standards, specifications, and operating procedures we prescribe You must make sure that all copyrighted works used bear an appropriate copyright notice under the Universal Copyright Convention or other copyright laws we prescribe specifying that we or an affiliate are the owner of the copyright The Franchise Agreement does not grant you any interest in the copyrighted works, other than the right to operate the Launch Trampoline Park in compliance with the agreement

You must immediately notify us in writing of any actual or apparent infringement of or challenge to any of the copyrighted works or claim by any person of any rights in the copyrighted works, and you may not communicate with any person other than us and our counsel in connection with any infringement, challenge or claim unless instructed by us in writing to do so We will have the sole discretion to take any action we deem appropriate and the right to control exclusively any settlement, litigation, arbitration or administrative proceeding arising out of any alleged infringement, challenge or claim or otherwise relating to the copyrighted works

In the unlikely event that it becomes advisable at any time for you to modify or discontinue use of any of the copyrighted works and/or for you to use one or more additional or substitute copyrighted or copyrightable items, you agree to immediately comply with our directions to modify or otherwise discontinue the use of the copyrighted materials and/or to use one or more substitute materials, at your sole expense

**Confidential Information**

We possess and will further develop and acquire certain confidential and proprietary information and trade secrets (the "Confidential Information") including but not limited to System standards, market research, advertising and promotional campaigns, approved suppliers, operating results of Launch Trampoline Parks, the terms of your agreement with us, the Operations Manual, graphic designs and other intellectual property, and your customer list

Under the Franchise Agreement we will disclose to you, during training and in guidance and assistance furnished to you, parts of the Confidential Information that you need for the development and operation of a Launch Trampoline Park You may learn or otherwise obtain from us additional Confidential Information during the term of your agreement You may disclose the Confidential Information to your owners and employees only as reasonably necessary to successfully operate your Franchised Business

You and your owners must acknowledge and agree that the Confidential Information is confidential to and a valuable asset of us and our affiliates, is proprietary, includes trade secrets of us and our affiliates and is disclosed to you on the condition that you, your owners and your employees who have access to the Confidential Information agree that during and after the term of the agreement you (1) will not use the Confidential Information in any other business or capacity, (2) will maintain the absolute confidentiality of the Confidential Information, (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written or other tangible form, (4) will adopt and implement all reasonable procedures we prescribe to prevent unauthorized use or disclosure of the Confidential Information, and (5) will require all principal owners and all employees and owners who have access to the Confidential Information to sign confidentiality and non-competition agreements in the form we prescribe and provide us, at our request, with signed copies of each agreement We will be a third party beneficiary of these agreements with the independent right to enforce their terms

Nothing contained in the Franchise Agreement will be construed to prohibit you from using the Confidential Information in connection with the operation of other Launch Trampoline Parks under valid Franchise Agreements with us

If you have obtained our prior written consent, the restrictions on the disclosure and use of the Confidential Information shall not apply to the following (a) information, methods, procedures, techniques and knowledge which are or become generally known in the indoor recreation business within your Territory, other than through deliberate or inadvertent disclosure by you, and (b) the disclosure of the Confidential Information in judicial or administrative proceedings if you are legally compelled by subpoena to disclose this information, provided you have notified us in writing before disclosure and used your best efforts to obtain, and afforded us the opportunity to obtain, an appropriate protective order or other assurance satisfactory to us of confidential treatment for the information required to be disclosed

You must disclose to us all ideas, concepts, promotional materials, methods, techniques and products relating to the development and operation of Launch Trampoline Parks conceived or developed by you or your employees during the term of the Franchise Agreement You must grant to us and agree to obtain from your affiliates, owners or employees a perpetual, non-exclusive and worldwide right to use these new ideas, concepts, promotional materials, methods, techniques and products in all Launch Trampoline Parks or other businesses operated by us, our affiliates and franchisees on an unlimited and unrestricted basis We have no obligation to make any payment to you with respect to any idea, concept, method, technique or product You agree that you will not use, nor will you allow any other person or entity to use, any concept, method, technique or product without obtaining our prior written approval

## ITEM 15
## OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must use your goodfaith and best efforts to develop and expand the market for products and services offered by Launch Trampoline Parks and to cooperate with us to accomplish these purposes

We do not require you to personally supervise the operation of the Launch Trampoline Park or to participate in its day-to-day operations, but you must designate and retain at all times an individual to serve as the "General Manager" You must maintain other personnel for adequate staffing of the Launch Trampoline Park You must keep us informed of the identity of all managers at all times Your Launch Trampoline Park must at all times be under the direct, on-site supervision of a manager whose identity has been disclosed to us, who has completed our training program to our satisfaction, and of whom we have approved If your General Manager is no longer employed by you, you must designate a replacement general manager within 30 days after the first general manager's employment ends, and the replacement general manager must be sent to us for training, at your expense, and must complete our training program to our satisfaction within 60 days after appointment by you There are no other restrictions on whom you may hire as your General Manager and we do not require that your General Manager have an ownership interest in your Franchised Business

If you are not actively participating in the daily operation of your Franchised Business, you must still make sure that the Franchised Business is operated according to the terms of the Franchise Agreement you sign with us, our Operations Manual, and our System standards

We may require you to obtain confidentiality and/or non-competition agreements from some of your key employees, management, supervisory and/or exempt Your Launch Trampoline Park must be open and operating on the days and during the times we specify in the Operations Manual, unless applicable law, community standards or the terms of your lease require different hours

If you are a corporation, limited liability company, partnership or spouse if you are a married individual, each owner who directly or indirectly owns an equity or voting interest in you must personally guarantee your obligations under the Franchise Agreement and also agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement according to the Guaranty and Assumption of Obligations attached to the Franchise Agreement

## ITEM 16
## RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL

You must sell or offer for sale all products and services we require, in the manner and style we require You must sell and offer for sale only the products and services that we have expressly approved in writing You must not deviate from our standards and specifications without first obtaining our written consent You must stop selling and offering for sale any products or services that we may disapprove in writing at any time We have the right to change the types of products and services offered by you at your Launch Trampoline Park at any time, and there are no limits on our right to make those changes

You must keep your Launch Trampoline Park very sanitary to our specifications and maintain it in good repair and condition You must make any additions, alterations, repairs and replacements, including repainting or replacement of obsolete signs, furnishings, equipment, and decor, as we may reasonably direct You must not make any changes to the premises without obtaining our written consent before you make the changes You must obtain and pay for any new or additional equipment, including computer hardware and software, fixtures, supplies and other products and materials that you must have to offer and sell new products and services from your Launch Trampoline Park

You have the right to set the prices at which you sell your products, services and programs provided that we may set minimum and/or maximum prices you may charge to the extent permitted by law Currently we have not set the minimum and/or maximum prices You must comply with the prices required by us, but we make no guarantees or warranties that offering the products or merchandise at the required price will enhance your sales or profits

We do not impose any other restrictions in the Franchise Agreement or otherwise, as to the goods or services that you may offer or sell or as to the customers to whom you may offer or sell, except as described in Item 12

## 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 3 1 | 10 years |
| (b) Renewal or extension of the term | Section 17 1 | One renewal term of 10 years, if you meet certain requirements |
| (c) Requirements for franchisee to obtain a renewal franchise | Section 17 | Renewals are subject to notice Within the last six months of the term of your Franchise Agreement, we will send you a bill for the renewal fee as well as any documents that you must sign for the renewal, which may include a renewal Franchise Agreement and a release If you do not wish to renew your agreement, you must provide us with notice of this election no later than 60 days before your agreement expires If you do not pay the renewal fee and sign the documents we require, your agreement will not be renewed<br><br>You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of your territory and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees |
| (d) Termination by franchisee | Not applicable | You may terminate the Franchise Agreement on any grounds available by law |
| (e) Termination by franchisor without cause | Not applicable | We have no right to terminate without cause |
| (f) Termination by franchisor with cause | Section 18 | We can terminate if you or any of your owners fail to comply with the Franchise Agreement or any mandatory specification, standard or operating procedure we prescribe of the company |
| (g) "Cause" defined – curable defaults | Section 18 1 | 10 days for monetary and reporting defaulting and 15 days for all other curable defaults, but if it cannot be cured within 30 days, begin efforts to cure within 10 days and continue cure efforts until completion |
| (h) "Cause" defined – non-curable defaults | Section 18 2 | (1) Fail to obtain possession of the approved site or develop Launch Trampoline Park and begin operations |

| Provision | Section in Franchise Agreement | Summary |
|---|---|---|
| | | within time provided, (2) abandon, surrender or transfer control without our prior written approval, (3) make material misrepresentation or omission on application, (4) conviction or pleas (including diversion) of you or any of your owners of a felony or other crime, offense or misconduct which adversely affects your or our reputation or the goodwill of the Marks or any crime against a child, (5) unauthorized transfer, (6) you or your affiliates or owners make any unauthorized use, duplication or disclosure of Confidential Information, the Marks, the Copyrighted Works, the Operations Manual or challenge or seek to challenge our rights in any of these items, (7) lose the right to possess the premises and fail to relocate in accordance with the Franchise Agreement, (8) insolvency, receivership or a judgment against you is unsatisfied for more than 30 days, (9) violation by you, or members of your immediate families of the in-term non-compete provision or other non-compete agreement, (10) knowingly maintain false records or submit false reports to us, (11) permit a lease default to go uncured, (12) three or more defaults within 12 months or two or more of the same default within 12 months whether or not cured, (13) fail to purchase or maintain required insurance, (14) pose a threat to public health or safety, (15) refuse us permission to inspect the Launch Trampoline Park or your books and records, (16) you or any of your affiliates or owners interfere with our ability to license the Marks or the System to others, (17) you or any of your affiliates or owners interfere with our contractual relations with others, or (18) a Franchise Agreement with you or your affiliates is terminated by us, or is terminated by you in a way that is not in compliance with the Franchise Agreement |

| Provision | Section in Franchise Agreement | Summary |
|---|---|---|
| (i) Franchisee's obligations on termination/non-renewal | Section 19 | Pay all amounts owed, stop all use of Marks, remove all signs, return to us or destroy all materials containing any Marks, cancel assumed or fictitious name registrations, transfer all domain names, internet listings, telephone numbers and telephone listings to us, stop using all copyrighted works, if we do not purchase the Launch Trampoline Park, then you must make any modifications necessary to avoid confusion (de-identify the premises), furnish us evidence of compliance with the above, stop use of Confidential Information, return the complete Operations Manual and all related materials, comply with post-term covenant not to compete |
| (j) Assignment of contract by franchisor | Section 16 1 | No restriction on our right to assign |
| (k) "Transfer" by franchisee– defined | Section 16 2 | Includes transfer of any material interest in the Agreement, the Franchise, you, the Launch Trampoline Park and some or all of its assets |
| (l) Franchisor approval of transfer by franchisee | Section 16 2 | We have the sole right to approve all transfers |
| (m) Conditions for franchisor approval of transfer | Section 16 3 | You and your owners must be in full compliance with the Franchise Agreement, transferee meets our criteria, transferor signs required documents, including a release If the transfer is of the Agreement, a principal owner's interest in you or a controlling interest in you, transferee may not engage in a Competitive Business, all amounts due from you and the transferee are paid in full, management, supervisory and exempt personnel of transferee sign non-compete and confidentiality agreement, completion of training, transferee and its owners agree to be bound by all obligations under the Franchise Agreement or sign our then-current form of franchise agreement, at our option, pay transfer fee and all related fees in full, lessor consents to assignment of lease, we approve the terms and conditions of the transfer, all obligations of the transferee to you are subordinate to us, transferor and you sign non-competition covenant, transferee agrees to upgrade the Launch Trampoline Park to then-current standards, transferee signs guarantee of obligations under Franchise Agreement, transfer is made in compliance with all laws |

| Provision | Section in Franchise Agreement | Summary |
|---|---|---|
| (n) Franchisor's right of first refusal to acquire franchisee's business | Section 16 8 | We have the right to match offers from third parties including all terms to buy an interest in the Franchise Agreement, the Franchise, the Launch Trampoline Park, assets of the Launch Trampoline Park or ownership interests in you |
| (o) Franchisor's option to purchase franchisee's business | Section 19 6 | We have the right to purchase the assets of the Launch Trampoline Park for fair market value on termination in compliance with the Franchise Agreement or on non-renewal |
| (p) Death or disability of franchisee | Section 16 5 | Interest must be transferred to approved party within six months |
| (q) Non-competition covenants during the term of the franchise | Sections 9 and 11 11 | No involvement by you and members of your immediate families in a Competitive Business anywhere If you are a corporate entity, you may not engage in any business other than the development and operation of Launch Trampoline Parks |
| (r) Non-competition covenants after the franchise is terminated or expires | Sections 9 and 19 4 | No involvement by you or members of your immediate families in a Competitive Business for two years within 20 miles of any Launch Trampoline Park in the System |
| (s) Modification of the agreement | Section 22 8 | No modifications unless in writing and signed by an authorized officer of the corporation, but Operations Manual subject to change |
| (t) Integration/merger clause | Section 22 9 | Only the terms of the Franchise Agreement and other related (subject to state law) Any representations or promises outside the disclosure document and franchise agreement may not be enforceable |
| (u) Dispute resolution by arbitration or mediation | Section 20 | Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be mediated and arbitrated in Rhode Island (subject to state law) |
| (v) Choice of forum | Section 22 5 | Kent County, Rhode Island (subject to state law) |
| (w) Choice of law | Section 22 5 | Rhode Island (subject to state law) |

## FRANCHISEE'S (SITE SELECTION) RELATIONSHIP

| Provision | Article in Multi-Unit Development Agreement | Summary |
|---|---|---|
| (a) Length of the franchise term | Not applicable | Not applicable |
| (b) Renewal or extension of the term | Not applicable | Not applicable |
| (c) Requirements for franchisee to renew or extend | Not applicable | Not applicable |
| (d) Termination franchisee | Not applicable | You may seek to terminate your Site Selection Agreement on any ground permitted by law |
| (e) Termination by franchisor without cause | Not applicable | |
| (f) Termination by franchisor with cause | Not applicable | Not applicable |
| (g) "Cause" defined – curable defaults | Not applicable | Not applicable |
| (h) "Cause" defined – non-curable defaults | Not applicable | Not applicable |
| (i) franchisee obligations on termination/non-renewal | Not applicable | Not applicable |
| (j) Assignment of contract by franchisor | Article 5 | No restriction on our right to assign However, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement |
| (k) "Transfer" by franchisee – defined | Not applicable | Not applicable |
| (l) Franchisor approval of transfer by franchisee | Not applicable | Not applicable |
| (m) Conditions for franchisor approval of transfer | Not applicable | Not applicable |
| (n) Franchisor's right of first refusal to acquire franchisee's business | Not applicable | Not applicable |

| Provision | Article in Multi-Unit Development Agreement | Summary |
|---|---|---|
| (o) Franchisor's option to franchisee's business | Not applicable | Not applicable |
| (p) Death or disability of franchisee | Not applicable | Not applicable |
| (q) Non-competition covenants during the term of the franchise | Not applicable | |
| (r) Non-competition covenants after the franchise is terminated or expires | Article 6 | |
| (s) Modification of the agreement | Not applicable | Not applicable |
| (t) Integration/merger clause | Not applicable | Not applicable |
| (u) Dispute resolution by arbitration or mediation | Article 7 | Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be mediated and arbitrated in Rhode Island (subject to state law) |
| (v) Choice of forum | Article 7 | Kent County, Rhode Island (subject to state law) |
| (w) Choice of law | Article 7 | Rhode Island (subject to state law) |

## THE MULTI-UNIT DEVELOPER RELATIONSHIP

| Provision | Article in Multi-Unit Development Agreement | Summary |
|---|---|---|
| (a) Length of the franchise term | Article 1 | Term of development schedule |
| (b) Renewal or extension of the term | Article 1 | Not renewable |
| (c) Requirements for multi-unit developer to renew or extend | Not applicable | |
| (d) Termination by multi-unit developer | Not applicable | You may seek to terminate your Multi-Unit Development Agreement on any ground permitted by law |

| Provision | Article in Multi-Unit Development Agreement | Summary |
|---|---|---|
| (e) Termination by franchisor without cause | Not applicable | |
| (f) Termination by franchisor with cause | Article 4 | We may terminate the Multi-Unit Development Agreement if you breach it |
| (g) "Cause" defined – curable defaults | Article 4 | Your failure to comply with the Multi-Unit Development Agreement |
| (h) "Cause" defined – non-curable defaults | Section 1 4 and Article 4 | Failure to meet your development schedule, unauthorized transfer of the development rights or any interest in you, bankruptcy or insolvency, you are dissolved, you make a material misrepresentation or omission in your application to us, conviction of a felony or other crime that we believe will adversely affect the Marks, repeated breaches, one of your Franchise Agreements is terminated |
| (i) Multi-unit developer's obligations on termination/non-renewal | Article 5 | Lose development rights, comply with non-competition covenants |
| (j) Assignment of contract by franchisor | Article 6 | No restriction on our right to assign However, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Multi-Unit Development Agreement |
| (k) "Transfer" by multi-unit developer–defined | Article 6 | Includes transfer of any interest in you or the Multi-Unit Development Agreement |
| (l) Franchisor approval of transfer by multi-unit developer | Article 6 | We have the right to approve all transfers, our consent not to be unreasonably withheld |
| (m) Conditions for franchisor approval of transfer | Article 6 | Conditions for transfer include not being in default, at least 25% of all Launch Trampoline Parks required to be developed are open or under construction, all debts are paid, the buyer meets our current criteria for new multi-unit developers, execution of a general release (where legal), payment of transfer fee, buyer personally guarantees all obligations |

| Provision | Article in Multi-Unit Development Agreement | Summary |
|---|---|---|
| (n) Franchisor's right of first refusal to acquire multi-unit developer's business | Article 6 | We have the right to match the offer to purchase your Business |
| (o) Franchisor's option to purchase multi-unit developer's business | Not applicable | |
| (p) Death or disability of multi-unit developer | Article 6 | Interest must be transferred to an approved party within 12 months |
| (q) Non-competition covenants during the term of the franchise | Not applicable | |
| (r) Non-competition covenants after the franchise is terminated or expires | Article 5 | Includes prohibition on owning or operating business which sells similar services for two years and located within 20 miles of any unit in the System |
| (s) Modification of the agreement | Article 7 | Must be in writing by both parties |
| (t) Integration/merger clause | Article 7 | Only the terms of the Multi-Unit Development Agreement are binding (subject to state law) Any representations or promises outside the disclosure document and franchise agreement may not be enforceable |
| (u) Dispute resolution by arbitration or mediation | Article 8 | Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be mediated and arbitrated in Rhode Island |
| (v) Choice of forum | Article 8 | Kent County, Rhode Island (subject to state law) |
| (w) Choice of law | Article 8 | Rhode Island (subject to state law) |

## ITEM 18
## PUBLIC FIGURES

One of our co-founders, Mr Ty Law, is considered a public figure based on his career as a professional football player in the National Football League Mr Law does not receive any compensation for his promotion of the Launch Trampoline Park franchise that is in addition to his compensation as a co-founder

## ITEM 19
## FINANCIAL PERFORMANCE REPRESENTATIONS

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

We use historical financial information submitted by our franchisees to compile the information contained in these Tables The financial information submitted by our franchisees are used for calculating the Royalty described in Item 6 We did not independently verify the accuracy of the information Franchised Businesses did not typically submit copies of all of the invoices for each customer or list each customer in their period reports to us The information is based upon the financial information and other data entered by each Franchised Business into the software system described in Item 11

In mid-2017, Launch made a strategic decision to evolve from a generation one ( Gen 1 ') trampoline park (consisting primarily of trampoline-based attractions, a small arcade, and a concession stand style cafe) to a generation two ' Gen 2" full family entertainment center as described in this FDD (an indoor 25,000-50,000+ square-foot action park featuring ninja courses, laser tag arenas, climbing walls, ropes courses, foam pits, stunt bags, and a full arcade with prize redemption The parks also feature Krave, a restaurant where you can create your own pizza fresh to order, as well as make your own ice cream sundaes Launch parks also include connected trampolines, forming one giant jumping surface with angled trampoline walls Also, on trampolines are signature courts dedicated to dodgeball and basketball In 2019 and beyond, select Launch parks will also include full scale traditional bowling and go-karting race tracks)

Launch's Corporate park in Warwick Rhode Island (Gen 1 park) was re-located and built as a Gen 2 park in March 2018 The comparative financial results for Warwick's Gen 1 park and Gen 2 park are attached below

| | Gen 1 | Gen 2 | |
|---|---|---|---|
| | **Warwick** | **Warwick - 10 mo** | **Warwick Annualized** |
| **Revenue** | **1,789,371** | **2,112,580** | **2,642,618** |
| Rent | 13% | 10% | 10% |
| Insurance | 7% | 4% | 4% |
| Payroll | 31% | 26% | 26% |
| **EBITDA (excluding owner compensation)** | **508,548** | **640,735** | **868,882** |
| *EBITDA Margin* | *28%* | *30%* | *33%* |

**Note As of December 31, 2018, Launch's Corporate park in Warwick had ten months of reported results The figures above represent 10 months of actual results and annualized results for the full-year*

**<u>Generate 2 Parks</u>**

As of December 31, 2018, Launch has three Gen 2 parks that have been in operation for the full 12 months (not including Launch's corporate park)

| | Generation 2 Park | | | |
|---|---|---|---|---|
| | Average | Max | Min | Median |
| **Revenue** | **3,167,213** | **3,188,981** | **3,145,445** | **3,167,213** |
| Rent | 16% | 16% | 16% | 16% |
| Insurance | 5% | 5% | 4% | 5% |
| Payroll | 21% | 25% | 17% | 21% |
| **EBITDA (excluding owner compensation)** | **731,922** | **859,930** | **603,914** | **731,922** |
| *EBITDA Margin* | *23%* | *27%* | *19%* | *23%* |

*Note One of the Gen 2 parks did not report their results*

## Generation 1 Parks

Launch has eight Generation One parks which have been in operation for the full 12-month period in 2018 One park did not report their results owing to a transfer of ownership The attached financial summary is below

| | Asheville | Columbus | Nashua | Herndon | Methuen | Jackson | Norwood | Average | Max | Min | Median |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **1,025,382** | **1,905,618** | **1,441,581** | **1,617,183** | **2,250,298** | **1,330,228** | **2,076,764** | **1,663,865** | **2,250,298** | **1,025,382** | **1,617,183** |
| Rent | 102,473 | 175,403 | 174,802 | 298,207 | 262,521 | 277,512 | 401,754 | 241,810 | 401,754 | 102,473 | 262,521 |
| Insurance | 70,228 | 63,836 | 64,930 | 116,608 | 132,972 | 78,971 | 86,193 | 87,677 | 132,972 | 63,836 | 78,971 |
| Payroll | 243,805 | 473,450 | 336,813 | 337,269 | 557,561 | 322,302 | 337,128 | 372,618 | 557,561 | 243,805 | 337,128 |
| **EBITDA** | **128,704** | **513,580** | **316,252** | **274,714** | **410,032** | **142,288** | **371,820** | **308,199** | **513,580** | **128,704** | **316,252** |
| Owner Compensation | 66,000 | 120,000 | 150,000 | | 81,000 | | | 59,571 | 150,000 | | 66,000 |
| **EBITDA (excluding owner compensation** | **194,704** | **633,580** | **466,252** | **274,714** | **491,032** | **142,288** | **371,820** | **367,770** | **633,580** | **142,288** | **371,820** |

| | Generation 1 Park* | | | |
|---|---|---|---|---|
| | Average | Max | Min | Median |
| **Revenue** | **1,663,865** | **2,250,298** | **1,025,382** | **1,617,183** |
| Rent | 15% | 18% | 10% | 16% |
| Insurance | 5% | 6% | 6% | 5% |
| Payroll | 22% | 25% | 24% | 21% |
| **EBITDA (excluding owner compensation)** | **367,770** | **633,580** | **142,288** | **371,820** |
| *EBITDA Margin* | *22%* | *28%* | *14%* | *23%* |

## All Launch Parks

12 Month Performance Statement the 12 Months ending December 2018 for all franchised locations

| | All Parks | | | |
|---|---|---|---|---|
| | Average | Max | Min | Median |
| **Revenue** | **1,997,942** | **3,188,981** | **1,025,382** | **1,905,618** |
| Rent | 15% | 16% | 10% | 15% |
| Insurance | 5% | 5% | 6% | 5% |
| Payroll | 22% | 25% | 24% | 18% |
| **EBITDA (excluding owner compensation)** | **448,693** | **859,930** | **142,288** | **466,252** |
| *EBITDA Margin* | *22%* | *27%* | *14%* | *24%* |

**note excludes two parks who have not reporting results*

As of December 31st, 2018, there were 19 Franchised locations 11 parks were in operations for 12 months or more 9 of the 11 parks reported sales 8 parks were open for less than 12 months

*Note Management made reasonable adjustments to financials reported by Franchisees to remove inconsistent expenses (meals and entertainment, travel, etc)*

Of the nine parks that reported sales seven are Generation 1 parks and two are Generation 2 Parks Of the seven Generation 1 parks that reported sales three or forty-three percent(43%) were below average and four or fifty-seven percent (57%) attained or surpassed the results stated above

Of the two Generation 2 parks that reported sales one or fifty percent (50%) was below average and one or fifty percent (50%) attained or surpassed the results stated above

**Some outlets have earned these amounts Your individual results may differ There is no assurance that you'll earn as much**

The figures used in this statement are sales and expenses Net income will vary from Park to Park depending upon factors such as rental or real estate costs, costs of goods sold, labor costs and other costs relating to the operation of the Park

We offered substantially the same services to the Park described in this Statement This Park offered substantially the same products and services to the public as you will The Park reports gross sales information to us based upon a uniform reporting system The operation of the franchisees are substantially similar to the operations that are contemplated by franchise described in this Franchise Disclosure Document

We strongly urge you to consult with your financial advisor or personal accountant concerning the financial analysis that you should make in determining whether or not to purchase a Launch Trampoline Park franchise

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request The information presented above has not been audited

Other than the preceding financial performance representation, Launch Franchising, LLC does not make any financial performance representations We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Robert Arnold, CEO at 920 Bald Hill Road Warwick, Rhode

Island 02886 and (401) 738-1259, the Federal Trade Commission, and the appropriate state regulatory agencies

**ITEM 20**
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No 1**
**Systemwide Outlet Summary**
**For years 2016, 2017, 2018**

| Column 1<br>Outlet Type | Column 2<br>Year | Column 3<br>Outlets at the Start of the Year | Column 4<br>Outlets at the End of the Year | Column 5<br>Net Change |
|---|---|---|---|---|
| Franchised | 2016 | 4 | 8 | +4 |
| | 2017 | 8 | 13 | +5 |
| | 2018 | 13 | 19 | +6 |
| Company-Owned* | 2016 | 2 | 2 | 0 |
| | 2017 | 2 | 2 | 0 |
| | 2018 | 2 | 2 | 0 |
| Total Outlets | 2016 | 6 | 10 | +4 |
| | 2017 | 10 | 15 | +5 |
| | 2018 | 15 | 21 | +6 |

* The Company-Owned Outlets in the chart above are owned and operated by our Affiliate, as described in Item 1

**Table No 2**
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**
**For years 2016, 2017, 2018**

| Column 1<br>State | Column 2<br>Year | Column 3<br>Number of Transfers |
|---|---|---|
| Newark, Delaware | 2016 | 0 |
| | 2017 | 0 |
| | 2018 | 1 |
| Columbia, Maryland | 2016 | 0 |
| | 2017 | 0 |
| | 2018 | 1 |
| Rockville, Maryland | 2016 | 0 |
| | 2017 | 0 |
| | 2018 | 1 |

| Column 1<br>State | Column 2<br>Year | Column 3<br>Number of Transfers |
|---|---|---|
| Total | 2016 | 3 |
| | 2017 | 0 |
| | 2018 | 0 |

**Table No 3**
**Status of Franchised Outlets**
**For years 2016, 2017, 2018**

| Col 1<br>State | Col 2<br>Year | Col 3<br>Outlets at Start of Year | Col 4<br>Outlets Opened | Col 5<br>Terminations | Col 6<br>Non-Renewals | Col 7<br>Reacquired by Franchisor | Col 8<br>Ceased Operations – Other Reasons | Col 9<br>Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| AL | 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2017 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| CT | 2016 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| DE | 2016 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| FL | 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2018 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| GA | 2016 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| MA | 2016 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| | 2017 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2018 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| MD | 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2017 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| MS | 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2017 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |

| Col 1 State | Col 2 Year | Col 3 Outlets at Start of Year | Col 4 Outlets Opened | Col 5 Terminations | Col 6 Non-Renewals | Col 7 Reacquired by Franchisor | Col 8 Ceased Operations – Other Reasons | Col 9 Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| NC | 2016 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| NH | 2016 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| NJ | 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2017 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| NY | 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2018 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| VA | 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2017 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| **Total** | 2016 | 4 | 4 | 0 | 0 | 0 | 0 | 8 |
| | 2017 | 8 | 5 | 0 | 0 | 0 | 0 | 13 |
| | 2018 | 13 | 7 | 0 | 0 | 0 | 1 | 19 |

**Table No 4**
**Status of Company-Owned Outlets**
**For years 2016, 2017, 2018**

| Col 1 State | Col 2 Year | Col 3 Outlets at Start of Year | Col 4 Outlets Opened | Col 5 Outlets Reacquired from Franchisee | Col 6 Outlets Closed | Col 7 Outlets Sold to Franchisee | Col 8 Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| CT | 2016 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 1 |
| Rhode Island | 2016 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 1 |
| **Total** | 2016 | 2 | 0 | 0 | 0 | 0 | 2 |

| Col 1<br>State | Col 2<br>Year | Col 3<br>Outlets at Start of Year | Col 4<br>Outlets Opened | Col 5<br>Outlets Reacquired from Franchisee | Col 6<br>Outlets Closed | Col 7<br>Outlets Sold to Franchisee | Col 8<br>Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| | 2017 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2018 | 2 | 0 | 0 | 0 | 0 | 2 |

The outlets reflected in the above chart are owned and operated by our Affiliate, as described in Item 1

**Table No 5**
**Projected Openings as of December 31, 2018**

| Column 1<br>State | Column 2<br>Franchise Agreements Signed but Outlet Not Opened | Column 3<br>Projected New Franchised Outlets in the Next Fiscal Year | Column 4<br>Projected New Company-Owned Outlets in the Next Fiscal Year |
|---|---|---|---|
| Arizona | 0 | 1 | 0 |
| California | 0 | 1 | 0 |
| Colorado | 0 | 1 | 0 |
| Florida | 0 | 2 | 0 |
| Georgia | 0 | 1 | 0 |
| Louisiana | 0 | 1 | 0 |
| Massachusetts | 0 | 3 | 0 |
| Maryland | 0 | 0 | 1 |
| Michigan | 0 | 1 | 0 |
| Missouri | 0 | 1 | 0 |
| New Jersey | 0 | 1 | 0 |
| Nevada | 0 | 1 | 0 |
| North Carolina | 0 | 1 | 0 |
| Texas | 0 | 3 | 0 |
| Washington | 0 | 1 | 0 |
| **Total** | 0 | 19 | 1 |

A list of the names of all franchisees and multi-unit developers and the addresses and telephone numbers of their businesses will be provided in Exhibit D to this Disclosure Document when applicable

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or multi-unit developer who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit E to this Disclosure Document when applicable **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system, as required by the Federal Trade Commission and certain states where we sell franchises and /or conduct business**

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Launch Trampoline Park System

There are no trademark-specific organizations formed by our franchisees that are associated with the Launch Trampoline Park System

## ITEM 21
## FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit F are our audited financial statements as of December 31, 2016, December 31, 2017 and December 31, 2018

Our fiscal year end is December 31st

## ITEM 22
## CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document

Franchise Agreement – Exhibit B
Multi-Unit Development Agreement – Exhibit C
Form of General Release – Exhibit I
Deposit Agreement – Exhibit K

## ITEM 23
## RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document Please return one signed copy to us and retain the other for your records

**EXHIBIT A TO THE DISCLOSURE DOCUMENT**

**LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS**

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process We may not yet be registered to sell franchises in any or all of these states

If a state is not listed, Launch Franchising, LLC has 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 below in which Launch Franchising, LLC has appointed an agent for service of process

There may also be additional agents appointed in some of the states listed

| | |
|---|---|
| **CALIFORNIA**<br>Department of Business Oversight<br>320 West 4th Street, Suite 750<br>Los Angeles, CA 90013<br>(213) 576-7500 Toll Free (866) 275-2677<br><br>1515 K Street, Suite 200<br>Sacramento, CA 95814<br>(916) 445-7205<br><br>1350 Front Street<br>San Diego, CA 92101<br>(619) 525-4233<br><br>One Sansome Street, Suite 600<br>San Francisco, CA 94104<br>(415) 972-8559 | **CONNECTICUT**<br><br>State of Connecticut<br>Department of Banking<br>Securities & Business Investments Division<br>260 Constitution Plaza<br>Hartford, CT 06103-1800<br>(860) 240-8230<br><br>Agent Banking Commissioner |
| **HAWAII**<br>(state administrator)<br><br>Business Registration Division<br>Department of Commerce and Consumer Affairs<br>335 Merchant Street, Room 203<br>Honolulu, Hawaii 96813<br>(808) 586-2722<br><br>(agent for service of process)<br><br>Commissioner of Securities<br>State of Hawaii<br>335 Merchant Street<br>Honolulu, Hawaii 96813<br>(808) 586-2722 | **ILLINOIS**<br><br>Franchise Bureau<br>Office of the Attorney General<br>500 South Second Street<br>Springfield, Illinois 62706<br>(217) 782-4465 |

| | |
|---|---|
| **INDIANA**<br>(state administrator)<br><br>Indiana Secretary of State<br>Securities Division, E-111<br>302 Washington Street<br>Indianapolis, Indiana 46204<br>(317) 232-6681<br><br>(agent for service of process)<br>Indiana Secretary of State<br>201 State House<br>200 West Washington Street<br>Indianapolis, Indiana 46204<br>(317) 232-6531 | **MARYLAND**<br>(state administrator)<br><br>Office of the Attorney General<br>Securities Division<br>200 St Paul Place<br>Baltimore, Maryland 21202-2021<br>(410) 576-6360<br><br>(for service of process)<br>Maryland Securities Commissioner<br>200 St Paul Place<br>Baltimore, Maryland 21202-2021<br>(410) 576-6360 |
| **MICHIGAN**<br>(state administrator)<br><br>Consumer Protection Division<br>Antitrust and Franchise Unit<br>Michigan Department of Attorney General<br>525 W Ottawa Street, 6th Floor<br>Lansing, Michigan 48933<br>(517) 373-7117<br><br>(for service of process)<br>Corporations Division<br>Bureau of Commercial Services<br>Department of Labor and Economic Growth<br>P O Box 30054<br>Lansing, Michigan 48909 | **MINNESOTA**<br>(state administrator)<br><br>Minnesota Department of Commerce<br>85 7th Place East, Suite 280<br>St Paul, Minnesota 55101-2198<br>(651) 296-6328<br><br>(for service of process)<br>Minnesota Commissioner of Commerce |
| **NEW YORK**<br>(state administrator)<br><br>New York State Department of Law<br>Bureau of Investor Protection and Securities<br>120 Broadway, 23rd Floor<br>New York, New York 10271<br>(212) 416-8211<br><br>(for service of process)<br>Secretary of State of New York<br>41 State Street<br>Albany, New York 12231<br>(518) 474-4750 | **NORTH DAKOTA**<br><br>North Dakota Securities Department<br>State Capitol, Fifth Floor, Dept 414<br>600 East Boulevard Avenue<br>Bismarck, North Dakota 58505<br>(701) 328-4712 |

| | |
|---|---|
| **OREGON**<br><br>Department of Insurance and Finance<br>Corporate Securities Section<br>Labor and Industries Building<br>Salem, Oregon 97310<br>(503) 378-4387 | **RHODE ISLAND**<br><br>Securities Division<br>Department of Business Regulation,<br>Bldg 69, First Floor<br>John O Pastore Center<br>1511 Pontiac Avenue<br>Cranston, Rhode Island 02920<br>(401) 462-9582 |
| **SOUTH CAROLINA**<br><br>CT Corporation System<br>2 Office Park Court, Suite 103<br>Columbia, SC 29223 | |
| **SOUTH DAKOTA**<br><br>Division of Insurance<br>Securities Regulation<br>124 S Euclid Avenue, Suite 104<br>Pierre, South Dakota 57501<br>(605) 773-3563 | **VIRGINIA**<br><br>State Corporation Commission<br>Division of Securities and Retail Franchising<br>1300 East Main Street, 9th Floor<br>Richmond, Virginia 23219<br>(804) 371-9051<br><br>(for service of process)<br>Clerk of the State Corporation Commission<br>1300 East Main Street, 1st Floor<br>Richmond, Virginia 23219<br>(804) 371-9733 |
| **WASHINGTON**<br>(state administrator)<br><br>Department of Financial Institutions<br>Securities Division<br>P O Box 9033<br>Olympia, Washington 98507-9033<br>(360) 902-8760<br><br>(for service of process)<br>Director, Department of Financial Institutions<br>Securities Division<br>150 Israel Road S W<br>Tumwater, Washington 98501 | **WISCONSIN**<br>(state administrator)<br><br>Division of Securities<br>Department of Financial Institutions<br>345 W Washington Ave , 4th Floor<br>Madison, Wisconsin 53703<br>(608) 266-1064<br><br>(for service of process)<br>Administrator, Division of Securities<br>Department of Financial Institutions<br>345 W Washington Ave , 4th Floor<br>Madison, Wisconsin 53703 |

**EXHIBIT B TO THE DISCLOSURE DOCUMENT**

**FRANCHISE AGREEMENT**

**LAUNCH FRANCHISING, LLC**

**FRANCHISE AGREEMENT**

______________________________
**FRANCHISEE**

______________________________
**DATE OF AGREEMENT**

## TABLE OF CONTENTS

**Exhibits**

## LAUNCH FRANCHISING, LLC
## FRANCHISE AGREEMENT

**THIS AGREEMENT** is made and entered into by and between Launch Franchising, LLC, a Delaware limited liability company whose principal office is at 920 Bald Hill Road Warwick, Rhode Island 02886 ("we", "us" or "our"), and ____________________, whose principal address is at ________________________ ("you" or "your")

### ARTICLE 1
### INTRODUCTION

1 1 We and our affiliates have developed and continue to develop methods of operating a business which is, as of the date of this Agreement, an indoor sports and family entertainment facility featuring large interconnected trampolines that form a giant jumping surface, designated jump areas for kid's play and dodgeball, a foam pit, arcade area and cafe ("Approved Products and Services") Such a business is defined below as a "Launch Trampoline Park" Launch Trampoline Parks operate at locations that feature the "System", which consists of distinctive signage, interior and exterior design, decor and color scheme, uniform standards, specifications, and procedures for operations, quality and uniformity of products and services offered, inventory, management and financial control procedures, training and assistance, and advertising and promotional programs, all of which we may modify from time to time We grant to certain qualified persons and entities franchises to own and operate Launch Trampoline Parks using the System and the Marks

1 2 We grant to certain qualified persons or entities, and who meet our qualifications and who are willing to undertake the investment and effort, the right to own and operate a Launch Trampoline Park at the Site Pursuant to this Agreement, we will grant rights to you to own and operate a Launch Trampoline Park at the Site and to operate the Launch Trampoline Park according to the terms of this Agreement

1 3 Certain terms that are capitalized in this Agreement are defined in Article 2 or at the places in this Agreement where they first appear

### ARTICLE 2
### DEFINITIONS

2 1 For purposes of this Agreement, the terms listed below have the meanings that follow them Other terms used in this Agreement are defined and construed in the context in which they occur

2 1 1 "**Affiliate**" – Any person, entity or company that directly or indirectly owns or controls a party, that is directly or indirectly owned or controlled by a party, or that is under common control with a party For purposes of this definition, "control" means the power to direct or cause the direction of the management and policies of an entity

2 1 2 "**Competitive Business**" – A business other than a Launch Trampoline Park that (a) features the Approved Products and Services or any type of indoor recreation business, or (b) grants or has granted franchises or licenses or establishes or has established joint ventures for the development and/or operation of a business described in the foregoing clause (a)

2 1 3 "**Controlling Interest**" – If you are a

(a) corporation, then such number of the voting shares of you as (i) shall permit voting control of you on any issue and (ii) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power, and

(b) general partnership, then a managing partnership interest or such percentage of the general partnership interests in you as (i) shall permit determination of the outcome on any issue and (ii) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power, and

(c) limited partnership, then a general partnership interest or such percentage of limited partnership interests as shall permit the replacement or removal of any general partner, and

(d) limited liability company, then such percentage of the membership interests as (i) shall permit determination of the outcome on any issue and (ii) shall prevent any other person, group, combination or entity from blocking voting control on any issue or exercising any veto power

2 1 4 '**Domain Name**" – The Internet domain name selected or used in connection with a Launch Trampoline Park and any other domain names that may be utilized by us or which we may authorize you to use

2 1 5 "**Launch Trampoline Park**" – A business that (a) offers the Approved Products and Services for sale as well as certaFin complementary products and services, (b) meets our standards and specifications, (c) operates using the Marks and the System, and (d) is either operated by us or our Affiliates or pursuant to a valid license from us

2 1 6 "**Marks**" – The trademarks, service marks, logos, other commercial symbols and any Domain Name which we authorize you to use to identify the services and/or products offered by your Launch Trampoline Park including the mark "Launch Trampoline Park" and the "Trade Dress", provided that such trademarks, service marks, logos, other commercial symbols, and the Trade Dress are subject to modification and discontinuance and may include additional or substitute trademarks, service marks, logos, commercial symbols and trade dress as provided in this Agreement

2 1 7 "**Owners**" – All persons or entities holding direct or indirect legal or beneficial ownership interests in you and all persons who have other direct or indirect property rights in you, this Agreement, the Franchise or the Launch Trampoline Park All current Owners are listed on Exhibit A to this Agreement At our request, you shall have your Owners execute and deliver to us our form of Guaranty and Assumption of Obligations, attached to this Agreement as Exhibit F

2 1 8 "**Ownership Interests**" – In relation to a (a) corporation, the legal or beneficial ownership of shares in the corporation, (b) partnership, the legal or beneficial ownership of a general or limited partnership interest, (c) limited liability company, the legal or beneficial ownership of units of membership interests in the limited liability company, or (d) trust, the ownership of a beneficial interest of such trust

2 1 9 '**Principal Owners**" – Each Owner having an equity ownership interest in you of five percent (5%) or more (regardless of whether such Owner is entitled to vote thereon) and any other Owner designated as a Principal Owner on Exhibit A to this Agreement

2 1 10 "**Products**" – The products which we authorize from time to time for sale or use at your Launch Trampoline Park

2 1 11 "**Services**" – The services which we authorize from time to time for sale at or from your Launch Trampoline Park

2 1 12 "**Site**" – The location identified on Exhibit B to this Agreement As used herein the term "Site" also refers to the interior and exterior of the structure housing the Launch Trampoline Park

2 1 13 "**Trade Dress**" – The design, decor and image elements which we authorize you to use in connection with the operation of Launch Trampoline Parks as they may be revised and further developed by us from time to time and as further described in the Operations Manual

2 1 14 "**Website**" – An interactive electronic document contained in a network of computers linked by communications software

**ARTICLE 3**

**GRANT OF FRANCHISE**

**3 1 Grant of Franchise, Term**

Subject to the provisions of this Agreement, we hereby grant to you a "Franchise" to operate the Launch Trampoline Park at the Site and to use the Marks and the System in the operation thereof for a term of ten (10) years commencing on the date of this Agreement Termination or expiration of this Agreement shall constitute a termination or expiration of the Franchise and any and all licenses granted herein You agree that you will at all times faithfully, honestly and diligently perform your obligations hereunder and that you will continuously exert your best efforts to promote and enhance the business of the Launch Trampoline Park and the goodwill of the Marks You shall not conduct the business of the Launch Trampoline Park from any location other than the Site

**3 2 Territorial Rights**

You expressly acknowledge that this Franchise is non-exclusive, but that this Agreement does grant you a protected area or territory for your Launch Trampoline Park Your Territory is defined in Exhibit "B" hereof

**3 3 Rights Retained by Us**

We retain all rights with respect to Launch Trampoline Parks, the Marks and the sale of Approved Products and any other products and services anywhere in the world including, without limitation

(a) to produce, offer and sell and to grant other the right to produce, offer and sell the Products offered at Launch Trampoline Parks and any other goods through similar or dissimilar channels of distribution, both within and outside the Territory, under trade and service marks other than the Marks and under any terms and conditions we deem appropriate,

(b) to operate and to grant others the right to operate Launch Trampoline Parks located outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to your Launch Trampoline Park,

(c) the right to acquire and operate a business operating one or more Launch Trampoline Parks or food service businesses located or operating in your Territory, provided, however, that if we do acquire this business any facilities located or operating within your Territory will not operate using the Marks

You expressly acknowledge and agree that we shall have the unbridled right to exercise all of the rights reserved to us in this Section 3 3 at any location, regardless of the proximity of such location to the Launch Trampoline Park

**3 4 Limitations on Sale of Products and Services**

This license does not include any right to provide any Product or Service at or from any location except from the Site Your use, directly or indirectly, of the System, the Marks licensed hereunder, or the sale of any Product or Service at any location other than from the Site, except as we may specifically approve, shall be a material breach of this Agreement and shall give us, in addition to all other rights and remedies hereunder, the right to terminate this Agreement You shall not engage in any promotional activities or sell the Approved Products and Services, or similar products and services, whether directly or indirectly, through the internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the "Electronic Media"), or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from clients or prospective clients located outside of the Territory You may place advertisements in printed media and on television and radio that are targeted to clients and prospective clients located within the Territory, and you will not be deemed to be in violation of this Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective clients outside of the Territory You understand and agree that you may not directly solicit customers outside of your Territory

## ARTICLE 4
## DEVELOPMENT AND OPENING OF THE LAUNCH TRAMPOLINE PARK

**4 1 Approval of Site**

4 1 1 You shall obtain our approval of any proposed site for the Launch Trampoline Park in accordance with our procedures within one hundred eighty (180) days from the date hereof You will submit to us such demographic, commercial and other information and photographs as we may require in order to evaluate the proposed site You acknowledge that in approving a proposed site we may consider such matters as we deem material including, without limitation, demographic characteristics of the proposed site, traffic patterns, parking, the predominant character of the neighborhood, competition from other businesses providing similar services within the area (including other Launch Trampoline Parks), the number of households, income levels, population, the purchase price or lease terms for the proposed site and other commercial characteristics, the size of the premises, appearance, and other physical characteristics of the proposed site

4 1 2 We will approve or disapprove each site you propose for the operation of the Launch Trampoline Park by giving written notice to you We agree to use reasonable efforts to deliver such notice to you within thirty (30) days after we receive the complete site documentation and any other materials we request regarding you and the proposed site We will not unreasonably withhold our approval of a proposed site that meets our standards and specifications for Launch Trampoline Parks Upon our approval of a proposed site for the Launch Trampoline Park, the address of the Launch Trampoline Park will be inserted on Exhibit B to this Agreement If you are unable to find a suitable location for your Launch Trampoline Park within one hundred eighty (180) days after you sign this Agreement, we reserve the right to terminate this Agreement In such circumstances, we will refund to

you a portion of the initial franchise fee you paid, as described in Section 10 1 We also reserve the right to provide you an extension of this timeframe

4 1 3 You hereby acknowledge and agree that our approval of the Site does not constitute an express or implied assurance, representation or warranty of any kind as to the suitability of the Site for a Launch Trampoline Park or for any other purpose Our approval of the Site indicates only that we believe the Site complies with acceptable minimum criteria established by us solely for our purposes as of the time of evaluation You and we acknowledge that application of criteria that have been effective with respect to other sites may not be predictive of potential for the Launch Trampoline Park and that, subsequent to our approval of the Site, demographic and/or economic factors included in or excluded from our criteria could change, thereby altering the potential of the Site Such factors are unpredictable and are beyond our control We shall not be responsible for the failure of the Site to meet your expectations as to revenue, operational performance or other measures You further acknowledge and agree that your acceptance of a Franchise for the operation of the Launch Trampoline Park at the Site is based on your own independent investigation of the suitability of the Site

**4 2 Approval of Lease**

4 2 1 Upon our approval of a proposed site, you will attempt to obtain lawful possession of the approved Site through your direct purchase, lease or sublease The lease or sublease for the Site shall be in a form satisfactory to us and (a) provide for concurrent, written notice to us of your default under said lease or sublease, (b) provide for our right, in our sole discretion, to cure your default under said lease or sublease, (c) provide for your right to assign your interest under said lease or sublease to us without the lessor's or sublessor's consent, (d) authorize and require the lessor or sublessor to disclose to us upon our request sales and other information furnished to the lessor or sublessor by you, (e) provide that we shall have the right, in our sole discretion, upon termination of this Agreement or expiration of this Agreement, without the grant of a successor franchise, to assume said lease or sublease, (f) provide for the lessor's or sublessor's consent to your display of the Marks in accordance with our specifications, subject only to applicable law, (g) provide that it may not be materially modified without our prior written consent and that we will receive copies of such modifications when proposed and when executed, and (h) include an executed copy of the Collateral Assignment of Lease, which is attached hereto as Exhibit D, or a substantially similar form

4 2 2 You will deliver to us for review a copy of the lease, sublease or purchase agreement for the Site You agree that you will not execute a lease, sublease or purchase agreement without our prior written approval of its terms If we do not disapprove a proposed lease, sublease or purchase agreement within fifteen (15) days after we receive it, it shall be deemed approved by us You shall deliver a copy of the signed lease, sublease or purchase agreement to us within fifteen (15) days of its execution You further agree that you will not execute or agree to any modification of the lease, sublease or purchase agreement which would affect our rights without our prior written approval

**4 3 Design Specifications**

We will furnish to you "Design Specifications" which contain our requirements for design, decoration, layout, equipment, furniture, fixtures, color scheme, and signs for Launch Trampoline Parks You acknowledge and agree that the Design Specifications are an integral part of the System and form a part of the Trade Dress and that, therefore, the Launch Trampoline Park will be developed, constructed and designed in accordance with the Design Specifications You shall submit all plans and specifications to us for our approval You shall not begin development of the Launch Trampoline Park until we approve your plans and specifications Our review of your plans and specifications is only to verify that they meet our Design Specifications, and are not meant to verify any compliance with any applicable law, ordinance or building code, which is your sole responsibility

### 4 4 Development of the Launch Trampoline Park

As soon as practicable after you obtain possession of the Site by signing a lease, sublease or purchase agreement, you agree, at your expense, to do or cause to be done the following (a) prepare and submit to us for approval detailed construction plans and specifications and space plans for the Launch Trampoline Park that comply with the Design Specifications and all applicable ordinances, building codes, permit requirements, and lease requirements and restrictions, (b) obtain all required zoning changes, planning consents, building, utility, sign, health, sanitation and business permits, licenses and approvals and any other consents, permits and licenses necessary to lawfully open and operate the Launch Trampoline Park, (c) construct all required improvements in compliance with construction plans and specifications approved by us, (d) decorate the Launch Trampoline Park in compliance with Design Specifications and plans and specifications approved by us, (e) purchase and install all required equipment, including furniture, fixtures and signs, and (f) obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services

### 4 5 Equipment, Fixtures and Signs

You agree to use in the development and operation of the Launch Trampoline Park only those brands, types and/or models of equipment, fixtures and signs displaying the Marks which meet our specifications You may purchase approved brands, types and/or models of equipment, fixtures and signs which meet our specifications from any supplier, unless we designate a specific approved supplier for any item We will, from time to time, supply you with a list of suppliers who sell items which meet our specifications All computer equipment used in the operation of the Launch Trampoline Park must be of a brand, type and/or model authorized by us

### 4 6 Initial Inventory

Upon completion of the development of the Launch Trampoline Park, you agree to stock the initial inventory of the Launch Trampoline Park to our specifications and standards The initial inventory of the Launch Trampoline Park will include your purchase of Products from our designated suppliers

### 4 7 Launch Trampoline Park Opening

You agree not to open the Launch Trampoline Park for business until (a) we determine that all of your obligations pursuant to Sections 4 1 through 4 6 have been fulfilled, (b) pre-opening training of Launch Trampoline Park personnel has been completed to our satisfaction, (c) all amounts then due to us have been paid, (d) we have been furnished with copies of all insurance policies required pursuant to this Agreement or such other evidence of insurance coverage and payment of premiums as we request, and (e) we have given our approval for your Launch Trampoline Park to open You agree to comply with these conditions and to be prepared to open the Launch Trampoline Park for business not later than twelve (12) months after you sign this Agreement If you are unable to open your Launch Trampoline Park for business within this twelve (12) month period, subject to force majeure, you agree to pay to us a delayed opening fee equal to Two Thousand Five Hundred Dollars ($2,500) per month for each additional month your Launch Trampoline Park is not open for business, up to a maximum of six (6) additional months You understand and acknowledge that such fee shall be in addition to our other rights and remedies hereunder or at law If your Launch Trampoline Park is not open and operating within eighteen (18) months after you execute this Agreement, we have the right to terminate this Agreement without providing you with a refund

### 4 8 Grand Openıng Program

You agree to spend Twenty-Fıve Thousand Dollars ($25,000) on a grand openıng advertısıng and promotıonal program for the Launch Trampolıne Park durıng the perıod comprısıng the thırty (30) days before and the thırty (30) days after the openıng of the Launch Trampolıne Park Your grand openıng advertısıng and promotıonal program must ınclude the gıve-aways we specıfy, ıncludıng, but not lımıted to,coupons, promotıonal tıckets, radıo advertısıng and prınt advertısıng Such advertısıng and promotıon program shall be ın addıtıon to advertısıng and promotıon conducted pursuant to thıs Agreement, shall utılıze marketıng and publıc relatıons programs and medıa and advertısıng materıals approved by us, and shall be conducted ın accordance wıth our specıfıcatıons and standards In our dıscretıon, we may requıre you to gıve to us the money for the grand openıng program and we wıll conduct thıs program on your behalf

### 4 9 Relocatıon of Launch Trampolıne Park Sıte

If, durıng the term of thıs Agreement, you wısh to relocate your Launch Trampolıne Park, or ıf the Launch Trampolıne Park Sıte ıs damaged or destroyed and cannot be repaıred wıthın sıxty (60) days, you must submıt to us ın wrıtıng the materıals we requıre to consıder your relocatıon request, ıncludıng ınformatıon concernıng the proposed new locatıon for the Launch Trampolıne Park Any such relocatıon shall be at your sole expense Our revıew of your request to relocate wıll consıder factors such as your complıance wıth thıs Agreement, the locatıon meets our then-current requırements for a Launch Trampolıne Park and ıs located wıthın your Terrıtory, and you must sıgn our then-current form of Franchıse Agreement We wıll not charge you an addıtıonal ınıtıal franchıse fee for relocatıon

### 4 10 Launch Trampolıne Park Refurbıshment

At our request, whıch shall not be more frequently than every fıve (5) years, you shall refurbısh the Launch Trampolıne Park at your sole cost and expense so that ıt conforms to the buıldıng desıgn, Trade Dress, color schemes, Desıgn Specıfıcatıons and presentatıon of the Marks ın a manner consıstent wıth the ımage then ın effect for new Launch Trampolıne Parks under the System, ıncludıng, wıthout lımıtatıon, remodelıng, redecoratıon and modıfıcatıons to exıstıng ımprovements Refurbıshment does not ınclude (a) regular maıntenance of your Launch Trampolıne Park and ıts equıpment and furnıshıngs, (b) any technologıcal upgrades we may requıre durıng the term of thıs Agreement

## ARTICLE 5

## TRAINING AND GUIDANCE

### 5 1 Inıtıal Traınıng

5 1 1 Not later than thırty (30) days before the Launch Trampolıne Park begıns operatıng, we shall provıde ınıtıal traınıng at our Affılıate's operatıng Launch Trampolıne Park, or such other locatıon as we desıgnate, ın the operatıon of a Launch Trampolıne Park to you, your general manager and one (1) addıtıonal employee (a maxımum of three (3) traınees) The cost of traınıng the fırst three (3) people ıs ıncluded ın your ınıtıal franchıse fee If you request that we provıde our traınıng program to addıtıonal people, eıther before your Launch Trampolıne Park opens or whıle ıt ıs operatıng, you must pay our then-current traınıng fee for each addıtıonal traınee Inıtıal traınıng shall be held at such tıme and locatıon and for such duratıon as we desıgnate You and your general manager must complete the ınıtıal traınıng program to our reasonable satısfactıon If we, ın our sole dıscretıon, determıne you or your general manager have faıled to satısfactorıly complete the ınıtıal traınıng, you agree to ımmedıately hıre a substıtute general manager and arrange for such substıtute manager to complete the traınıng to our satısfactıon, at your expense

5 1 2 If we, in our sole discretion, determine that you or any substitute general manager fails to satisfactorily complete the initial training program, we may terminate this Agreement immediately upon notice to you, without opportunity to cure Under such circumstances, we will refund a portion of the initial franchise fee you paid, as described in Section 10 1

5 1 3 You will be responsible for the cost of all travel and living expenses that you and your personnel incur in connection with initial training and any subsequent training, including, but not limited to, travel, lodging, meals and applicable wages We will not compensate training attendees for any incidental services performed in connection with training

5 1 4 In addition to our initial training program, we will supply one (1) of our representatives to provide pre-opening and opening assistance at your Launch Trampoline Park for up to five (5) days around the Launch Trampoline Park's opening If this Agreement is for your second (2nd) or later Launch Trampoline Park, we reserve the right to not provide opening assistance

**5 2 Additional Training, Franchisee Meeting**

5 2 1 At your request, and subject to the availability of our personnel, we may provide additional assistance and/or training on-site at your Launch Trampoline Park You agree to pay our then-current per diem fee for each trainer we send to your Launch Trampoline Park and to reimburse each trainer's expenses while providing the on-site assistance, including, but not limited to, travel, lodging and meals

5 2 2 In addition to the initial training program and any additional on-site assistance or training you request, as described above, we may offer refresher training and/or an annual meeting of our franchisees We may designate that attendance at any refresher training and/or annual meeting is mandatory for you and/or your general manager We do not anticipate charging a fee for any refresher training or franchisee meeting, but you must pay for the expenses of your trainees/attendees, including, but not limited to, travel, lodging, meals and wages

5 2 3 You shall implement a training program for Launch Trampoline Park employees in accordance with training standards and procedures that we may prescribe You shall maintain, at all times, a staff of trained employees sufficient to operate the Launch Trampoline Park in accordance with this Agreement

**5 3 Guidance and Assistance**

We shall furnish guidance to you with respect to (a) specifications, standards and operating procedures utilized by Launch Trampoline Parks and any modifications thereof, (b) purchasing approved equipment, fixtures, signs, inventory, and operating materials and supplies, (c) development and implementation of local advertising and promotional programs, (d) administrative, bookkeeping, accounting, inventory control and general operating and management procedures of Launch Trampoline Parks, and (e) establishing and conducting employee training programs at the Launch Trampoline Park Such guidance shall, in our discretion, be furnished in the form of our Operations Manual, bulletins, written reports and recommendations, other written materials (including by e-mail), refresher training programs and/or periodic telephonic consultations, or in-person consultations at our offices or at your Launch Trampoline Park

**5 4 Operations Manual**

We will loan to you for your sole use during the term of this Agreement one (1) copy of an "Operations Manual", which may consist of one (1) or more handbooks or manuals as may be modified, replaced or supplemented by us from time to time, in our sole discretion We reserve the right to provide the Operations Manual electronically, such as via CD-ROM or a password-protected Website The Operations Manual shall contain mandatory specifications, standards, policies and procedures prescribed from time to time by us for Launch Trampoline Parks The Operations Manual may be modified by us from time to time (a) to reflect changes in the System, including, without limitation, changes in specifications, standards, policies and procedures of Launch Trampoline Parks, (b) to specify brands, types and/or models of equipment which must be used by you in the operation of the Launch Trampoline Park, and (c) to specify changes in the decor, format, image, Products, Services and operations of a Launch Trampoline Park prescribed by us Any such modifications shall be binding upon you upon being mailed or otherwise delivered to you, as if originally set forth herein You shall keep your copy of the Operations Manual current by immediately inserting all modified pages furnished by us In the event of a dispute about the contents of the Operations Manual, the master copy maintained by us at our principal office shall be controlling You acknowledge that the Operations Manual is proprietary and confidential to us, and you agree that you will not at any time copy or distribute any part of the Operations Manual Upon termination of this Agreement or expiration of this Agreement without grant of a renewal franchise, you shall return to us all copies of the Operations Manual

## ARTICLE 6

## MARKS

### 6 1 Goodwill and Ownership of Marks

We are the owner or the licensee of the owner of the Marks All references in this Agreement to our right, title and interest in and to the Marks shall be deemed to include the owner's right, title and interest in and to the Marks You acknowledge that your right to use the Marks is derived solely from this Agreement and is limited to the operation of the Launch Trampoline Park by you pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by us from time to time during the term of the Franchise Any unauthorized use of the Marks by you shall constitute a material breach of this Agreement and an infringement of our rights in and to the Marks You acknowledge and agree that all usage of the Marks by you and any goodwill established thereby shall inure to our exclusive benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you other than the right to operate the Launch Trampoline Park in compliance with this Agreement All provisions of this Agreement applicable to the Marks shall apply to any other trademarks, service marks and commercial symbols hereafter authorized in writing for use by and licensed to you by us

You understand and agree that the limited license to use the Marks granted hereby applies only to such proprietary marks as are designated by us, and which are not subsequently designated by us as being withdrawn from use, together with those which may hereafter being designated by us in writing You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any of our Marks by virtue of the limited license granted hereunder, or by virtue of your use of any of the Marks

During the term of this Agreement and any renewal or extension hereof, you shall identify yourself as the independent owner of the Launch Trampoline Park in conjunction with any use of the Marks, including, but not limited to, on invoices, order forms, receipts, business stationery, contracts with all third parties or entities, as well as the display of such notices in such content and form and at such conspicuous locations as we may designate in writing

### 6 2 Limitations on Your Use of Marks

You agree to use the Marks as the sole trade identification of the Launch Trampoline Park, provided that you shall identify yourself as the independent owner of the Launch Trampoline Park in the manner prescribed by us You shall not use any Mark or any variation thereof (a) as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form, (b) in connection with the performance or sale of any unauthorized services or products, (c) as part of the Domain Name or electronic address of any Website, or (d) in any other manner not expressly authorized in writing by us You agree to display the Marks prominently in the manner prescribed by us at the Launch Trampoline Park and in connection with advertising and marketing materials You agree to give such notices of trademark and service mark registrations as we specify and to obtain such business name registrations as may be required under applicable law

### 6 3 Notification of Infringements and Claims

You shall immediately notify us of any apparent infringement of or challenge to your use of any Mark or claim by any person of any rights in any Mark, and you shall not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim We shall have sole discretion to take such action as we deem appropriate in connection with the foregoing and the right to control exclusively any settlement, litigation or Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark You agree to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain our interests in the Marks We will reimburse you for the reasonable out-of-pocket expenses incurred and paid by you in complying with the requirements imposed by this Section

### 6 4 Discontinuance of Use of Marks

If it becomes advisable at any time, in our sole judgment, for the Launch Trampoline Park to modify or discontinue the use of any Mark or of any aspect of the Trade Dress and/or for the Launch Trampoline Park to use one or more additional or substitute trademarks or service marks or substitute trade dress, you agree to immediately comply with our directions to modify or otherwise discontinue the use of such Mark and/or to use one or more additional or substitute trademarks, service marks, logos or commercial symbols or substitute trade dress after notice thereof by us We shall have no obligation to reimburse you for any expenditures made by you to modify or discontinue the use of a Mark or to adopt substitutes for a discontinued Mark including, without limitation, any expenditures relating to advertising or promotional materials or to compensate you for any goodwill related to the discontinued Mark You covenant not to commence or join in any litigation or other proceeding against us for any of these expenses, losses or damages

### 6 5 Indemnification of You

We agree to indemnify you against, and to reimburse you for, all damages for which you are held liable in any proceeding arising out of your use of any Mark pursuant to and in compliance with this Agreement and for all costs reasonably incurred by you in the defense of any such claim brought against you or in any such proceeding in which you are named as a party, provided that you have timely notified us of such claim or proceeding, have given us sole control of the defense and settlement of any such claim, and have otherwise complied with this Agreement

## ARTICLE 7

## COPYRIGHTS

### 7 1 Ownership of Copyrights

You and we acknowledge and agree (a) that we may authorize you to use, in connection with the operation of the Launch Trampoline Park, certain copyrighted or copyrightable works which shall be referred to herein as the "Copyrighted Works", (b) that the Copyrighted Works are our valuable property or the property of the copyright owner, who may not be us, and (c) that the rights herein are granted to you solely on the condition that you comply with the terms of this Section You acknowledge and agree that we own or are the licensee of the owner of the Copyrighted Works and will further create, acquire or obtain licenses for certain copyrights in various works of authorship used in connection with the operation of Launch Trampoline Parks Such Copyrighted Works include the Operations Manual and may include all or part of the Marks, Trade Dress, Design Specifications and other portions of the System We intend that all works of authorship related to the System and created in the future will be owned by us

### 7 2 Limitation on Your Use of Copyrights

You acknowledge that your right to use the Copyrighted Works is derived solely from this Agreement and is limited to the use of such Copyrighted Works pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by us from time to time during the term of this Agreement You shall ensure that all Copyrighted Works used hereunder shall bear an appropriate copyright notice under the Universal Copyright Convention or other copyright laws prescribed by us specifying that we are the owner of the copyright You acknowledge that this Agreement does not confer any interest in the Copyrighted Works upon you other than the right to operate the Launch Trampoline Park in compliance with this Agreement If we authorize you to prepare any adaptation, translation or derivative work of the Copyrighted Works, you hereby agree that such adaptation, translation or derivative work shall be our property and you hereby assign all your right, title and interest therein to us You agree to execute any documents in recordable form which we determine are necessary to reflect such ownership You shall submit all such adaptations, translations or derivative works to us for approval prior to use

### 7 3 Notification of Infringements and Claims

You shall immediately notify us of any actual or apparent infringement of or challenge to any of the Copyrighted Works or claim by any person of any rights in the Copyrighted Works You shall not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim We shall have the sole discretion to take such action as we deem appropriate in connection with the foregoing and the right to control exclusively any settlement, litigation, arbitration or administrative proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to the Copyrighted Works

### 7 4 Discontinuance of Use

If it becomes advisable at any time in our sole judgment for you to modify or discontinue use of any of the Copyrighted Works and/or for you to use one or more additional or substitute copyrighted or copyrightable items, you agree to immediately comply with our directions to modify or otherwise discontinue the use of the copyrighted materials and/or to use one or more substitute materials

## ARTICLE 8

## CONFIDENTIAL INFORMATION

### 8 1 Definition of "Confidential Information"

We possess and will further develop and acquire "Confidential Information" including, but not limited to, the following categories of information, methods, techniques, procedures, and knowledge developed or to be developed by us, our Affiliates and/or franchisees System standards, market research, advertising and promotional campaigns, approved suppliers, operating results of Launch Trampoline Parks, the terms of your agreement with us, the Operations Manual, graphic designs and other intellectual property, and your customer list

### 8 2 Sales and Operations Data Deemed Confidential

All data relating to the sales and operations of the Launch Trampoline Park shall also be deemed to be Confidential Information for purposes of this Agreement

### 8 3 Disclosure of Confidential Information

We will disclose such parts of the Confidential Information as are required for the operation of a Launch Trampoline Park to you during training and in guidance and assistance furnished to you during the term of this Agreement, and you may learn or otherwise obtain from us additional Confidential Information during the term of this Agreement You acknowledge and agree that neither you nor any other person or entity will acquire any interest in or right to use the Confidential Information, other than your right to utilize it in the operation of the Launch Trampoline Park, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition with us and other Launch Trampoline Park franchisees You agree to disclose the Confidential Information to your Owners and to employees of the Launch Trampoline Park only to the extent reasonably necessary for the operation of the Launch Trampoline Park

### 8 4 Non-Disclosure of Confidential Information

You acknowledge and agree that the Confidential Information is confidential to us and a valuable asset of ours, is proprietary, includes our trade secrets, and is disclosed to you solely on the condition that you, your Owners and your employees who have access to it agree, and you do hereby agree, that during and after the term of this Agreement, you, your Owners and such employees

(a) will not use the Confidential Information in any other business or capacity,

(b) will maintain the absolute secrecy and confidentiality of the Confidential Information,

(c) will not make unauthorized copies of any portion of the Confidential Information disclosed in written or other tangible form,

(d) will adopt and implement all reasonable procedures prescribed from time to time by us to prevent unauthorized use or disclosure of or access to the Confidential Information, and

(e) will require all Principal Owners and all employees and Owners who will have access to Confidential Information, including, without limitation, managers and other personnel who attend our training programs, to execute Confidentiality and Non-Competition Agreements in the form attached hereto as Exhibit E We shall be a third party beneficiary of such agreements with the independent right to enforce their terms You shall provide, at our request, executed originals of each such Confidentiality and Non-Competition Agreement Failure to procure execution of a Confidentiality and Non-Competition Agreement shall be a material breach of this Agreement

### 8 5 Use of Confidential Information

Nothing contained herein shall be construed to prohibit you from using the Confidential Information in connection with the operation of a Launch Trampoline Park, provided such operation is pursuant to a valid franchise agreement between you and us

### 8 6 Restrictions on Use

Notwithstanding anything to the contrary contained in this Agreement, and provided you shall have obtained our prior written consent, the restrictions on your disclosure and use of the Confidential Information shall not apply to the following (a) information, methods, procedures, techniques and knowledge which are or become generally known in the business of the offer and sale of Approved Products and Services in the United States, other than through deliberate or inadvertent disclosure by you, and (b) the disclosure of the Confidential Information in judicial or administrative proceedings to the extent that you are legally compelled to disclose such information, provided you have notified us prior to disclosure and shall have used your best efforts to obtain, and shall have afforded us the opportunity to obtain, an appropriate protective order or other assurance satisfactory to us of confidential treatment for the information required to be so disclosed

### 8 7 New Ideas and Concepts

You agree to disclose to us all ideas, concepts, methods, techniques and products relating to the development and operation of a Launch Trampoline Park conceived or developed by you, your Affiliates, Owners or your employees during the term of this Agreement You hereby grant to us and agree to procure from your Affiliates, Owners or employees a perpetual, non-exclusive and worldwide right to use same We shall have no obligation to make any payment with respect to any such idea, concept, method, technique or product You agree that you will not use, nor will you allow any other person or entity to use, any such concept, method, technique or product without obtaining our prior written approval

## ARTICLE 9
## EXCLUSIVE RELATIONSHIP, NON-COMPETITION

9 1 You acknowledge and agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Launch Trampoline Parks if franchisees, their Principal Owners, or members of any of their immediate families were permitted to engage in, hold interests in, or perform services for a Competitive Business You further acknowledge and agree that the restrictions contained in this Section will not hinder your activities or the activities of your Principal Owners under this Agreement or in general We have entered into this Agreement with you on the express condition that, with respect to the operation of Competitive Businesses, you and your Principal Owners and members of their respective immediate families will deal exclusively with us You therefore agree that during the term of this Agreement neither you nor any of your Principal Owners nor any member of your or their immediate family shall, directly or indirectly

(a) have any interest as a disclosed or beneficial owner in any Competitive Business, or

(b) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for any Competitive Business, or

(c) employ or seek to employ any person who is employed by us, our Affiliates or by any other franchisee of Launch Trampoline Parks, nor induce nor attempt to induce any such person to leave said employment without the prior written consent of such person's employer

9 2 These restrictions of clause (a) of Section 9 1 shall not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market (a publicly owned company) that represents less than five percent (5%) of the number of shares of that class of securities issued and outstanding

9 3 The restrictions of Section 9 1 shall not be construed to prohibit you, any of your Principal Owners, or any member of your or their immediate family from having a direct or indirect ownership interest in any Launch Trampoline Park Franchise Agreement for the operation of any Launch Trampoline Park, or any entity owning, controlling or operating a Launch Trampoline Park, or from providing services to any such Launch Trampoline Park pursuant to other agreements with us

## ARTICLE 10

## FEES

**The Maryland Securities Commissioner has required a financial assurance Therefore, all initial fees and payments owed by Franchisees shall be deferred until Franchisor completes its pre-opening obligations under the Franchise Agreement In addition, all development fees and initial payments by Area Developers shall be deferred until the first franchise under the Development Agreement opens**

### 10 1 Initial Franchise Fee

10 1 1 You agree to pay to us upon execution of this Agreement an "Initial Franchise Fee" in the amount of Fifty Thousand Dollars ($50,000) The Initial Franchise Fee shall be fully earned by us upon execution of this Agreement and is non-refundable, except that if you are unable to find a suitable location for your Launch Trampoline Park within sixty (60) days after you execute this Agreement, or if you and/or your general manager are unable to complete our initial training program to our satisfaction (after giving you an opportunity to designate a replacement general manager), we reserve the right to terminate this Agreement and refund Five Thousand Dollars ($5,000) of the Initial Franchise Fee to you We will retain the balance of the Initial Franchise Fee to compensate us for our efforts You must sign the documents we require, including a general release and a confidentiality and non-competition agreement, before we will refund any money The Initial Franchise Fee is not refundable under any other circumstances

10 1 2 If this Agreement is being executed pursuant to the terms of a Multi-Unit Development Agreement between you and us, then the Initial Franchise Fee payable shall be Twenty-Five Thousand Dollars ($25,000), payable in a lump sum upon execution of this Agreement, which amount shall not be refundable under any circumstances

10 1 3 If this Agreement is being executed pursuant to the terms of a Deposit Agreement between you and us, then the balance of the Initial Franchise Fee or Forty-Five Thousand Dollars ($45,000) is payable in a lump sum upon execution of this Agreement, which amount shall not be refundable under any circumstances

**10 2 Royalty Fee**

10 2 1 During the term of this Agreement, you shall pay to us, in partial consideration for the rights herein granted, a continuing weekly royalty fee equal to six percent (6%) of Gross Sales ("Royalty Fee") Such Royalty Fee shall be due and payable each week based on the Gross Sales for the previous week ending Sunday so that it is received by us by electronic funds transfer on or before Wednesday of each week, provided that such day is a business day If the date on which such payments would otherwise be due is not a business day, then payment shall be due on the next business day

10 2 2 Each such Royalty Fee shall be preceded by a royalty report itemizing the Gross Sales for the preceding week ending Sunday ("Royalty Report") and any other reports required hereunder Notwithstanding the foregoing, you shall provide us with such Gross Sales information not later than Monday of each week by modem or, if not reasonably available, by facsimile transmission or such other method of delivery as we may reasonably direct

10 2 3 If the state in which your Launch Trampoline Park is located imposes upon us a sales or other tax on Royalty Fees paid to us, then we shall have the right to collect this tax from you

**10 3 Definition of "Gross Sales"**

For the purposes of determining the Royalty Fees to be paid hereunder, "Gross Sales" shall mean the total selling price of all services and products and all income of every other kind and nature related to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the point of sale system and any cash shortage will not be considered in the determination Gross Sales expressly excludes taxes collected from your customers and paid to the appropriate taxing authority and customer refunds or adjustments

**10 4 Interest on Late Payments**

All Royalty Fees, Brand Development Fund contributions, amounts due for purchases by you from us, and other amounts which you owe to us or our Affiliates shall bear interest after the due date at a rate equal to one and one-half percent (1 5%) per month or the maximum interest rate permitted by law, whichever is less Interest shall accrue from the original due date until payment in full is received by us You acknowledge that this Section shall not constitute our agreement to accept such payments after same are due or a commitment by us to extend credit to or otherwise finance your operation of the Launch Trampoline Park You acknowledge that failure to pay all such amounts when due shall constitute grounds for termination of this Agreement as provided herein, notwithstanding the provisions of this Section

**10 5 Application of Payments**

Notwithstanding any designation by you, we shall have sole discretion to apply any payments received from you or any indebtedness of yours to us or our Affiliates to any past due indebtedness of yours for Royalty Fees, Brand Development Fund contributions (as described in Section 12 1 below), purchases from us or our Affiliates, interest, or any other indebtedness of yours to us

**10 6 Electronic Funds Transfer**

10 6 1 At our request, you must sign and deliver to us any documents required by us, our bank and/or your bank to authorize us to debit your bank account automatically for the Royalty Fee and other amounts due under this Agreement You agree to make the funds available for withdrawal by electronic transfer before each due date

10 6 2 If you fail to report the Launch Trampoline Park's Gross Sales, we may debit your account for one hundred twenty percent (120%) of the last Royalty Fee and Brand Development Fund contribution (as described in Section 12 1 below) that we debited If the Royalty Fee and Brand Development Fund contribution debited from your account are less than the Royalty Fee and Brand Development Fund contribution you actually owe to us (once we have determined the Launch Trampoline Park's true and correct Gross Sales), we will debit your account for the balance of the Royalty Fee and Brand Development Fund contribution due on the day we specify If the Royalty Fee and Brand Development Fund contribution debited from your account are greater than the Royalty Fee and Brand Development Fund contribution actually owed, we will credit the excess against the amount we otherwise would debit from your account during the following week

## ARTICLE 11
## LAUNCH TRAMPOLINE PARK IMAGE AND OPERATION

### 11 1 Condition and Appearance of the Launch Trampoline Park

11 1 1 You agree that (a) neither the Launch Trampoline Park nor the Site will be used for any purpose other than the operation of a Launch Trampoline Park in compliance with this Agreement, (b) you will maintain the condition and appearance of the Launch Trampoline Park, its equipment, fixtures, signs, and the Site in accordance with our specifications and standards and consistent with the image of a Launch Trampoline Park, and (c) you will perform such maintenance with respect to the decor, equipment, fixtures, and signs of the Launch Trampoline Park and the Site as may be required from time to time to maintain good condition, appearance, and efficient operation including, without limitation (i) thorough cleaning, exterminating, repainting and redecorating of the interior and exterior of the Site on a daily basis or at reasonable intervals, as applicable, (ii) interior and exterior repair of the Site, (iii) repair or replacement of damaged, worn out or obsolete equipment, fixtures, and signs, provided that (except for our right to require you to remodel and refurbish your Launch Trampoline Park as described in Section 4 10 above) we will not require you to replace any obsolete equipment unless we have initiated a program to replace such equipment as it becomes necessary in the Launch Trampoline Parks that we operate, a (iii) you will not make any material alterations to the Site or to the appearance of the Launch Trampoline Park as originally developed without our prior approval in writing, (v) subject to our approval of plans, layouts and designs, you will remodel, expand, redecorate, reequip and refurnish the Site and the Launch Trampoline Park when required by us, but no more often than once every five (5) years, to reflect changes in the operation of Launch Trampoline Parks prescribed by us and required of new Launch Trampoline Park franchisees, as described in Section 4 10 above You shall have a reasonable time period remaining under this Agreement to amortize the costs of such improvements Notwithstanding the provisions above, we can require you to change and/or upgrade equipment at any time to comply with new specifications and standards, and (vi) you will place or display at the interior and exterior of Site only such signs, emblems, lettering, logos, and display and advertising materials that are from time to time approved by us, and which may be modified if you enter into an Endorsement Agreement as described above

11 1 2 In addition to our rights to terminate this Agreement as set forth herein, if you do not maintain the condition and appearance of the Launch Trampoline Park as herein required, we may, upon not less than ten (10) days' notice to you, or immediately in cases of health or sanitation hazards or other public endangerment (a) arrange for the necessary cleaning, sanitation, repair, remodeling, upgrading, painting or decorating, or (b) replace the necessary fixtures, furnishings, equipment, or signs You shall promptly pay the entire cost thereof following the receipt of a bill for such work from us

### 11 2 Products and Services Offered at the Launch Trampoline Park

You agree that the Launch Trampoline Park will offer for sale all Approved Products and Services and related products and other services that we from time to time prescribe and that the Launch Trampoline Park will make available all services that we prescribe from time to time for Launch Trampoline Parks You agree that the Launch Trampoline Park will not offer for sale or sell at the Site or any other location in conjunction with the Marks or any other marks any other products or services which have not been approved by us We have a right to require you to participate in a centralized reservation, ticket sale, and/or call center system A proportionate share of the costs of the system or reasonable charges for participation in the system (e g $250/month + up to 6% of overall group and birthday party revenue

### 11 3 Approved Products, Distributors and Suppliers

11 3 1 The reputation and goodwill of Launch Trampoline Parks is based upon and can be maintained only by the sale of distinctive, high quality Products and the presentation and packaging of such Products in an efficient and appealing manner We have developed standards and specifications for the Products, materials and supplies incorporated in or used in the delivery of our Approved Products and Services authorized for sale at Launch Trampoline Parks We have and will periodically approve suppliers and distributors of the foregoing Products that meet our standards and requirements including, without limitation, standards and requirements relating to quality, prices, consistency, reliability, financial capability, labor relations and customer relations You agree that the Launch Trampoline Park will (a) purchase the Products only from designated suppliers and sell such Products, and (b) purchase from distributors and other suppliers approved by us all other goods, food products, ingredients, materials and supplies used in the preparation or sale of Products, and equipment, forms, paper and plastic products, packaging or other materials that meet our standards and specifications for the same We may from time to time modify the list of approved brands and/or suppliers and you shall not, after receipt in writing of such modification, reorder any brand from any supplier which is no longer approved

11 3 2 We may approve a single distributor or other supplier for any Product and may approve a distributor or other supplier only as to certain Products We may concentrate purchases with one (1) or more distributors or suppliers to obtain lower prices and/or the best advertising support and/or services for any group of Launch Trampoline Parks, whether franchised or operated by us Approval of a distributor or other supplier may be conditioned on requirements relating to the frequency of delivery, standards of service, prompt attention to complaints, or other criteria and concentration of purchases as set forth above and may be temporary pending a further evaluation of such distributor or other supplier by us

11 3 3 You must permit us or our agents, at any reasonable time, to remove a reasonable number of samples of Products from your inventory or from the Launch Trampoline Park free of charge for testing by us or by an independent laboratory to determine whether the samples meet our then-current standards and specifications In addition to any other remedies we may have, we may require you to pay our then-current fee for the testing if we have not previously approved the supplier of the item or if the sample fails to conform to our specifications

11 3 4 If you wish to purchase, lease or use any products or other items from an unapproved supplier, you must submit a written request for approval, or must request the supplier to do so We must approve any product or supplier in writing before you make any purchases of that product or from that supplier We can require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered, either to us or to an independent laboratory, for testing We reserve the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current standards Our supplier approval

procedure does not obligate us to approve any particular supplier However, we will notify you within a reasonable time after we complete the inspection and evaluation process of our approval or disapproval of any proposed supplier We are not required to make available to you or to any supplier our criteria for product or supplier approval You or the supplier must pay our then-current fee for our evaluation

11 3 5 In the event you sell any food, beverage, products, novelty items, clothing, souvenirs or perform any services that we have not prescribed, approved or authorized, you shall, immediately upon notice from us (i) cease and desist offering or providing the unauthorized or unapproved food, beverage, product, premium, novelty item, clothing, souvenir or from performing such services and (ii) pay to us, on demand, a prohibited product or service fine equal to Two Hundred Fifty Dollars ($250) per day for each day such unauthorized or unapproved food, beverage, product, premium, novelty item, clothing, souvenir or service is offered or provided by you after written notice from us The prohibited product or service fine shall be in addition to all other remedies available to us under this Agreement or at law

**11 4 Pricing**

With respect to the offer and sale of all Approved Products and Services, we may from time to time offer guidance with respect to the selling price for such goods, products and services, or we may determine the minimum and/or maximum selling prices for such Approved Products and Services, to the extent permitted by applicable law, and you shall be bound to adhere to any such recommended or required pricing If you sell any or all Approved Products and Services at any price recommended or required by us, you acknowledge that we have made no guarantee or warranty that offering such Products or Services at the recommended or required price will enhance your sales or profits

**11 5 Specifications, Standards and Procedures**

11 5 1 You acknowledge that the operation of the Launch Trampoline Park in compliance with our high standards is important to us and other Launch Trampoline Parks and you agree to maintain such high standards in the operation of the Launch Trampoline Park You agree to comply with all mandatory specifications, standards and operating procedures relating to the appearance, function, cleanliness, days and hours of operation (subject to applicable law or the terms of your lease), number of telephone lines and operation of a Launch Trampoline Park, number and placement of security cameras in your Launch Trampoline Park, our right to have independent access to the security camera system, and with our requirements for the decor, equipment, format and image of a Launch Trampoline Park as they may be developed or changed by us from time to time You acknowledge and agree that all mandatory specifications, standards, and operating procedures prescribed from time to time by us in the Operations Manual or otherwise shall constitute binding obligations on your part, and any failure by you to adhere to such mandatory specifications, standards and operating procedures shall constitute grounds for termination of this Agreement by us as provided for herein All references herein to this Agreement shall include all such mandatory specifications, standards, and operating procedures

11 5 2 You acknowledge that due to peculiarities of particular market areas and circumstances, complete and detailed uniformity may not be practical or in the best interests of all Launch Trampoline Parks We reserve the right to vary, in our sole discretion, standards and procedures as they relate to a particular franchisee or group of franchisees Nothing in this Agreement shall be construed to require us to grant you a like variance, or to permit you to modify the standards and procedures required for the operation of your Launch Trampoline Park Any such variances or modifications shall be in our sole and absolute discretion

### 11 6 Modification of the System

You understand and agree that the System must not remain static if it is to meet, without limitation, presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other market place variables, and if it is to best serve the interests of us, you and all other franchisees Accordingly, you expressly understand and agree that we may from time to time change the components of the System including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of that System, abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons, adding to, deleting from or modifying those products, programs and services which your Launch Trampoline Park is authorized and required to offer, modifying or substituting entirely the building, premises, equipment, signage, trade dress, decor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which you are required to observe hereunder, and changing, improving, modifying or substituting the Marks You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations, provided, however, that such changes shall not materially and unreasonably increase your obligations hereunder

You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed

We shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby You hereby covenant not to commence or join in any litigation or other proceeding against us or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby Finally, you expressly waive any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing

### 11 7 Compliance with Laws and Good Business Practices

You shall secure and maintain in force in your name all required licenses, permits, and certificates relating to the conduct of your business pursuant to this Agreement You shall operate the Launch Trampoline Park in full compliance with all applicable laws, ordinances and regulations including, without limitation, immigration law, worker's compensation insurance, unemployment insurance, and withholding and payment of all taxes All advertising by you shall be completely factual, in good taste in our judgment, and shall conform to high standards of ethical advertising You shall in all dealings with your customers, suppliers, us, and public officials adhere to high standards of honesty, integrity, fair dealing and ethical conduct You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Marks and other Launch Trampoline Parks You shall notify us in writing within five (5) days of your learning of the 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 the operation or financial condition of you or the Launch Trampoline Park

You and your Owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below) In connection with that compliance, you and your Owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your Owners otherwise are not in violation of, any of the Anti-Terrorism Laws "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war Any violation of the Anti-Terrorism Laws by you or your Owners, or any blocking of your or your Owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement

**11 8 Management and Personnel of the Launch Trampoline Park**

11 8 1 You shall maintain, at all times, a general manager who has completed our training program to our satisfaction and of whom we approve Your general manager will be the individual primarily responsible for the daily operation of your Launch Trampoline Park, and we shall have the right to deal directly with such general manager on matters pertaining to day-to-day operations of and reporting requirements for the Launch Trampoline Park, provided, however, that you shall assume all responsibility for the operation of your Launch Trampoline Park in accordance with the terms of this Agreement, our Operations Manual and our System standards We recommend, but do not require, that you be the general manager for your Launch Trampoline Park The Launch Trampoline Park must be open on the days and during the hours we specify in the Operations Manual, subject to applicable law and the terms of your lease

11 8 2 Upon the death, disability or termination of employment of your general manager, you shall immediately notify us and designate a successor or acting general manager who meets our then-current criteria In no event shall the appointment of a successor or acting manager be more than thirty (30) days after the death, disability or termination of the predecessor manager Each successor general manager must satisfactorily complete our initial training program within sixty (60) days of appointment by you

11 8 3 You shall hire all employees of the Launch Trampoline Park and shall be exclusively responsible for the terms of their employment, compensation and for the proper training of such employees in the operation of the Launch Trampoline Park In no event will any of your employees be deemed to be employees of ours We may require you to obtain confidentiality and non-competition agreements from certain of your employees You shall establish at the Launch Trampoline Park for all employees a training program meeting the standards prescribed by us

11 8 4 During the term of this Agreement, we shall not directly or indirectly employ or seek to employ any person who is employed by you or by any entity controlled by you nor induce any such person to leave said employment without your prior written consent

11 8 5 All of your employees must pass the rigorous screening test required by us

**11 9 Insurance**

11 9 1 During the term of this Agreement, you shall maintain in force under policies of insurance issued by licensed insurers approved by us the categories and amounts of insurance coverage specified by us in the Operations Manual You acknowledge and understand that we have the right to change our insurance requirements, and you shall comply with such changes As of the date of this Agreement, our current insurance requirements include

(a) general liability coverage in the amount of One Million Dollars ($1,000,000) per occurrence, Two Million Dollars ($2,000,000) aggregate,

(b) "all risks" coverage for the full cost of replacement of the Site and all other property in which we may have an interest with no coinsurance clause,

(c) business interruption insurance in a sufficient amount to cover profit margins, maintenance of competent and desirable personnel and fixed expenses for a period of at least ninety (90) days,

(d) workers' compensation and employer liability insurance in amounts provided by applicable law, but not less than Five Hundred Thousand Dollars ($500,000),

(e) an umbrella liability policy with limits of not less than Two Million Dollars ($2,000,000),

(f) other insurance required by the state or locality in which the Launch Trampoline Park is located and operated or as may be required by the lease or mortgage for the Site, and

(g) as related to any construction, renovation or remodeling of the Launch Trampoline Park, builders risks insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, satisfactory to us

11 9 2 You shall also maintain such additional insurance as is necessary to comply with all legal requirements concerning insurance We may periodically increase the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances

11 9 3 The insurance policies required herein shall

(a) name us as an additional named insured and contain a waiver of all subrogation rights against us, our Affiliates, and our respective successors and assigns,

(b) provide for thirty (30) days' prior written notice to us of any material modification, cancellation, or expiration of such policy,

(c) provide that the coverage applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured,

(d) contain no provision which in any way limits or reduces coverage for you in the event of a claim by any one or more of the parties indemnified under this Agreement,

(e) be primary to and without right of contribution from any other insurance purchased by the parties indemnified under this Agreement, and

(f) extend to and provide indemnity for all obligations assumed by you hereunder and all other items for which you are required to indemnify us under this Agreement

11 9 4 You shall provide us with evidence of the insurance required hereunder not later than fifteen (15) days before the Launch Trampoline Park opens You shall provide us with a complete copy of each insurance policy no more than thirty (30) days after our request for same Thereafter, prior to the expiration of the term of each insurance policy, you shall furnish us with evidence of each renewal or replacement insurance policy to be maintained by you for the immediately following term and evidence of your payment of the premiums If you fail or refuse to maintain required insurance coverage or to furnish satisfactory evidence thereof and the payment of the premiums, we may, at our option, and in addition to our other rights and remedies hereunder, obtain such insurance coverage on your behalf and

you shall fully cooperate with us in our effort to obtain such insurance policies, promptly execute all forms or instruments required to obtain or maintain any such insurance, allow any inspections of the Launch Trampoline Park which are required to obtain or maintain such insurance and pay to us on demand any costs and premiums incurred by us for such insurance plus a ten percent (10%) administrative fee If you fail to purchase or maintain any insurance required by this Agreement or fail to reimburse us for our purchase of insurance on your behalf within fifteen (15) days of delivery to you of our written demand for reimbursement, then we may terminate this Agreement upon notice of termination without opportunity to cure

11 9 5 The maintenance of sufficient insurance coverage shall be your responsibility Your obligations to maintain insurance coverage as herein described shall not be affected in any manner by reason of any separate insurance maintained by us nor shall the maintenance of such insurance relieve you of any indemnification obligations under this Agreement

**11 10 Credit Cards and Other Methods of Payment**

If we require, you shall, at all times, have arrangements in existence with a full range of credit and debit card issuers or sponsors, check verification services and electronic fund transfer systems as we designate from time to time in order that the Launch Trampoline Park may accept customers' credit and debit cards, checks and other methods of payment In addition, you agree to subscribe to our on-line booking and ticket sales program and to pay any costs you incur related thereto

You shall sell or otherwise issue gift cards or certificates (together "Gift Cards") that have been prepared utilizing the standard form of Gift Card provided or designated by us, and only in the manner specified by us in the Operations Manual or otherwise in writing You shall fully honor all Gift Cards that are in the form provided or approved by us regardless of whether a Gift Card was issued by you or another Launch Trampoline Park You shall sell, issue, and redeem (without any offset against any Royalty Fees) Gift Cards in accordance with procedures and policies specified by us in the Operations Manual or otherwise in writing, including those relating to procedures by which you shall request reimbursement for Gift Cards issued by other Launch Trampoline Parks and for making timely payment to us, other operators of Launch Trampoline Parks, or a third-party service provider for Gift Cards issued from the Launch Trampoline Park that are honored by us or other Launch Trampoline Park operators

**11.11 Best Efforts, Sole Purpose**

11 11 1 You and your Principal Owners agree to use their best efforts to develop and expand the market for the Approved Products and Services offered by the Launch Trampoline Park and to cooperate with us to accomplish the purposes of this Agreement

11 11 2 If you are a corporation, partnership, limited liability company or other legal entity, you will not, directly or indirectly, engage in any business or other activity other than the development and operation of Launch Trampoline Parks pursuant to agreements with us

**11.12 Website Operation**

11 12 1 We alone may establish, maintain, modify or discontinue all internet, world wide web and electronic commerce activities pertaining to the System We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and provide for the benefit of your Launch Trampoline Park a "click through" subpage at our website for the promotion of your Launch Trampoline Park If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Launch Trampoline Park, you must routinely provide us with updated copy, photographs and news

stories about your Launch Trampoline Park suitable for posting on your ' click through" subpage We reserve the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage

11 12 2 Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the products, programs or services available at Launch Trampoline Parks – also be devoted in part to offering Launch Trampoline Park franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve

11 12 3 In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and system-wide communications (among other activities) can be done You may not maintain your own website, otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Launch Trampoline Park, establish a link to any website we establish at or from any other website or page, or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "Launch Trampoline Park" name or any name confusingly similar to the Marks

11 12 4 You are not permitted to promote your Franchised Business or use any of the Marks in any manner on any social or networking websites, such as Facebook, LinkedIn or Twitter, without our prior written consent We will control all social media initiatives

11 12 5 We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage

## ARTICLE 12
## ADVERTISING

**12 1 Advertising by Us**

12 1 1 We have the right to establish a "Fund" which operates as a Brand Development Fund for such advertising, marketing and public relations programs as we in our sole discretion deem necessary or appropriate to promote Launch Trampoline Parks You shall contribute to the Fund an amount equal to up to one percent (1%) of Gross Sales payable at the same time and in the same manner as the Royalty Fees payable hereunder Launch Trampoline Parks owned by us and our Affiliates will contribute to the Fund on the same basis as you The Fund may furnish you with samples of certain marketing, advertising and promotional formats and other materials without charge

12 1 2 We or our designee shall administer the Fund as follows

(a) We or our designee shall direct all advertising and public relations programs financed by the Fund with sole discretion over the creative concepts, materials and media used in such programs

(b) the Fund will be used to meet any and all costs of (i) developing advertising ideas and concepts, (ii) developing and conducting market research and merchandising programs, (iii) preparing advertising campaigns, (iv) developing promotional ideas and strategies, (v) preparing collateral creative materials, (vi) preparing advertisements, (vii) preparing public relations campaigns, (viii) providing technical and professional advice in connection with the above, and/or (ix) placement of advertising Monies in the Fund may be expended by us for such reasonable administrative costs and overhead as we may incur in activities reasonably related to the administration or direction of the Fund and advertising programs for franchisees including, without limitation, salary costs of employees working directly for the Fund and collecting and accounting for contributions to the Fund All sums paid by franchisees to the Fund, plus income earned from the Fund, shall be accounted for separately from our other funds and shall not be used by us for any purposes other than those provided for herein Upon your request, we shall, within one hundred twenty (120) days following the close of each fiscal year, prepare and distribute to all franchisees an unaudited statement detailing Fund income and expenses for such fiscal year

(c) We may spend, in any fiscal year, an amount greater or less than the aggregate contribution of all Launch Trampoline Parks to the Fund in that year The Fund may borrow from us or other lenders at standard commercial interest rates to cover deficits of the Fund or cause the Fund to invest any surplus for future use by the Fund Any monies remaining in the Fund at the end of any fiscal year shall carry over to the next fiscal year

(d) You authorize us to collect for remission to the Fund any advertising or promotional monies or credits offered by any supplier based upon purchases by you Any advertising or promotional monies or credits collected by us from any supplier based upon purchases by you shall not be credited toward your required contribution to the Fund

(e) We will have the right to cause the Fund to be incorporated or operated through an entity separate from us at such time as we deem appropriate, and such successor entity shall have all our rights and duties pursuant to this Section

(f) You understand and acknowledge that the Fund is intended to maximize recognition of the Marks and patronage of Launch Trampoline Parks generally Although we will endeavor to utilize the Fund to develop advertising and marketing materials and programs and to place advertising in order to benefit all Launch Trampoline Parks, we undertake no obligation to ensure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Fund by Launch Trampoline Parks operating in that geographic area or that any Launch Trampoline Park will benefit directly or in proportion to its contribution to the Fund from the development of advertising and marketing materials or the placement of advertising You acknowledge that your failure to derive any such benefit will not serve as a basis for a reduction or elimination of your obligation to contribute to the Fund Except as expressly provided in this Paragraph (f), we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction, or administration of the Fund You acknowledge and agree that we have no fiduciary obligation to you or any other Launch Trampoline Park in connection with the establishment of the Fund or the collection, control or administration of monies paid into the Fund We expressly disavow the existence of any such fiduciary relationship

(g) We retain the right, in our sole discretion, to terminate the Fund The Fund shall not be terminated until all monies in the Fund have been expended for advertising and promotional purposes If we terminate the Fund, we shall have the right to reinstate such Fund Any reinstated Fund shall be maintained and operated as described in this Section 12 1

**12 2 Advertising by You**

12 2 1 You are required to spend for local advertising and promotion of the Launch Trampoline Park during each month not less than four percent (4%) of Gross Sales or Four Thousand Dollars ($4,000), whichever amount is greater Within thirty (30) days after our request, you shall submit verification of your expenditures for advertising and promotion, including such information as we require

Amounts spent for local advertising and promotion of the Launch Trampoline Park do not include any reimbursed expenses or direct expenses made by a supplier of your Launch Trampoline Park

12 2 2 Before you may utilize any advertising or promotional materials not prepared by us or the Fund or not approved by us within the immediately preceding twelve (12) month period, you must submit samples thereof to us and we must approve both the sample and its proposed placement We will have fifteen (15) days after receipt of these materials to approve or disapprove of them If we do not provide our specific approval of your materials, they are deemed not approved Any advertising or promotional materials you submit to us for our review will become our property, and there will be no restriction on our use or dissemination of these materials At our request, you must include certain language in your local advertising, including "Franchises Available" and our Website address and telephone number

**12 3 Advertising Cooperatives**

We may, in our discretion, create a local or regional advertising cooperative ("Cooperative") in any area, and establish the rules and regulations therefor, or we may approve of a Cooperative formed by our franchisees Immediately upon our request, you must become a member of the Cooperative for the area in which some or all of your Territory is located In no event may your Launch Trampoline Park be required to be a member of more than one (1) Cooperative The Cooperative must be governed in the manner we prescribe The Cooperative may require each of its members to make periodic contributions thereto in an amount to be determined by a vote of the members, provided, however, that such contributions shall not exceed four percent (4%) of Gross Sales Any funds contributed to a Cooperative will be credited against your obligation to pay for local advertising as set forth in Section 12 2 above, provided, however, that if any amount you contribute to a Cooperative is less than the amount you are required to expend for local advertising, you shall nevertheless spend the difference locally The following provisions apply to each cooperative

12 3 1 the Cooperative must be organized and governed in a form and manner, and commence operation on a date that we approve in advance in writing,

12 3 2 the Cooperative must be organized for the exclusive purpose of administering advertising programs and developing, subject to our approval, standardized promotional materials for the members' use in local advertising within the Cooperative's area,

12 3 3 the Cooperative may adopt its own rules and procedures, but such rules or procedures must be approved by us and must not restrict or expand your rights or obligations under this Agreement,

12 3 4 except as otherwise provided in this Agreement, and subject to our approval, any lawful action of the Cooperative (including, without limitation, imposing assessments for local advertising) at a meeting attended by members possessing more than fifty percent (50%) of the total voting power in the Cooperative is binding upon you if approved by members possessing more than fifty percent (50%) of the total voting power possessed by members in attendance, with each Launch Trampoline Park having one (1) vote, but no franchisee (or commonly controlled group of franchisees) may have more than twenty-five percent (25%) of the vote in the Cooperative regardless of the number of Launch Trampoline Parks owned,

12 3 5 without our prior written approval, the Cooperative may not use, nor furnish to its members, any advertising or promotional plans or materials, all such plans and materials must be submitted to us in accordance with the procedure set forth in Section 12 2,

12 3 6 the Cooperative may require its members to periodically contribute to it in such amounts as it determines, subject to the maximum described above,

12 3 7 each member/franchisee must submit its contribution under Section 12 3 6 to the Cooperative, together with such statements or reports as we or the Cooperative may require, with our prior written approval,

12 3 8 If an impasse occurs because of a Cooperative members' inability or failure, within forty-five (45) days, to resolve any issue affecting the Cooperative's establishment or effective functioning, upon request of any Cooperative member, that issue must be submitted to us for consideration, and its resolution of such issue is final and binding on all Cooperative members, and

12 3 9 the Cooperative is not required to prepare a financial statement

**12 4 Local Advertising Materials**

We may from time to time develop localized advertising and sales promotion campaigns and materials employing certain advertising programs, displays, direct mail materials, promotions, brochures, catalogues, printed materials, contests, premiums, ad specialties, posters, billboards and other merchandising techniques If you procure from us any such localized advertising materials, then you shall pay us for any such materials purchased on such terms and at such times as we in our sole and exclusive discretion determine from time to time

**12 5 Test Marketing**

We may from time to time conduct market research to determine consumer trends and test new products and services You agree to participate in such market research in the manner we request, which may include purchasing reasonable amounts of test products or services from us and offering and selling such test products or services from the Launch Trampoline Park

**12 6 Testimonials and Endorsements**

You agree to permit us or our agents or representatives to communicate with customers of the Launch Trampoline Park on or off the premises of the Launch Trampoline Park for the purpose of procuring testimonials and/or endorsements of Launch Trampoline Parks, its Products and its Services You further agree that we may make any or no use of such testimonials without compensation to you

12 7 Advisory Council

We may, in our discretion, form an advisory council to work with us to improve the System, the products and services offered by Launch Trampoline Parks, advertising conducted by the Fund, and any other matters that we deem appropriate If an advisory council is formed it will act solely in an advisory capacity and will not have decision making authority We will have the right to form, change, merge or dissolve any advisory council The advisory council will include our representatives and franchisee representatives Franchisee representatives may be selected by us or may be elected by other franchisees in the System If you participate in an advisory council, you will pay any expenses you incur related to your participation, which may include travel, lodging and meals expenses if you must travel to attend meetings

## ARTICLE 13
## ACCOUNTING, REPORTS AND FINANCIAL STATEMENTS

### 13 1 Record Keeping

You shall establish and maintain, at your own expense, a bookkeeping, accounting, record keeping and records retention system conforming to the requirements prescribed by us from time to time, which includes your obtaining and maintaining a point of sale or computer system ("computer system") that we specify or approve Each transaction of the Launch Trampoline Park shall be processed on the computer system in the manner we prescribe We shall have at all times the right to access the computer system and all data processed on the computer system with respect to the Launch Trampoline Park You shall take such action as may be necessary to provide such access to us, at your expense

### 13 2 Reports

With respect to the operation and financial condition of the Launch Trampoline Park, you shall furnish to us, in the form we prescribe, from time to time (a) the Royalty Report, as described in Section 10 2, (b) within thirty (30) days of the end of each calendar quarter, a statement of profit and loss for that quarter and a balance sheet as of the end of such quarter, (c) upon our request, such other data, information, and supporting records for such periods as we, from time to time, require, and (d) within ninety (90) days after the end of your fiscal year, a fiscal year-end balance sheet, a statement of profit and loss for such fiscal year reflecting all year-end adjustments and a statement of changes in cash flow We reserve the right to require you to follow our fiscal year end All reports and statements must be prepared in accordance with generally accepted accounting principles consistently applied Each report and financial statement submitted by you to us shall be signed by you and verified as correct in the manner we prescribe You hereby authorize us to use and/or publish information derived from your financial statements including, without limitation, our Disclosure Document and related documents, without compensation to you

### 13 3 Tax Returns

You agree to maintain and to furnish to us, upon request, complete copies of all income, sales, value added, use and service tax returns filed by you reflecting activities of the Launch Trampoline Park

### 13 4 Maintenance of Financial Records

You shall preserve for three (3) years all business, accounting, tax, inventory, financial, legal, personnel, operations and other records relating to the Launch Trampoline Park and to you We shall have the right with or without prior notice to inspect, audit and copy such records during business hours You shall make such records available for examination at the Launch Trampoline Park

## ARTICLE 14
## INSPECTIONS AND AUDITS

### 14 1 Our Right to Inspect the Launch Trampoline Park

To determine whether you and the Launch Trampoline Park are complying with this Agreement and with specifications, standards and operating procedures we prescribe for the operation of Launch Trampoline Parks, we or our agents or representatives shall have the right at any reasonable time before or after the Launch Trampoline Park opens to (a) inspect the Site and the equipment, fixtures, signs, food, inventory and supplies of the Launch Trampoline Park, (b) observe, photograph and video tape the operations of the Launch Trampoline Park for such consecutive or intermittent periods as we deem necessary, (c) remove samples of any Products without payment therefor for testing and analysis,

(d) interview personnel of the Launch Trampoline Park, (e) interview customers of the Launch Trampoline Park,(f) We may develop a mystery shopper program to periodically conduct mystery shops For any shops conducted at your Franchised Business, you will pay the applicable fee directly to the approved supplier and (G) inspect and copy any books, records and documents relating to the operation of the Launch Trampoline Park You agree to cooperate fully with us and/or our agents in connection with any such inspections, observations, photographing and video-taping, Product removal and interviews You shall present to your customers such evaluation forms as we periodically prescribe and shall participate and/or request your customers to participate in any surveys performed by us or on our behalf

You shall install and maintain the communications equipment and software necessary to permit us to electronically access your computer system, thereby permitting us to inspect and monitor information concerning your inventory, sales of the Launch Trampoline Park, Gross Sales, and such other information as may be contained or stored in the computer system We shall have electronic access as provided herein at such times and in such manner as we shall from time to time specify

### 14 2 Our Right to Audit

We shall have the right, at any time during business hours and with reasonable notice to you, to inspect and audit or cause to be inspected and audited the business records, bookkeeping and accounting records, value added, sales, use and service and income tax records and returns and other records of the Launch Trampoline Park, and the books and records of any corporation, partnership, limited liability company or other entity which holds the Franchise Any such audit may be performed by independent accountants hired by us You shall fully cooperate with our representatives and independent accountants hired by us to conduct any such inspection or audit Our right to audit shall also include our right to access the computer system electronically, as provided in this Agreement

In the event any such inspection or audit shall disclose an understatement of the Gross Sales of the Launch Trampoline Park, you shall pay to us, within fifteen (15) days after receipt of the inspection or audit report, the Royalty Fees and Brand Development Fund contributions due on the amount of such understatement plus interest at the rate and on the terms provided for herein from the date originally due until the date of payment In the event an understatement of Gross Sales for any period included in any audit is determined by any such audit or inspection to be two percent (2%) or more, then (a) you must pay any understated amount together with interest thereon, and (b) you shall reimburse us for the cost of such inspection or audit including, without limitation, reasonable legal fees and accountants' fees, and the travel expenses, room and board and applicable per diem charges for our representatives or agents The foregoing remedies shall be in addition to all our other remedies and rights hereunder or under applicable law

## ARTICLE 15

## INDEPENDENT CONTRACTORS, INDEMNIFICATION

### 15 1 Independent Contractors

You understand and agree that you are and will be our independent contractor under this Agreement Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind None of your employees will be considered to be our employees Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency We will not have the power to hire or fire your employees You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your Launch Trampoline Park does not directly or indirectly vest in us the power to hire, fire or control any such employee

You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of Launch Trampoline Park and that under no circumstance shall we do so or be deemed to do so You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Launch Trampoline Park, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Launch Trampoline Park

You may not, without our prior written approval, have any power to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement Except as expressly provided in this Agreement, we may not control or have access to your funds or the expenditure of your funds or in any other way exercise dominion or control over your Launch Trampoline Park Except as otherwise expressly authorized by this agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than that of franchisor and franchisee We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement We will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the Launch Trampoline Park

**15 2 No Liability for Acts of Other Party**

You shall not employ any of the Marks in signing any contract, application for any license or permit, or in a manner that may result in our liability for any indebtedness or obligation of yours, nor will you use the Marks in any way not expressly authorized herein Except as expressly authorized in writing, neither we nor you shall make any express or implied agreements, warranties, guarantees or representations, or incur any debt in the name of or on behalf of the other, or represent that our relationship is other than franchisor and franchisee Neither we nor you shall be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized in writing We shall not be obligated for any damages to any person or property directly or indirectly arising out of your operation of the Launch Trampoline Park or your business authorized by or conducted pursuant to the Franchise

**15 3 Taxes**

We shall have no liability for any sales, value added, use, service, occupation, excise, gross receipts, income, property, payroll or other taxes whether levied upon this Agreement, you, the Launch Trampoline Park, your property, or upon us in connection with the sales made or business conducted by you, except any taxes that we are required by law to collect from you with respect to purchases from us Payment of all such taxes shall be your responsibility

**15 4 Indemnification**

You agree to indemnify, defend and hold us, our Affiliates, and our respective shareholders, directors, officers, employees, agents, successors and assignees harmless against and to reimburse them for (a) all claims, obligations and damages described in this Section, (b) any and all taxes described above, and (c) any and all claims and liabilities directly or indirectly arising out of the operation of the Launch Trampoline Park, the use of the Marks, or the transfer of any interest in this Agreement, the Franchise, the Launch Trampoline Park, some or all of the assets of the Launch Trampoline Park, other than the sale of inventory items in the ordinary course of business, or you in any manner not in accordance with this Agreement Your indemnification obligations do not apply to the extent that such claims, obligations, damages, taxes, losses or liabilities arise from our negligence or wrongful conduct For purposes of this indemnification, 'claims" shall mean and include all obligations, actual and consequential damages, and costs incurred in the defense of any claim against us including, without limitation, reasonable accountants', attorneys', attorney assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses We shall have the right to defend any such claim in such manner as we deem appropriate or desirable in our sole discretion This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration, termination or non-renewal of this Agreement

## ARTICLE 16

## TRANSFER

### 16 1 Transfer by Us

We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations, and (ii) the assignee shall expressly assume and agree to perform such obligations

You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party, may go public, may engage in a private placement of some or all of our securities, may merge, acquire other corporations, or be acquired by another corporation, may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring, and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of "Launch Franchising, LLC" as Franchisor Nothing contained in this Agreement shall require us to remain in the indoor recreation business or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this Agreement

### 16 2 You May Not Transfer Without Our Approval

16 2 1 You understand and acknowledge that the rights and duties created by this Agreement are personal to you and your Owners and that we have granted the rights hereunder to you in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and your Owners Accordingly, neither (a) this Agreement nor (b) any interest in the ownership of you, the Franchise, the Launch Trampoline Park or some or all of the assets of the Launch Trampoline Park, other than inventory items in the ordinary course of business, may be transferred without our prior written approval Any such transfer without such approval shall constitute a breach hereof and convey no rights to or interests in this Agreement, the Franchise, you, the Launch Trampoline Park or in the assets thereof

16 2 2 As used in this Agreement, the term "transfer" shall mean and include the voluntary, involuntary, conditional, direct or indirect assignment, sale, gift or other transfer by you or any of your Owners of any interest in or grant of any security interest in (a) this Agreement, (b) the Franchise,

(c) you, (d) the Launch Trampoline Park, or (e) some or all of the assets of the Launch Trampoline Park, other than inventory items in the ordinary course of business

16 2 3 As used above, an assignment, sale or other transfer shall include the following events

(a) the transfer of ownership of shares, partnership interest, or other Ownership Interests,

(b) merger or consolidation or issuance of additional securities representing Ownership Interests,

(c) any sale of Ownership Interests carrying voting rights of you or any security convertible to voting Ownership Interests of you or any agreement granting the right to exercise or control the exercise of the voting rights of any holder of an Ownership Interest, or

(d) transfer in a divorce, insolvency, corporate or partnership dissolution proceeding, or in the event of the death of you or one of your Owners, by will, declaration of or transfer in trust, or under the laws of intestate succession or otherwise by operation of law

16 2 4 Notwithstanding the foregoing, the restrictions on transfers set forth above shall not apply to

(a) a transfer of Ownership Interests in you by an Owner who is not a Principal Owner provided that

(1) you have given us written notice of the proposed transfer at least ten (10) days in advance of the effective date of the transfer,

(2) the transfer is not to a Competitive Business or to a direct or indirect owner of a Competitive Business, and

(3) the proposed transfer does not by itself or in conjunction with other transfers result in the transfer of a Controlling Interest in you or a change in the composition of the group holding a Controlling Interest in you, or

(b) any transfer of stock options that does not by itself or in combination with other transfers result in the transfer of a Controlling Interest in you or a change in the composition of the group holding a Controlling Interest in you

**16 3 Conditions for Approval of Transfer**

16 3 1 We will not unreasonably withhold our approval of a transfer of an interest in this Agreement, you, the Franchise, the Launch Trampoline Park, or any of the Launch Trampoline Park's assets that meets all the applicable requirements of this Section All of the following conditions must be met prior to or concurrently with the effective date of the transfer

(a) you and your Owners shall be in full compliance with this Agreement,

(b) the proposed transferee and its owners must be individuals of good moral character and otherwise meet our then-applicable standards for Launch Trampoline Park franchisees, and if the proposed transferee, its owners or Affiliates have any other franchise agreements or development agreements with us, they are in full compliance with any such agreements and comply with clause (f) of Section 16 3 2,

(c) a transfer of ownership in the Launch Trampoline Park or the assets of the Launch Trampoline Park, other than inventory in the ordinary course of business, may only be made in conjunction with a transfer of this Agreement If the transfer is of an Owner's interest in you then the transferee's name and relevant information shall be added as Exhibit A hereto and the transferee shall then be bound by all provisions applicable to Owners,

(d) you and your Owners or the transferring Owner(s) and the transferee (if it is then a franchisee of ours) must execute a general release in form satisfactory to us of any and all claims against us, our Affiliates and our respective shareholders, officers, directors, employees and agents, and

(e) you have complied with the provisions of Section 16 7 below relating to our right of first refusal

16 3 2 In addition to the above, if the transfer is of this Agreement, a Principal Owner's interest, or a Controlling Interest in you, or is one of a series of transfers which, in the aggregate, constitute the transfer of this Agreement or a Controlling Interest in you, all of the following conditions must be met prior to or concurrently with the effective date of the transfer

(a) the transferee must have sufficient business experience, aptitude and financial resources to operate the Launch Trampoline Park and perform the obligations of the transferor under this Agreement, and neither the transferee nor its owners may be engaged in or intend to engage in a Competitive Business,

(b) you and the transferee (if it is then a franchisee of ours) must pay such Royalty Fees, Brand Development Fund contributions, amounts owed for purchases by you (or such transferee) from us and our Affiliates, and all other amounts owed to us or our Affiliates which are then due and unpaid,

(c) the transferee and its personnel who will have access to the Confidential Information must have signed the Confidentiality and Non-Competition Agreement and have completed our training program to our satisfaction,

(d) the transferee and its owners, at our option, must agree in a manner satisfactory to us to be bound by all terms and conditions of this Agreement for the remainder of its term or execute our then-current form of franchise agreement and such ancillary documents, including guarantees, as are then customarily used by us in the grant of franchises for Launch Trampoline Parks, modified as necessary to provide for the same Royalty Fees required hereunder and a term equal to the remaining term of this Agreement,

(e) you or the transferee must have paid us a transfer fee equal to fifty percent (50%) of our then-current Initial Franchise Fee,

(f) we must approve the material terms and conditions of such transfer including, without limitation, that the price and terms of payment are not so burdensome as to adversely affect our rights and interests under this Agreement, and you must furnish to us a copy of the executed contract of assignment,

(g) if you and/or your transferring Owner(s) finances any part of the sale price of the transferred interest, you and/or your transferring Owner(s) must agree in a manner satisfactory to us that all obligations of the transferee under or pursuant to any promissory notes, agreements or security interests reserved by you and/or your transferring Owner(s) in the assets of the Launch Trampoline Park shall be subordinate to the obligations of the transferee to pay Royalty Fees, Brand Development Fund contributions, and other amounts due to us and our Affiliates, and otherwise to comply with this Agreement or the franchise agreement executed by the transferee,

(h) if this Agreement is being transferred, you and your Principal Owners must execute a non-competition agreement in favor of us and the transferee If a Principal Owner is transferring his/her interest, such Principal Owner must execute a non-competition agreement in favor of us and the transferee In either case, the non-competition agreement shall provide that neither you, your Principal Owner(s) nor your transferring Principal Owner(s) (whichever is applicable) nor any member of their immediate families shall directly or indirectly for a period of two (2) years commencing on the effective date of such transfer

(1) have any interest as a disclosed or beneficial owner in any Competitive Business located or operating within twenty (20) miles of your Launch Trampoline Park or any other Launch Trampoline Park in the System, or

(2) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for any Competitive Business located or operating within twenty (20) miles of your Launch Trampoline Park or any other Launch Trampoline Park in the System, or

(3) employ or seek to employ any person who is employed by us or our Affiliates Neither shall such person employ or seek to employ any franchisee of ours, nor induce or attempt to induce any of the above-mentioned employees to leave said employment,

(i) the proposed transferee must furnish the information and references we require of potential franchisees and must present himself/herself at his/her own expense for a personal interview at our office,

(j) the lessor or sublessor of the Launch Trampoline Park must consent in writing to the assignment of your lease to the proposed transferee,

(k) if the proposed transferee is acquiring a portion of the interest in the legal entity that is you, then the proposed transferee must execute our form of guaranty,

(l) except in the case of a transfer of a Principal Owner's interest that does not constitute a Controlling Interest, the transferee, at its expense, must upgrade the Launch Trampoline Park to conform to the then-current standards and specifications for new franchises, and

(m) the transfer must be made in compliance with all applicable laws

16 3 3 Clauses (h) and (i) of Section 16 3 2 shall not apply to transfers by gift, bequest, or inheritance The restrictions of Section 16 3 2(h)(1) shall not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent less than five percent (5%) of the number of shares of that class of securities issued and outstanding

16 3 4 The rights of you and your Owners to transfer interests in this Agreement, the Franchise, you, the Launch Trampoline Park or the assets of the Launch Trampoline Park may be exercised only by you or your Owners and shall not be exercisable by a receiver, executor, trustee, liquidator or other person acting in a comparable capacity with respect to the assets or ownership of you

**16 4 Transfer to a Wholly Owned Corporate Entity**

If you are in full compliance with this Agreement, then we shall not unreasonably withhold our approval of a one (1) time transfer, in the case of a proposed assignment or transfer of this Agreement, of the Franchise and the Launch Trampoline Park from one or more individuals to a corporation or comparable legal entity which conducts no business other than the Launch Trampoline Park, which is actually managed by you, in which such individual(s) maintain management control, and such individual(s) shall own and control the same percentage of the equity and voting power of all issued and outstanding Ownership Interests of such entity Such one (1) time transfer shall not require payment of the transfer fee described in Section 16 3 2(e) All certificates or other documents representing Ownership Interests of such legal entity must be endorsed with a legend in form we approve reciting that the transfer of shares in you are subject to the restrictions of this Agreement Such an assignment shall not relieve you of your obligations hereunder You shall remain jointly and severally liable to us for all obligations hereunder

**16 5 Your Death or Incapacity**

16 5 1 Upon your death or disability, or if you are a corporation, limited liability company, partnership, or other legal entity, upon the death or disability of a Principal Owner of you, all of such person's interest in this Agreement or such interest in you shall be transferred to a transferee reasonably approved by us Such disposition of this Agreement or such interest in you, including, without limitation, transfer by bequest or inheritance, shall be completed within a reasonable time, not to exceed six (6) months from the date of death or disability, and shall be subject to all the terms and conditions applicable to transfers contained in this Section Failure to so transfer the interest in this Agreement or such interest in you within said period of time shall constitute a breach of this Agreement

16 5 2 If, upon the death or disability of you or a Principal Owner, the Launch Trampoline Park is not being managed by a trained manager, your or that Principal Owner's executor, administrator, conservator, guardian or other personal representative must, within a reasonable time, not to exceed fifteen (15) days from the date of death or disability, appoint a manager to operate the Launch Trampoline Park The manager must complete training at your expense Pending the appointment of a manager as provided above, or if in our judgment the Launch Trampoline Park is not being managed properly any time after your or the Principal Owner's death or disability, we may, but need not, assume management of the Launch Trampoline Park All funds from the Launch Trampoline Park's operation during the period we are managing it will be kept in a separate account and all of the Launch Trampoline Park's expenses will be charged to this account We may charge a reasonable management fee plus our out-of-pocket costs Our operation of the Launch Trampoline Park during any such period will be solely on your behalf but we only have a duty to utilize reasonable efforts and will not be liable to you or the Owners for any debts, losses or obligations the Launch Trampoline Park incurs or to any creditors for any products, materials, supplies or services the Launch Trampoline Park purchases during any period when we manage the Launch Trampoline Park hereunder

**16 6 Effect of Consent to Transfer**

Our consent to a transfer of this Agreement or any interest in you, the Launch Trampoline Park, or the assets of the Launch Trampoline Park shall not constitute a waiver of any claims we may have against you or your Owners, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of this Agreement by the transferee

### 16.7 Our Right of First Refusal

If you or any of your Owners shall at any time determine to sell an interest in this Agreement, the Franchise, the Launch Trampoline Park, some or all of the assets of the Launch Trampoline Park, other than inventory items in the ordinary course of business, or an Ownership Interest in you, you or your Owner(s) shall obtain a bona fide, arms-length, executed written offer and earnest money deposit in the amount of five percent (5%) or more of the offering price from a qualified, responsible, bona fide and fully disclosed purchaser A true and complete copy of the offer and any proposed ancillary agreements shall immediately be submitted to us by you, such Owner(s) or both The offer must apply only to an interest in this Agreement, the Franchise, the Launch Trampoline Park, the assets of the Launch Trampoline Park or you It must not include the purchase of any other property or rights of you or such Owner(s) If the offeror proposes to buy any other property or rights from you or such Owner(s) under a separate, contemporaneous offer, the price and terms of purchase offered to you or such Owner(s) for the interest in this Agreement, the Franchise, the Launch Trampoline Park, the assets of the Launch Trampoline Park or you shall reflect the bona fide price offered therefor and shall not reflect any value for any other property or rights We shall have the right, which we may exercise by written notice delivered to you or such Owner(s) within forty-five (45) days from the date of delivery of an exact copy of such offer to us, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that (a) we may substitute cash, a cash equivalent, or marketable securities of equal value for any form of payment proposed in such offer, (b) our credit shall be deemed equal to the credit of any proposed purchaser, and (c) we shall have not less than sixty (60) days to prepare for closing We shall be entitled to all customary representations and warranties given by the seller of a business including, without limitation, representations and warranties as to (i) ownership, condition and title to Ownership Interests and/or assets, (ii) liens and encumbrances relating to the Ownership Interests and/or assets being purchased, and (iii) validity of contracts and contingent or other liabilities of the corporation whose stock is purchased If we exercise our right of first refusal hereunder, you shall take all action necessary to cause the lease or sublease for the Launch Trampoline Park to be assigned to us If we do not exercise our right of first refusal, you or such Owner(s) may complete the sale to such purchaser pursuant to and on the exact terms of such offer, subject to our approval of the transfer as provided for herein, provided that if the sale to such purchaser is not completed within one hundred eighty (180) days after delivery of such offer to us or if there is a change in the terms of the sale, we shall have an additional right of first refusal on the same terms and conditions as are applicable to the initial right of first refusal

### 16 8 Ownership Structure and Initial Capitalization

You represent and warrant that your ownership structure and initial capitalization are as set forth on Exhibit A hereto and covenant that you will not vary from that ownership structure without our prior written approval

## ARTICLE 17
## GRANT OF RENEWAL FRANCHISES

### 17 1 Renewal

This Agreement shall automatically renew for one (1) additional term of ten (10) years, as set forth in this Section 17 1

17 1 1 You shall have been, throughout the Initial Term of this Agreement, in substantial compliance, and at the expiration of such initial term are in full compliance, with this

Agreement, your lease or sublease and all other agreements between you and us or companies associated or affiliated with us

17 1 2 We shall, within six (6) months before the expiration of the Initial Term, provide you with any documents that you are required to execute for the renewal term, which documents may include, but are not limited to, a general release, our then-current Franchise Agreement and all other ancillary agreements, instruments and documents then customarily used by us in the granting of Launch Trampoline Park franchises (all of which will contain terms substantially the same as those herein contained, except with respect to fees to be paid to us, which fees shall be the same as those Franchise Agreements being executed at the time of renewal, and which will not obligate you to pay a further initial franchise fee)

17 1 3 You shall execute the renewal Franchise Agreement and all other documents and instruments that we require in order to renew this Agreement You shall return the executed documents to us, together with payment of our then-current renewal fee, by no later than the expiration date of this Agreement If we do not receive the executed documents and renewal fee by such expiration date, then this Agreement shall expire, you shall have no further rights under this Agreement, and you shall comply with the provisions of Article 19 and any other provisions that survive termination or expiration of this Agreement

17 1 4 You shall, when you forward the executed Franchise Agreements to us, include a renewal fee payable to us equal to fifty percent (50%) of our then-current Initial Franchise Fee

17 1 5 After we have received from you all executed renewal documents and the renewal fee, we may inspect your Launch Trampoline Park to determine whether any updating, remodeling, redecorating or other refurbishment is required for the Launch Trampoline Park If, after such inspection, we require any such updating, remodeling, redecorating or refurbishment, we will provide notice to you of the modifications you shall be required to make and you shall have six (6) months from the date of such notice to effectuate such modifications If you fail or refuse to make the required modifications, we shall have the right to terminate the Renewal Franchise Agreement

**17.2 Refusal to Renew Franchise Agreement**

We can refuse to renew your Franchise if your lease, sublease or other document by which you have the right to occupy the Site is not extended before your renewal term is to take effect to cover the period of the renewal or if you do not have a written commitment from your landlord to renew the lease or sublease for a period at least equal to the renewal term We may also refuse to renew your Franchise under other circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us when due, or your failure to cure of any defaults incurred during the initial term of this Agreement, if applicable

**17 3 Renewal Under Law**

Even though we decline the renewal of your Franchise, it is possible that we can be required to renew it under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time If that happens, to the extent it is allowed by the concerned law, rule, regulation, statute, ordinance or order, your renewal term will be subject to the conditions of the Franchise Agreement we are using for new franchisees at the time the renewal period begins If we are not then offering new franchises, your renewal period will be subject to the terms in the Franchise Agreement that we indicate If for any reason that is not allowed, the renewal term will be governed by the terms of this Agreement

**17 4 Your Election Not to Renew**

For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us our then-standard Franchise Agreement and other ancillary documents required by us for a renewal franchise together with the renewal fee, or if you provide written notice to us within the final sixty (60) days of the Initial Term indicating that you do not wish to renew this Agreement

## ARTICLE 18
## TERMINATION OF THE FRANCHISE

**18 1 Our Right to Terminate**

If you or any of your Owners fail to comply with any provision of this Agreement or any mandatory specification, standard, or operating procedure prescribed by us, we may terminate this Agreement effective immediately upon delivery of written notice of termination to you and if we give written notice of such breach to you and you do not (a) correct such breach within thirty (30) days after delivery to you of such notice of breach, or (b) if such breach cannot reasonably be corrected within thirty (30) days after delivery of notice of breach, undertake within ten (10) days after delivery of such notice of breach and continue until completion efforts to cure such breach and furnish proof acceptable to us upon our request of such efforts and the date full compliance will be achieved

**18 2 Termination Upon Notice – No Opportunity to Cure**

Notwithstanding Section 18 1, we may terminate this Agreement upon delivery of notice of termination to you without opportunity to cure if you commit any of the following breaches

18 2 1 You fail to (i) locate a suitable Site, (ii) obtain lawful possession of the Site, (iii) develop the Launch Trampoline Park, or (iv) commence operation of business, within the times provided in this Agreement,

18 2 2 You or any of your Owners abandon, surrender or transfer control of the operation of the Launch Trampoline Park without our prior written approval For purposes hereof, "abandon" shall be the closure of your Launch Trampoline Park for five (5) consecutive days without our prior written consent,

18 2 3 You or any of your Owners has made any material misrepresentation or omission in the application for the Franchise,

18 2 4 You or any of your Owners (i) are convicted by a trial court of or plead guilty or no contest to a felony or to another crime or offense, including a crime against a child, that may adversely affect the reputation of you, the Launch Trampoline Park or the goodwill associated with the Marks, or (ii) engage in any conduct which is injurious or prejudicial to the goodwill associated with the Marks or the System or which adversely affects the reputation of us or any Launch Trampoline Park,

18 2 5 You or your Owners make any unauthorized use or disclosure of or duplicate any copy of any Confidential Information, make any unauthorized use of the Marks or Copyrighted Works, or use, duplicate or disclose any portion of the Operations Manual, or challenge or seek to challenge the validity of the Marks or Copyrighted Works,

18 2 6 You lose the right to possession of the Site and do not relocate the Launch Trampoline Park to another site in accordance with this Agreement,

18 2 7 You or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors, if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you, if you are adjudicated a bankrupt or insolvent, if a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets is filed and consented to by you, if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction, if proceedings for a composition with creditors under any state or federal law should be instituted by or against you, if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed), if you are dissolved, if execution is levied against your business or property, if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within thirty (30) days, or if the real or personal property of the Launch Trampoline Park shall be sold after levy thereupon by any sheriff, marshal, or constable,

18 2 8 You, your Principal Owners, or members of their immediate families violate the restrictions of Article 9 of this Agreement (Exclusive Relationship) or of any Confidentiality and Non-Competition Agreement,

18 2 9 You fail to report accurately the Gross Sales of the Launch Trampoline Park or fail to make payments of any amounts due us or our Affiliates for Royalty Fees, Brand Development Fund contributions, purchases from us or our Affiliates or any other amounts due to us or our Affiliates, and do not correct such failure within ten (10) days after written notice thereof,

18 2 10 You knowingly maintain false books or records, or knowingly submit any substantially false report to us,

18 2 11 You cause or permit to exist a default under the lease or sublease for the Site and fail to cure such default within the applicable cure period set forth in the lease or sublease,

18 2 12 You or any of your Owners fail on three (3) or more separate occasions within any period of twelve (12) consecutive months to comply with this Agreement or any mandatory specification, standard or procedure we prescribe, whether or not such failures to comply are corrected and whether or not notice of such default is given, or fail on two (2) or more separate occasions within any period of twelve (12) consecutive months to comply with the same requirement under this Agreement, whether or not such failures to comply are corrected or whether or not notice of such default is given,

18 2 13 You fail to purchase or maintain any insurance required by this Agreement or fail to reimburse us for our purchase of insurance on your behalf within fifteen (15) days of delivery to you of our written demand for reimbursement,

18 2 14 A threat or danger to public health or safety results from the construction, maintenance or continued operation of the Launch Trampoline Park,

18 2 15 You refuse us permission to inspect the Launch Trampoline Park, or your business, books, records or other documents pursuant to this Agreement,

18 2 16 You or any of your Owners interfere or attempt to interfere with our ability to franchise or license others to use and employ the Marks or System,

18 2 17 You or any of your Owners interfere or attempt to interfere with our contractual relations with other franchisees, customers, suppliers, employees, advertising agencies or other third parties,

18 2 18 A Franchise Agreement between us or any of our Affiliates and you, or an Affiliate of any of the above, is terminated by us pursuant to such agreement or is terminated by you in a manner or for a reason that is not expressly authorized pursuant to such agreement,

18 2 19 You fail to comply with all applicable laws and ordinances relating to the Launch Trampoline Park, including Anti-Terrorism Laws, or if your or any of your Owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your Owners otherwise violate any such law, ordinance, or regulation, or

18 2 20 We perform corrective work on your Launch Trampoline Park for health and/or safety purposes and you do not reimburse us when so required

**18 3 Cross-Defaults, Non-Exclusive Remedies, etc**

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any Affiliate of ours) and you (or any Affiliate of yours) Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any Affiliate of ours) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any Affiliate of ours) may be regarded as a default under this Agreement Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any Affiliate of ours and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any Affiliate of ours) and you (or any Affiliate of yours)

In each of the foregoing cases, we (and any Affiliate of ours) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our Affiliates') obligations No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available

**18 4 Our Right to Discontinue Services to You**

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article 18, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your webpage on our Website, until such time as you correct the breach

**18 5 Amendment Pursuant to Applicable Law**

Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement is deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations, provided, however, that such constructive amendment shall not be deemed a concession by us that the grounds for termination set forth in this Agreement do not constitute "good cause" for termination within the meaning ascribed to that term by any applicable law or regulation We shall not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination of this Agreement

## ARTICLE 19

## RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THE GREEMENT

### 19 1 Payment of Amounts Owed to Us

You shall immediately pay to us and our Affiliates upon termination or expiration of this Agreement such Royalty Fees, Brand Development Fund contributions, amounts owed for purchases by you from us or our Affiliates, interest due on any of the foregoing and all other amounts owed to us or our Affiliates which are then unpaid

### 19 2 Marks, Copyrights and Trade Dress

19 2 1 Upon the termination or expiration of this Agreement, you shall

(a) not thereafter, directly or indirectly, at any time or in any manner identify yourself or any business as a current or former Launch Trampoline Park or as a current or former franchisee of ours or otherwise associated with us, or use any Mark, any colorable imitation thereof or any mark substantially identical to or deceptively similar to any Mark in any manner or for any purpose, or utilize for any purpose any trade name, trademark or service mark, domain name, or other commercial symbol or trade dress that suggests or indicates a connection or association with us,

(b) remove all signs containing any Mark and return to us or destroy forms and materials containing any Mark or otherwise identifying or relating to a Launch Trampoline Park,

(c) take such action as may be required to cancel or, at our option, to transfer to us or our designee all fictitious or assumed name or equivalent registrations relating to your use of any Mark,

(d) immediately take all such actions as may be necessary to transfer any internet Domain Names, internet listings, telephone numbers and telephone directory listings associated with the Marks to us You acknowledge that as between us and you, we have the sole right to and interest in all telephone numbers and directory listings associated with the Marks You, concurrently with the execution of this Agreement, shall execute our forms of Internet Website and Listings Agreement and Telephone Listings Agreement, attached to this Agreement as Exhibit C You, by executing this Agreement, authorize us and hereby appoint us and any of our officers as your attorney-in-fact to direct your internet service provider, the telephone company and all listing agencies to transfer the same to us, should you fail or refuse to do so The internet service provider, telephone company and all listing agencies may accept this Agreement and/or the Internet Website and Listings Agreement and Telephone Listings Agreement as conclusive evidence of our exclusive right in such Domain Names, internet listings, telephone numbers and directory listings and our authority to direct their transfer,

(e) immediately cease all use of Copyrighted Works which were furnished to you by us pursuant hereto and return to us or destroy all forms, advertising and promotional materials or other materials containing such Copyrighted Works,

(f) at our option, assign to us or terminate any website that identifies you as currently or formerly associated with us or that displays any Mark as well as terminate any Domain Name and/or URL of such website, notwithstanding that you are prohibited from establishing your own website for the Launch Trampoline Park, and

(g) if we do not purchase the Launch Trampoline Park as provided in Section 19 6, at your expense make such modifications and alterations, including removal of all distinctive physical and structural features associated with the Trade Dress of Launch Trampoline Parks, as may be necessary to distinguish the Site of the Launch Trampoline Park so clearly from its former appearance and from other Launch Trampoline Parks as to prevent any possibility that the public will associate the Site with Launch Trampoline Parks and any confusion created by such association

19 2 2 You shall furnish to us (a) within thirty (30) days after the effective date of termination or expiration, evidence satisfactory to us of your compliance with Subparagraphs (a) and (c) of the foregoing obligations, and (b) within thirty (30) days after the later of expiration of our option to purchase the Launch Trampoline Park as provided in Section 19 6 or receipt of notice that we elect not to purchase the Launch Trampoline Park pursuant to Section 19 6, evidence satisfactory to us of your compliance with the foregoing obligations

**19 3 Confidential Information**

You agree that, upon termination of the Franchise or expiration of the Franchise without grant of a Renewal Franchise (a) you will immediately cease to use any of our Confidential Information disclosed to or otherwise learned or acquired by you in any business or otherwise, and (b) you will return to us all copies of the Operations Manual and any other confidential materials which have been loaned or made available to you by us

**19 4 Covenant Not to Compete**

19 4 1 Upon termination of this Agreement by us in accordance with its terms and conditions, or upon expiration of this Agreement without the grant of a Renewal Franchise, neither you nor any of your Principal Owners shall directly or indirectly, through a member of the immediate family of you or a Principal Owner or otherwise for a period of two (2) years commencing on the effective date of such termination or expiration or the date on which you cease to operate the Launch Trampoline Park, whichever is later

(a) have any interest as a disclosed or beneficial owner in any Competitive Business located or operating within a twenty (20) mile radius of the Launch Trampoline Park or any other Launch Trampoline Park in the System, or

(b) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for any Competitive Business located or operating within a twenty (20) mile radius of the Launch Trampoline Park or any other Launch Trampoline Park in operation or under construction on the effective date of such termination or expiration, or

(c) employ or seek to employ any person who is employed by us, our Affiliates or any franchisee of ours, nor induce nor attempt to induce any such person to leave said employment without the prior written consent of such person's employer

19 4 2 The restrictions of clause (a) of Section 19 4 1 will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter

market that represent less than five percent (5%) of the number of shares of that class of securities issued and outstanding

19 4 3 The restrictions of Section 19 4 1 shall not be construed to prohibit you, any Principal Owner of yours or any member of your respective immediate families from having a direct or indirect ownership interest in any Launch Trampoline Park Franchise Agreement for the operation of any Launch Trampoline Park, or any entity owning, controlling or operating a Launch Trampoline Park or from providing services to a Launch Trampoline Park

**19 5 Continuing Obligations**

All obligations of ours and yours which expressly or by their nature survive or are intended to survive the expiration or termination of this Agreement shall 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

**19 6 Our Right to Purchase Assets of the Launch Trampoline Park**

Upon termination of this Agreement by us in accordance with its terms and conditions or upon expiration of this Agreement without the grant of a Renewal Franchise, we shall have the option to purchase from you all or a portion of the assets used in the Launch Trampoline Park We may exercise this option by giving written notice thereof within sixty (60) days from the date of such expiration or termination Assets shall include, without limitation, leasehold improvements, equipment, furniture, fixtures, signs, inventory and the lease or sublease for the Site We shall have the unrestricted right to assign this option to purchase We or our assignee shall be entitled to all customary warranties and representations given by the seller of a business including, without limitation, representations and warranties as to (a) ownership, condition and title to assets, (b) liens and encumbrances relating to the assets, (c) validity of contracts inuring to us or affecting the assets, and (d) contingent or other liabilities

The purchase price for the assets of the Launch Trampoline Park shall be the fair market value determined as of the date of termination of expiration of this Agreement in a manner consistent with reasonable depreciation of leasehold improvements owned by you and the equipment, furniture, fixtures, signs and inventory of the Launch Trampoline Park The purchase price shall not contain any factor or increment for any trademark, service mark or other commercial symbol used in connection with the operation of the Launch Trampoline Park, goodwill or "going concern" value for the Launch Trampoline Park We may exclude from the assets purchased hereunder any equipment, furniture, fixtures, signs and inventory that are not approved as meeting quality standards for Launch Trampoline Parks The length of the remaining term of the lease or sublease for the Site of the Launch Trampoline Park shall also be considered in determining the fair market value hereunder If we and you are unable to agree on the fair market value of the assets, the fair market value shall be determined by an independent appraiser selected by us and you If we and you are unable to agree on an appraiser, we shall each select one (1) appraiser who shall select a third appraiser and the fair market value shall be deemed to be the average of the three (3) independent appraisals Nothing contained herein shall restrict the manner in which the appraisers so selected value the leasehold improvements, equipment, furniture, fixtures, signs and inventory

The purchase price shall be paid in cash, a cash equivalent, or marketable securities of equal value at the closing of the purchase, which shall take place no later than ninety (90) days after receipt by you of our notice of exercise of this option to purchase At that time you shall deliver instruments transferring to us or our assignee (a) good and merchantable title to the assets purchased free and clear of all liens and encumbrances, other than liens and security interests acceptable to us or our assignee, with all sales and other transfer taxes paid by you, (b) all licenses and permits of the Launch Trampoline Park which may be assigned or transferred, and (c) the lease or sublease for the Site In the event that you cannot deliver clear title to all of the purchased assets as aforesaid or in the event there shall be other unresolved issues, the closing of the sale shall be accomplished through an escrow Prior to closing, you and we shall comply with all applicable legal requirements including the bulk sales provisions of the Uniform Commercial Code of the state in which the Launch Trampoline Park is located

We shall have the right to set off against, and reduce the purchase price by, any and all amounts owed by you to us and the amount of any encumbrances or liens against the assets or any obligations assumed by us If we or our assignee exercise this option to purchase, we shall have the right to appoint a manager to maintain the operation of the Launch Trampoline Park pending the closing of such purchase Alternatively, we may require you to close the Launch Trampoline Park during such time period without removing any assets from the Site You shall maintain in force all insurance policies required pursuant to this Agreement until the date of closing If the Site is leased, we agree to use reasonable efforts to effect a termination of the existing lease for the Site and enter into a new lease on reasonable terms with the landlord In the event we are unable to enter into a new lease, we will indemnify and hold you harmless from any ongoing liability under the lease from the date we assume possession of the Site

**19 7 Liquidated Damages**

Upon termination of this Agreement by us for cause as described in Article 18, you agree to pay to us within fifteen (15) days after the effective date of this Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the twelve (12) months of operation preceding the effective date of termination multiplied by (a) twenty-four (24) (being the number of months in two (2) full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is higher

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees 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 section You and each of your 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 section

## ARTICLE 20
## DISPUTE RESOLUTION

**20 1 Mediation and Arbitration**

20 1 1 We and you acknowledge that during the term of this Agreement disputes may arise between the parties that may be resolvable through mediation To facilitate such resolution, we and you agree that each party shall submit the dispute between them for non-binding mediation at a mutually agreeable location before commencing an arbitration proceeding under Section 20 1 3 If we and you cannot agree on a location, the mediation will be conducted in Kent County, Rhode Island The mediation will be conducted by one (1) mediator who is appointed under the American Arbitration Association's Commercial Mediation Rules and who shall conduct the mediation in accordance with such rules We and you agree that statements made by us, you or any other party in any such mediation

proceeding will not be admissible in any arbitration or other legal proceeding Each party shall bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate in the mediation

20 1 2 If any dispute between the parties cannot be resolved through mediation within forty-five (45) days following the appointment of the mediator, the parties agree to submit such dispute to arbitration subject to the terms and conditions of Section 20 1 3

20 1 3 Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration in Rhode Island under the authority of Rhode Island Statutes The arbitrator(s) will have a minimum of five (5) years of experience in franchising or distribution law and will have the right to award specific performance of this Agreement If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Rhode Island Statutes The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Rhode Island Statutes The decision of the arbitrator(s) will be final and binding on all parties This Section will survive termination or non-renewal of this Agreement under any circumstances Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement

20 1 4 If we desire to seek specific performance or other extraordinary relief including, but not limited to, injunctive relief under this Agreement, and any amendments thereto, or to collect monies due, then any such action shall not be subject to arbitration and we shall have the right to bring such action as described in Section 20 2

20 1 5 In proceeding with arbitration and in making determinations hereunder, the arbitrators shall not extend, modify or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by us in good faith Notice of or request to or demand for arbitration shall not stay, postpone or rescind the effectiveness of any termination of this Agreement

**20 2 Injunctive Relief**

20 2 1 Notwithstanding anything to the contrary contained in Section 20 1 above, we and you each have the right, in a proper case, to seek injunctions, restraining orders and orders of specific performance from a court of competent jurisdiction, provided that we agree to contemporaneously submit our dispute for arbitration on the merits as provided herein

20 2 2 You agree that we will not be required to post a bond to obtain any injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction if warranted upon due hearing All claims for damages by reason of the wrongful issuance of such injunction are hereby expressly waived If we secure any such injunction or order of specific performance, you agree to pay to us an amount equal to the aggregate of our costs of obtaining such relief including, without limitation, reasonable legal fees, costs and expenses as provided in this Section and any damages incurred by us as a result of the breach of any such provision

## ARTICLE 21
## SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

21 1 If any provision of this Agreement relating to the covenants to refrain from operating, owning or assisting a Competitive Business during the term of this Agreement is declared or made invalid or unenforceable by judicial action, legislation or other government action, we, if we believe in our sole discretion that the continuation of this Agreement would not be in our best interests, may terminate this Agreement upon sixty (60) days' written notice to you

21 2 All other provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions shall be enforced to the extent valid and enforceable To the extent the post-transfer restrictive covenants or post-termination restrictive covenants contained herein are deemed unenforceable by virtue of their scope in terms of geographic area, business activity prohibited and/or length of time, but may be made enforceable by reductions of either or any thereof, you and we agree that the same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement or refusal to grant a Renewal Franchise than is required hereunder, or requires 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 specification, standard or operating procedure we prescribe is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof In such case, we shall have the right in our sole discretion to modify such invalid or unenforceable provision, specification, standard, or operating procedure to the extent required to be valid and enforceable Such modifications to this Agreement shall be effective only in such jurisdiction and this Agreement shall be enforced as originally made and entered into in all other jurisdictions

## ARTICLE 22
## MISCELLANEOUS

**22 1 Waiver of Obligations**

22 1 1 We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement Such waiver shall be effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver Whenever this Agreement requires our prior approval or consent, you shall make a timely written request therefor and such approval shall be obtained in writing

22 1 2 We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you by granting any waiver, approval, or consent to you or by reason of any neglect, delay, or denial of any request therefor Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to continuing review by us and may be revoked in our sole discretion at any time and for any reason effective upon delivery to you of ten (10) days' prior written notice

22 1 3 We and you shall 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 (a) custom or practice of the parties at variance with the terms hereof, (b) any failure, refusal, or neglect of us or you to exercise any

right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder including, without limitation, any mandatory specification, standard or operating procedure, (c) any waiver, forbearance, delay, failure, or omission by us to exercise any right, power, or option, whether of the same, similar or different nature, with respect to any other Launch Trampoline Park or any franchise agreement or multi-unit development agreement therefor, or (d) our acceptance of any payments from you after any breach by you of this Agreement

**22 2 Force Majeure**

Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if our failure to perform our obligations results from any of the following and is not caused or exacerbated by the non-performing party (a) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material, or energy, or the voluntary forgoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations, or instructions of any federal, state, or municipal government or any department or agency thereof, (b) compliance with any law, ruling, order, regulation, requirement, or instruction of any federal, state, or municipal government or any department or agency thereof, (c) acts of God, (d) acts of war or insurrection, (e) strikes, lockouts, boycotts, fire and other casualties, or (f) any other similar event or cause Any delay resulting from any of said causes shall extend performance accordingly or excuse performance in whole or in part as may be reasonable, except that said causes shall not excuse payments of amounts owed at the time of such occurrence or payment of Royalty Fees or other fees thereafter and as soon as performance is possible the non-performing party shall immediately resume performance, nor shall such period of excused non-performance exceed six (6) months

**22 3 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 shall preclude the exercise or enforcement by us or you of any other right or remedy hereunder or which we or you are entitled by law to enforce

**22 4 Costs and Legal Fees**

If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us

**22 5 Governing Law, Consent to Jurisdiction**

22 5 1 Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C §§ 1051 et seq ) or other federal law, this Agreement and the relationship between the parties hereto shall be governed by the internal laws of the State of Rhode Island without regard to its conflicts of law principles

22 5 2 You agree that you and your Owners shall institute any action and that we may institute any action against you or your Owners which is not required to be arbitrated hereunder in any state or federal court of general jurisdiction applicable to Kent County, Rhode Island or the state court of general jurisdiction or the Federal District Court nearest to our executive office at the time such action is filed You and each Owner irrevocably submit to the jurisdiction of such courts and waive any objection you/he/she may have to either the jurisdiction or venue of such courts

**22 6 Limitations of Claims**

Except with regard to claims arising from the underreporting of Gross Sales by you or your obligations to make payments to us or our Affiliates arising from or relating to this Agreement, any and all claims arising out of or relating to this Agreement or the relationship of you and us shall be barred unless an action or proceeding is commenced within one (1) year from the date on which you or we knew or should have known in the exercise of reasonable diligence of the facts giving rise to such claims

**22 7 Waiver of Punitive Damages and Jury Trial**

We and you hereby 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, except as otherwise provided herein, each shall be limited to the recovery of actual damages sustained by it We and you hereby irrevocably waive trial by jury on any action, proceeding or counterclaim, whether at law or in equity, brought by either of us

**22 8 Binding Effect**

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest and shall not be modified except by written agreement signed by both you and us

**22 9 Construction**

22 9 1 The preambles and exhibits to this Agreement are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement, provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us Except as expressly stated herein, nothing in this Agreement is intended nor shall be deemed to confer any rights or remedies upon any person or legal entity not a party hereto The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit, or construe the contents of such sections or paragraphs This Agreement shall be executed in multiple copies, each of which shall be deemed an original

22 9 2 The term "You" as used herein is applicable to one (1) or more persons or entities, as the case may be, and the singular usage includes the plural, and the masculine and neuter usages include each other and the feminine References to "ownership interests" shall include (a) in relation to a corporation or limited liability company, the ownership of shares or membership interests, (b) in relation to a partnership, the ownership of a general or limited partnership interest, or (c) in relation to a trust, the ownership of a beneficial interest of such trust References to "immediate family" as used herein shall mean your parents, spouses, natural and adopted children, siblings and their spouses, their parents, children and siblings and spouses of these siblings References to a "controlling interest' in you shall mean (a) if you are a corporation or limited liability company, thirty-three and one-third percent (33-1/3%) or more of the voting shares or membership interests of you if you are owned by three (3) or more persons, otherwise fifty percent (50%) or more of the voting control of you, and (b) if you are a partnership, thirty-three and one-third percent (33-1/3%) of the general partnership interest in you if you have three (3) or more general partners, otherwise fifty percent (50%) or more of the general partnership interest If you are two (2) or more persons at any time hereunder, whether or not as partners or joint venturers, their obligations and liabilities to us shall be joint and several

### 22 10 Reasonableness

We and you agree to act reasonably in all dealings with each other pursuant to this Agreement Whenever the consent or approval of either party is required or contemplated hereunder, the party whose consent is required agrees not to unreasonably withhold the same unless otherwise permitted to do so in this Agreement

### 22 11 Operation in the Event of Absence or Disability

In order to prevent any interruption of the Launch Trampoline Park operations which would cause harm to the Launch Trampoline Park, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Launch Trampoline Park, operate the Launch Trampoline Park for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement All monies from the operation of the Launch Trampoline Park during such period of operation by us shall be kept in a separate account, and the expenses of the Launch Trampoline Park, including reasonable compensation and expenses for our representative, shall be charged to said account If, as herein provided, we temporarily operate the Launch Trampoline Park franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties

### 22 12 Step-In Rights

If we determine in our sole judgment that the operation of your Launch Trampoline Park is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Launch Trampoline Park which would cause harm to the System and thereby lessen its value, you authorize us to operate your Launch Trampoline Park for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement In our sole judgment, we may deem you incapable of operating the Launch Trampoline Park if, without limitation, you are absent or incapacitated by reason of illness or death, you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your Launch Trampoline Park, or we determine that operational problems require that we operate your Launch Trampoline Park for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the Launch Trampoline Park as a going concern

We shall keep in a separate account all monies generated by the operation of your Launch Trampoline Park, less the expenses of the Launch Trampoline Park, including reasonable compensation and expenses for our representatives In the event of our exercise of the Step-In Rights, you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination

## ARTICLE 23

## SECURITY INTEREST

### 23 1 Collateral

You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Launch Trampoline Park, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the

Launch Trampolıne Park All ıtems ın whıch a securıty ınterest ıs granted are referred to as the "Collateral"

**23 2 Indebtedness Secured**

The Securıty Interest ıs to secure payment of the followıng (the "Indebtedness")

23 2 1 All amounts due under thıs Agreement or otherwıse by you,

23 2 2 All sums whıch we may, at our optıon, expend or advance for the maıntenance, preservatıon, and protectıon of the Collateral, ıncludıng, wıthout lımıtatıon, payment of rent, taxes, levıes, assessments, ınsurance premıums, and dıscharge of lıens, together wıth ınterest, or any other property gıven as securıty for payment of the Indebtedness,

22 2 3 All expenses, ıncludıng reasonable attorneys' fees, whıch we ıncur ın connectıon wıth collectıng any or all Indebtedness secured hereby or ın enforcıng or protectıng our rıghts under the Securıty Interest and thıs Agreement, and

23 2 4 All other present or future, dırect or ındırect, absolute or contıngent, lıabılıtıes, oblıgatıons, and ındebtedness of you to us or thırd partıes under thıs Agreement, however created, and specıfically ıncludıng all or part of any renewal or extensıon of thıs Agreement, whether or not you execute any extensıon agreement or renewal ınstruments

23 2 5 Our securıty ınterest, as descrıbed hereın, shall be subordınated to any financıng related to your operatıon of the Launch Trampolıne Park, ıncludıng, but not lımıted to, a real property mortgage and equıpment leases

**23 3 Addıtıonal Documents**

You wıll from tıme to tıme as requıred by us joın wıth us ın executıng any addıtıonal documents and one or more financıng statements pursuant to the Unıform Commercıal Code (and any assıgnments, extensıons, or modıficatıons thereof) ın form satısfactory to us

**23 4 Possessıon of Collateral**

Upon default and termınatıon of your rıghts under thıs Agreement, we shall have the ımmedıate rıght to possessıon and use of the Collateral

**23 5 Our Remedıes ın Event of Default**

You agree that, upon the occurrence of any default set forth above, the full amount remaınıng unpaıd on the Indebtedness secured shall, at our optıon and wıthout notıce, become due and payable ımmedıately, and we shall then have the rıghts, optıons, dutıes, and remedıes of a secured party under, and you shall have the rıghts and dutıes of a debtor under, the Unıform Commercıal Code of Rhode Island (or other applıcable law), ıncludıng, wıthout lımıtatıon, our rıght to take possessıon of the Collateral and wıthout legal process to enter any premıses where the Collateral may be found Any sale of the Collateral may be conducted by us ın a commercıally reasonable manner Reasonable notıficatıon of the tıme and place of any sale shall be satısfied by maılıng to you pursuant to the notıce provısıons set forth above

**23 6 Specıal Fılıng as Fınancıng Statement**

Thıs Agreement shall be deemed a Securıty Agreement and a Fınancıng Statement Thıs Agreement may be filed for record ın the real estate records of each county ın whıch the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction

## ARTICLE 24
## NOTICES AND PAYMENTS

All written notices and reports permitted or required to be delivered by the provisions of this Agreement or of the Operations Manual shall be deemed so delivered at the time delivered by hand, one (1) business day after transmission by facsimile with machine-generated evidence of receipt, one (1) business day after being placed in the hands of a commercial courier service for overnight delivery, one (1) business day after transmission by electronic mail provided that a hard copy is sent by another method provided in this Section, or five (5) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed as follows

| | |
|---|---|
| To us | Launch Franchising, LLC<br>920 Bald Hill Road Warwick,<br>Rhode Island 02886<br>Attention President<br>Facsimile (401) 828-5892 |
| With a copy to | Harold L Kestenbaum, Esq<br>175 Broad Hollow Road, Suite 175<br>Melville, New York 11747<br>Facsimile (516) 745-0293 |
| To you | ____________________<br>____________________<br>____________________<br>Attention _______________<br>Facsimile (__) ______ |

## ARTICLE 25
## YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

### 25 1 Your Representations

You represent and warrant to us, with the intention that we are relying thereon in entering into this Agreement, that

25 1 1 If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, then you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and are in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over the Launch Trampoline Park

25 1 2 If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, you have all corporate power and authority to execute, deliver, consummate and perform this Agreement, and it will be binding upon you and your successors and assigns when executed

25 1 3 You do not have any material liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements, which you have furnished to us before the execution of this Agreement

25 1 4 As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, principal shareholders, proprietors, partners or Controlling Principals (as applicable) after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business, your right to operate and use your assets, properties or rights to carry on your business, and/or which affects or could affect your right to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement

25 1 5 Neither you nor any of your Principal Owners is a party to any contract, agreement, covenant not to compete or other restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement

25 1 6 All of your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement

**25 2 Your Acknowledgments**

You acknowledge, warrant and represent to us and we rely on such acknowledgments, warranties and representations that

25 2 1 No representation has been made by us (or any of our employees, agents or salespersons) and relied on by you as to the future or past income, expenses, sales volume or potential profitability, earnings or income of the Launch Trampoline Park, or any other Launch Trampoline Park owned by us, our Affiliates or a franchisee We make no guaranties, promises, representations, statements or warranties that you can or will achieve any level or range of sales, income or other measures of performance

Initials ____________

25 2 2 No representation or statement has been made by us (or any of our employees, agents or salespersons) and relied on by you regarding your anticipated income, earnings and growth or that of us or the System, or the viability of the business opportunity being offered under this Agreement

Initials ____________

25 2 3 Before executing this Agreement, you have had the opportunity to contact any and all of our existing franchisees

Initials ____________

25 2 4 You have had the opportunity to independently investigate, analyze and construe both the business opportunity being offered under this Agreement, and the terms and provisions of this Agreement, using the services of legal counsel, accountants or other advisors (if you so elect) of your choosing You have been advised to consult with your advisors with respect to the legal, financial and other aspects of this Agreement, the Launch Trampoline Park, and the prospects for the Launch Trampoline Park You have either consulted with these advisors or have deliberately declined to do so

Initials _____________

25 2 5 You have received from us a copy of our Franchise Disclosure Document, together with a copy of all proposed agreements relating to the sale of the franchise, at least fourteen (14) calendar days before the execution of this Agreement or at least fourteen (14) calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the franchise granted by this Agreement

Initials _____________

25 2 6 No representation or statement has been made by us (or any of our employees, agents or salespersons) and relied on by you regarding your ability to procure any required license or permit that may be necessary to the offering of one or more of the products or services contemplated to be offered by the Launch Trampoline Park

Initials _____________

25 2 7 You affirm that all information set forth in all applications, financial statements and submissions to us are true, complete and accurate in all respects, and you expressly acknowledge that we are relying on the truthfulness, completeness and accuracy of this information

Initials _____________

25 2 8 Attached hereto as Exhibit I is a Franchisee Disclosure Acknowledgment Statement You shall have received and answer the questions thereon, relating to representations that have or have not been made to you You have initialed and executed the Statement voluntarily and attached it hereto

Initials _____________

25 2 9 You understand and agree that we may manage and change the System and our business in any manner that is not expressly prohibited by this Agreement Whenever we have the right within this Agreement to take or withhold action or to grant or decline to you the right to take or withhold action, we may make such a decision on the basis of our business judgment of what is in our best interests and those of the System and the franchise network, without regard to whether other reasonable alternative decisions exist or whether our decision adversely affects you Absent applicable statute, we shall have no liability for such a decision and you agree that our decision will not be subject to limitation or review If applicable law implies a covenant of good faith and fair dealing in this Agreement, you agree that such a covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants to us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder

Initials _____________

## ARTICLE 26
### SUBMISSION OF AGREEMENT

The submission of this Agreement to you does not constitute an offer This Agreement will become effective only upon the execution of this Agreement by both us and you

THIS AGREEMENT WILL NOT BE BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF OURS YOU ACKNOWLEDGE THAT NO REPRESENTATIONS OR PROMISES WERE MADE TO YOU OTHER THAN THOSE SET FORTH IN OUR DISCLOSURE DOCUMENT, OR THAT IF ANY OTHER REPRESENTATIONS OR PROMISES WERE MADE TO YOU, YOU ARE NOT RELYING ON THEM YOU HAVE READ ALL OF THE FOREGOING AGREEMENT AND ACCEPT AND AGREE TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS OF THE FOREGOING AGREEMENT

**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement in multiple counterparts on the day and year first above written

FRANCHISOR

LAUNCH FRANCHISING, LLC,
A Delaware limited liability company

By ______________________________
Print Name ________________________
Title ______________________________

FRANCHISEE

CORPORATION, LIMITED LIABILITY COMPANY, PARTNERSHIP

______________________________
[Name]

By ______________________________
Print Name ________________________
Title ______________________________

## JOINDER

The undersigned Owners and Principal Owners of you hereby agree to be bound by the restrictions on transfers of interests in the ownership of you contained in the foregoing Franchise Agreement

**COMPANIES**

______________________________
(Name of Company)

By ______________________________
Print Name ______________________________
Title ______________________________

______________________________
(Name of Company)

By ______________________________
Print Name ______________________________
Title ______________________________

______________________________
(Name of Company)

By ______________________________
Print Name ______________________________
Title ______________________________

**INDIVIDUALS**

______________________________
(Name)

______________________________
(Signature)

______________________________
(Name)

______________________________
(Signature)

______________________________
(Name)

______________________________
(Signature)

## EXHIBIT A TO THE FRANCHISE AGREEMENT
## OWNERS

1 **Owners** List the full name and mailing address of each person or entity who directly or indirectly owns an equity or voting interest in You, and describe the nature of the interest

| | |
|---|---|
| Name ______________________ | Number of Ownership Interests Owned _______ |
| Address ______________________ | % of Total Ownership Interests _______ |
| ______________________ | Number of Ownership Interests Owner is Entitled to Vote ______________ |
| ______________________ | Other Interest (Describe) ______________ |
| ______________________ | ______________________ |

| | |
|---|---|
| Name ______________________ | Number of Ownership Interests Owned _______ |
| Address ______________________ | % of Total Ownership Interests _______ |
| ______________________ | Number of Ownership Interests Owner is Entitled to Vote ______________ |
| ______________________ | Other Interest (Describe) ______________ |
| ______________________ | ______________________ |

| | |
|---|---|
| Name ______________________ | Number of Ownership Interests Owned _______ |
| Address ______________________ | % of Total Ownership Interests _______ |
| ______________________ | Number of Ownership Interests Owner is Entitled to Vote ______________ |
| ______________________ | Other Interest (Describe) ______________ |
| ______________________ | ______________________ |

| | |
|---|---|
| Name ______________________ | Number of Ownership Interests Owned _______ |
| Address ______________________ | % of Total Ownership Interests _______ |
| ______________________ | Number of Ownership Interests Owner is Entitled to Vote ______________ |
| ______________________ | Other Interest (Describe) ______________ |
| ______________________ | ______________________ |

| | |
|---|---|
| Name ______________________ | Number of Ownership Interests Owned _______ |
| Address ______________________ | % of Total Ownership Interests _______ |
| ______________________ | Number of Ownership Interests Owner is Entitled to Vote ______________ |
| ______________________ | Other Interest (Describe) ______________ |
| ______________________ | ______________________ |

2 **Designated Principal Owners** The following individuals named in Paragraph 1 are designated as Principal Owners, although they do not hold five percent (5%) or more of the equity ownership interests in You

| | |
|---|---|
| Name ______________________ | Name ______________________ |
| Name ______________________ | Name ______________________ |
| Name ______________________ | Name ______________________ |

Name ____________________ Name ____________________

3 **Management** As required pursuant to this Agreement, the following Principal Owners shall have supervisory responsibilities in connection with the operation of the Launch Trampoline Park

Name ________________________

Name ________________________

Name ________________________

| FRANCHISOR | FRANCHISEE |
|---|---|
| LAUNCH FRANCHISING, LLC,<br>A Delaware limited liability company | CORPORATION, LIMITED LIABILITY<br>COMPANY, PARTNERSHIP |
| By ____________________<br>Print Name ______________<br>Title ___________________ | ____________________________<br>[Name] |
| | By ________________________<br>Print Name ___________________<br>Title _______________________ |

**EXHIBIT B TO THE FRANCHISE AGREEMENT**
**SITE AND TERRITORY**

The Site of the Launch Trampoline Park will be located at

__________________________________________________________________

__________________________________________________________________

The Territory shall be as follows

__________________________________________________________________

__________________________________________________________________

FRANCHISOR

LAUNCH FRANCHISING, LLC,
A Delaware limited liability company

By ____________________________
Print Name _______________________
Title ____________________________

FRANCHISEE

CORPORATION, LIMITED LIABILITY
COMPANY, PARTNERSHIP

____________________________________
[Name]

By __________________________________
Print Name ___________________________
Title _________________________________

**EXHIBIT C TO THE FRANCHISE AGREEMENT**
**INTERNET WEB SITES AND LISTINGS AGREEMENT**

**THIS INTERNET WEB SITES AND LISTINGS AGREEMENT** (the "Internet Listing Agreement") is made and entered into as of the _____ day of _______________, 20___ (the "Effective Date"), by and between Launch Franchising, a Delaware limited liability company (the "Franchisor"), and ________________________, a _________________ (the "Franchisee")

**WITNESSETH**

**WHEREAS,** Franchisee desires to enter into a Franchise Agreement with Franchisor for a Launch Trampoline Park (the "Franchise Agreement"), and

**WHEREAS,** Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Internet Listing Agreement,

**NOW, THEREFORE,** for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows

1 **DEFINITIONS**

All terms used but not otherwise defined in this Internet Listing Agreement shall have the meanings set forth in the Franchise Agreement "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof

2 **TRANSFER, APPOINTMENT**

2 1 Interest in Internet Web Sites and Listings Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Internet web sites, and the right to hyperlink to certain web sites and listings on various Internet search engines (collectively, the "Internet Web Sites and Listings") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest")

2 2 Transfer On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all Internet Service Providers, domain name registries, Internet search engines, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Internet Web Sites and Listings (i) to transfer all of Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer In the event Franchisor does not desire to accept any or all such Internet Web Sites and Listings, Franchisee will immediately direct the Internet Companies to terminate such Internet Web Sites and Listings or will take such other actions with respect to the Internet Web Sites and Listings as Franchisor directs

2 3 Appointment, Power of Attorney Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this

Internet Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Internet Listing Agreement Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Internet Listing Agreement Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following

2 3 1 Direct the Internet Companies to transfer all Franchisee's Interest in and to the Internet Web Sites and Listings to Franchisor,

2 3 2 Direct the Internet Companies to terminate any or all of the Internet Web Sites and Listings, and

2 3 3 Execute the Internet Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest

2 4 Certification of Termination Franchisee hereby directs the Internet Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated

2 5 Cessation of Obligations After the Internet Companies have duly transferred all Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Internet Web Sites and Listings Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies for the sums Franchisee is obligated to pay such Internet Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Internet Listing Agreement

## 3 MISCELLANEOUS

3 1 Release Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Internet Listing Agreement

3 2 Indemnification Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Internet Listing Agreement

3 3 No Duty The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Internet Web Sites and Listings

3 4 Further Assurances Franchisee agrees that at any time after the date of this Internet Listing Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Internet Listing Agreement

3 5 Successors, Assigns, and Affiliates All Franchisor's rights and powers, and all Franchisee's obligations, under this Internet Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Internet Listing Agreement

3 6 Effect on Other Agreements Except as otherwise provided in this Internet Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein

3 7 Survival This Internet Listing Agreement shall survive the Termination of the Franchise Agreement

3 8 Joint and Several Obligations All Franchisee's obligations under this Internet Listing Agreement shall be joint and several

3 9 Governing Law This Internet Listing Agreement shall be governed by and construed under the laws of the State of Rhode Island, without regard to the application of Rhode Island conflict of law rules

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date

| FRANCHISOR | FRANCHISEE |
|---|---|
| LAUNCH FRANCHISING, LLC,<br>A Delaware limited liability company | CORPORATION, LIMITED LIABILITY<br>COMPANY, PARTNERSHIP |
| By ______________________<br>Print Name ______________<br>Title ____________________ | ______________________________<br>[Name] |
| | By ______________________<br>Print Name ______________<br>Title ____________________ |

# TELEPHONE LISTING AGREEMENT

**THIS TELEPHONE LISTING AGREEMENT** (the "Telephone Listing Agreement") is made and entered into as of the _____ day of ______________, 20___ (the "Effective Date"), by and between Launch Franchising, LLC, a Delaware limited liability company (the "Franchisor"), and ________________________, a ________________ (the "Franchisee")

**WITNESSETH**

**WHEREAS**, Franchisee desires to enter into a Franchise Agreement with Franchisor for a Launch Trampoline Park (the "Franchise Agreement"), and

**WHEREAS**, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement,

**NOW, THEREFORE**, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows

## 1 DEFINITIONS

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof

## 2 TRANSFER, APPOINTMENT

2 1 Interest in Telephone Numbers and Listings Franchisee has, or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the "Telephone Numbers and Listings") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest")

2 2 Transfer On Termination of the Franchise Agreement, if Franchisor directs Franchisee to do so, Franchisee will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Numbers and Listings (i) to transfer all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs

2 3 Appointment, Power of Attorney Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Telephone Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, on Termination of the

Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following

2 3 1 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor,

2 3 2 Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings, and

2 3 3 Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest

2 4 Certification of Termination Franchisee hereby directs the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated

2 5 Cessation of Obligations After the Telephone Companies have duly transferred all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further Interest in, or obligations under, such Telephone Numbers and Listings Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies for the sums Franchisee is obligated to pay such Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Telephone Listing Agreement

## 3 **MISCELLANEOUS**

3 1 Release Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Telephone Listing Agreement

3 2 Indemnification Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its affiliates, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Telephone Listing Agreement

3 3 No Duty The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings

3 4 Further Assurances Franchisee agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Telephone Listing Agreement

3 5 Successors, Assigns, and Affiliates All Franchisor's rights and powers, and all Franchisee's obligations, under this Telephone Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Telephone Listing Agreement

3 6 Effect on Other Agreements Except as otherwise provided in this Telephone Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein

3 7 Survival This Telephone Listing Agreement shall survive the Termination of the Franchise Agreement

3 8 Joint and Several Obligations All Franchisee's obligations under this Telephone Listing Agreement shall be joint and several

3 9 Governing Law This Telephone Listing Agreement shall be governed by and construed under the laws of the State of Rhode Island, without regard to the application of Rhode Island conflict of law rules

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Telephone Listing Agreement as of the Effective Date

| | |
|---|---|
| FRANCHISOR | FRANCHISEE |
| LAUNCH FRANCHISING, LLC,<br>A Delaware limited liability company | CORPORATION, LIMITED LIABILITY COMPANY, PARTNERSHIP |
| By ______________________<br>Print Name ________________<br>Title ____________________ | ______________________<br>[Name] |
| | By ______________________<br>Print Name ________________<br>Title ____________________ |

**EXHIBIT D TO THE FRANCHISE AGREEMENT**
**COLLATERAL ASSIGNMENT OF LEASE**

**FOR VALUE RECEIVED**, the undersigned ("Assignor") assigns, transfers and sets over to Launch Franchising, LLC, a Delaware limited liability company ("Assignee"), all of Assignor's right and title to and interest in that certain "Lease", a copy of which is attached as Exhibit A, respecting premises commonly known as ______________________________________________ This assignment is for collateral purposes only and except as specified in this document Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the premises the Lease demises according to the terms of this document and assumes Assignor's obligations under the Lease

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and that Assignor has not previously assigned or transferred and is not otherwise obligated to assign or transfer any of its interest in the Lease or the premises it demises

Upon Assignor's default under the Lease or under the "Franchise Agreement" for a Launch Trampoline Park between Assignee and Assignor, or in the event Assignor defaults under any document or instrument securing the Franchise Agreement, Assignee has the right to take possession of the premises the Lease demises and expel Assignor from the premises In that event Assignor will have no further right and title to or interest in the Lease but will remain liable to Assignee for any past due rental payments or other charges Assignee is required to pay Lessor to effectuate the assignment this document contemplates

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee's prior written consent Throughout the term of the Franchise Agreement, Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day upon which the option must be exercised unless Assignee agrees otherwise in writing Upon Assignee's failure to agree otherwise in writing and upon Assignor's failure to elect to extend or renew the Lease as required, Assignor appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal

| ASSIGNEE | ASSIGNOR |
|---|---|
| LAUNCH FRANCHISING, LLC | |
| By ____________________________ | By ____________________________ |
| Name __________________________ | Name __________________________ |
| Title ___________________________ | Title ___________________________ |
| Date ___________________________ | Date ___________________________ |

## CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease

(a) Agrees to notify Assignee in writing of and upon Assignee's failure to cure any default by Assignor under the Lease,

(b) Agrees that Assignee will have the right but not the obligation to cure any default by Assignor under the Lease within thirty (30) days after Lessor's delivery of notice of the default under section (a) above,

(c) Consents to the Collateral Assignment and agrees that if Assignee takes possession of the premises the Lease demises and confirms to Lessor that it has assumed the Lease as tenant, Lessor will recognize Assignee as tenant under the Lease provided that Assignee cures within the thirty (30) day period noted in section (b) above Assignor's defaults under the Lease, and

(d) Agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation who agrees to assume the tenant's obligations under the Lease and is reasonably acceptable to Lessor and that upon that assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise other than to certify that the additional assignee or sublessee operates the premises the Lease demises as a Launch Trampoline Park

DATED ______________________________

______________________________________

______________________________, Lessor

## EXHIBIT E TO THE FRANCHISE AGREEMENT

## CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

**(for trained employees, shareholders, officers, directors, general partners, members and managers of Franchisee)**

In consideration of my being a ______________________ of ________________ ("Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that

1 Pursuant to a Franchise Agreement dated _____________, 20___ (the 'Franchise Agreement"), Franchisee has acquired the right and franchise from Launch Franchising, LLC (the "Company") to establish and operate a Launch Trampoline Park (the "Franchised Business") and the right to use in the operation of the Franchised Business the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location ________________________ (the "Approved Location")

2 The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Franchised Businesses, which offer an indoor sports and family entertainment facility featuring large interconnected trampolines that form a giant jumping surface, designated jump areas for kid's play and dodgeball, a foam pit, arcade area and cafe The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information")

3 Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement

4 As _______ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company's Confidential Operations Manuals (the "Manuals"), and other general assistance during the term of the Franchise Agreement

5 I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition

6 The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as ______________ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information

has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement

7 Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any retail business or e-commerce business which (a) is the same as, or substantially similar to, a Franchised Business, or (b) offers to sell or sells any products or services which are the same as, or substantially similar to, any of the products or services offered by a Franchised Business (a "Competitive Business"), and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Franchise Agreement, whichever occurs first, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any Competitive Business that is, or is intended to be, located at or within

7 1 Franchisee's Territory, as defined in the Franchise Agreement ('Franchisee's Territory"),

7 2 Twenty (20) miles of Franchisee's Territory, or

7 3 Twenty (20) miles of any Franchised Business operating under the System and the Proprietary Marks

The prohibitions in this Paragraph 7 do not apply to my interests in or activities performed in connection with a Franchised Business This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation

8 I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly 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 Agreement

9 I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified

10 The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm, therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement

11 This Agreement shall be construed under the laws of the State of Rhode Island The only way this Agreement can be changed is in writing signed by both the Franchisee and me

______________________________
Signature

______________________________
Name

______________________________
Address

______________________________
Title

**ACKNOWLEDGED BY FRANCHISEE**

By ______________________________

Name ______________________________

Title ______________________________

## EXHIBIT F TO THE FRANCHISE AGREEMENT

## GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement, and any revisions, modifications and amendments thereto (hereinafter collectively the "Agreement") dated __________, 20_____, by and between Launch Franchising, LLC, a Delaware limited liability company (hereinafter the "Franchisor"), and ______________________________ (hereinafter the "Franchisee"), each of the undersigned Guarantors agrees as follows

1 The Guarantors do hereby jointly and severally unconditionally guaranty the full, prompt and complete performance of the Franchisee under the terms, covenants and conditions of the Agreement, including, without limitation, the complete and prompt payment of all indebtedness to the Franchisor under the Agreement The word "indebtedness" is used herein in its most comprehensive sense and includes, without limitation, any and all advances, debts, obligations and liabilities of the Franchisee, now or hereafter incurred, either voluntarily or involuntarily, and whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, or whether recovery thereof may be now or hereafter barred by any statute of limitation or is otherwise unenforceable

2 The obligations of the Guarantors are independent of the obligations of the Franchisee and a separate action or actions may be brought and prosecuted against any or all of the Guarantors, whether or not actions are brought against the Franchisee or whether the Franchisee is joined in any such action

3 If the Franchisee is a corporation, partnership or limited liability company, the Franchisor shall not be obligated to inquire into the power or authority of the Franchisee or its partners or the officers, directors, agents, members or managers acting or purporting to act on the Franchisee's behalf and any obligation or indebtedness made or created in reliance upon the exercise of such power and authority shall be guaranteed hereunder Where the Guarantors are corporations or partnerships, it shall be conclusively presumed that the Guarantors and the partners, agents, officers and directors acting on their behalf have the express authority to bind such corporations or partnerships and that such corporations or partnerships have the express power to act as the Guarantors pursuant to this Guaranty and that such action directly promotes the business and is in the interest of such corporations or partnerships

4 The Franchisor, its successors and assigns, may from time to time, without notice to the undersigned (a) resort to the undersigned for payment of any of the indebtedness, whether or not it or its successors have resorted to any property securing any of the indebtedness or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the indebtedness, (b) release or compromise any indebtedness of any of the undersigned hereunder or any indebtedness of any party or parties primarily or secondarily liable on any of the indebtedness, (c) extend, renew or credit any of the indebtedness for any period (whether or not longer than the original period), (d) alter, amend or exchange any of the indebtedness, or (e) give any other form of indulgence, whether under the Agreement or otherwise

5 The undersigned further waive presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation notice of acceptance hereof, notice of all contracts and commitments, notice of the existence or creation of any liabilities under the Agreement and of the amount and terms thereof, and notice of all defaults, disputes or controversies between the Franchisee and the Franchisor resulting from the Agreement or otherwise, and the settlement, compromise or adjustment thereof

6 This Guaranty shall be enforceable by and against the respective administrators, executors, successors and assigns of the Guarantors and the death of any Guarantor shall not terminate the liability Guarantor or limit the liability of the other Guarantors hereunder

7 If more than one person has executed this Guaranty, the term the "undersigned" as used herein shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties

8 In each case where the spouse of a Franchisee has executed any documents in connection with the granting of the Agreement, and the Franchisee subsequently divorces from such spouse, then, in the event that the Franchisee subsequently remarries, the new spouse of such Franchisee must execute, and agree to be bound by the provisions of, each of the documents previously executed by the Franchisee's original spouse

**IN WITNESS WHEREOF**, each of the undersigned has executed this Guaranty under seal effective as of the _____ day of ___________________, 20___

| | |
|---|---|
| ______________________________ | ______________________________ |
| Signature | Signature of Spouse (if married) |
| ______________________________ | ______________________________ |
| Printed Name | Printed Name |
| ______________________________ | ______________________________ |
| ______________________________ | ______________________________ |
| ______________________________ | ______________________________ |
| Home Address | Home Address |
| ______________________________ | ______________________________ |
| Home Telephone | Home Telephone |
| ______________________________ | ______________________________ |
| Business Telephone | Business Telephone |
| ______________________________ | ______________________________ |
| Date | Date |

**EXHIBIT G TO THE FRANCHISE AGREEMENT**
**MULTI-STATE ADDENDUM**

**CALIFORNIA APPENDIX**

1 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 Multi-Unit Development Agreement contain provisions that are inconsistent with the law, the law will control

2 The Franchise Agreement and Multi-Unit Development Agreement provide for termination upon bankruptcy This provision may not be enforceable under Federal Bankruptcy Law (11 U S C A Sec 101 et seq )

3 The Franchise Agreement and Multi-Unit Development Agreement contain covenants not to compete which extend beyond the termination of the agreements These provisions may not be enforceable under California law

4 Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise

5 Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document 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 79a et seq , suspending or expelling such persons from membership in such association or exchange

6 The Franchise Agreement and Multi-Unit Development Agreement require binding arbitration The arbitration will occur at Rhode Island with the costs being borne by franchisee and franchisor Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

7 The Franchise Agreement and Multi-Unit Development Agreement require application of the laws of Rhode Island This provision may not be enforceable under California law

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

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

10 The Franchise Agreement contains a liquidated damages clause Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable

11 OUR WEBSITE, www launchri com, 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

## ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1 The following item must be included within the Disclosure Document and shall replace the language that is in the Disclosure Document itself

Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 ("Act") states that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State " This Section of the Act replaces any contradictory language contained in the Franchise Agreement and Multi-Unit Development Agreement

2 Illinois law governs the Franchise Agreement and Multi-Unit Development Agreement

3 Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987 which 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 This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code "

4 Under Illinois law at 200 608, Jurisdiction and Venue, a franchise agreement may not provide for a choice of law of any state other than Illinois The Summary column of Items 17(v) and (w) of the Disclosure Document are amended to state "Illinois law" The appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended accordingly

5 The appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended to comply with Section 27, Periods of Limitation, of the Act to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee and/or Multi-Unit Developer, or your operation of the Franchise brought by you against us shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after you become aware of the facts or circumstances indicating you may have a claim for relief, or 90 days after delivery to you of a written notice disclosing the violation, or such claim or action will be barred

6 Item 17(g) of the Disclosure Document and the appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended by changing the time frame to cure defaults, excluding defaults for safety or security issues, to 30 days

## ADDENDUM REQUIRED BY THE STATE OF INDIANA

1 To be added to Item 3 of the Disclosure Document, is the following statement

There are presently no arbitration proceedings to which the Franchisor is a party

2 Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2 7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory

3 Item 17 is amended to state that this is subject to Indiana Code 23-2-2 7-1 (10)

4 Under Indiana Code 23-2-2 7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests This amends the appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement

5 Under Indiana Code 23-2-2 7-1 (10), franchisee may not agree to waive any claims or rights

## ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for Launch Franchising, LLC's Franchise Agreement The amendments to the Franchise Agreement included in this addendum have been agreed to by the parties

1 The appropriate sections of the Franchise Agreement is amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

2 The appropriate sections of the Franchise Agreement is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise

3 The appropriate sections of the Franchise Agreement is amended to state that 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

4 The Franchise Agreement and the Franchisee Disclosure Acknowledgment Statement are amended to include the following statement "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 "

5 **The Maryland Securities Commissioner has required a financial assurance Therefore, all initial fees and payments owed by Franchisees shall be deferred until Franchisor completes its pre-opening obligations under the Franchise Agreement In addition, all development fees and initial payments by Area Developers shall be deferred until the first franchise under the Development Agreement opens**

6 Exhibit K, the Site Selection Agreement is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

7 **Exhibit K the Site Selection Agreement is amended to state that the Maryland Securities Commissioner has required a financial assurance Therefore, all initial fees and payments owed by Franchisees shall be deferred until Franchisor completes its pre-opening obligations under the Franchise Agreement In addition, all development fees and initial payments by Area Developers shall be deferred until the first franchise under the Development Agreement opens**

8 Exhibit K the Site Selection Agreement is amended to state All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law "

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this ______ day of _____________, 20___

ATTEST LAUNCH FRANCHISING, LLC

| | |
|---|---|
| ______________________ Witness | By ______________________ Name ______________________ Title ______________________ |

FRANCHISEE

______________________ ______________________

**DISCLOSURE REQUIRED BY THE 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.**

(a) A prohibition on the right of a franchisee to join an association of franchises

(b) A requirement that a 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 term except for good cause Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (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 five (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 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) 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 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**

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement

Any questions regarding this notice should be directed to

Consumer Protection Division
Attn Marilyn McEwen
525 W Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

## ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed to this ___ day of __________, 20__, and effectively amends and revises said Disclosure Document and Franchise Agreement and Multi-Unit Development Agreement as follows

1 Item 13 of the Disclosure Document and the appropriate sections of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein

> "In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use "

2 Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended by the addition of the following language to the original language that appears therein

> ' With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec 80C 14, Subds 3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld "

3 Item 17 of the Disclosure Document and appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections

> ' Minn Stat Sec 80C 21 and Rule 2860 4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction "

4 Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended by the addition of the following language to the original language that appears therein

> "Minn Rule 2860 4400D prohibits us from requiring you to assent to a general release "

5 Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn Rule 2860 4400J which prohibits requiring you to consent to liquidated damages

6 The appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are hereby deleted in accordance with Minn Rule 2860 4400J which prohibits waiver of a jury trial

7 The appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement regarding Limitations of Claims is hereby amended to comply with Minn Stat §80C 17, Subd 5

8 Item 6, Insufficient Fund Fees NSF fees are governed by Minnesota Statute 604 113, which puts a cap of $30 on a NSF check This applies to everyone in Minnesota who accepts checks except banks

9 Under Minn Rule 2860 440J, the franchisee cannot consent to the franchisor obtaining injunctive relief The franchisor may seek injunctive relief A court will determine if a bond is required The appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are hereby amended accordingly

## ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself

3 LITIGATION

Neither the Franchisor, its Predecessor nor any person listed under 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

(B) has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten 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 violation of a franchise, anti-fraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, 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 injunctive 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

4 BANKRUPTCY

Neither the Franchisor, its affiliate, its predecessor, officers, or general partner during the ten year period immediately before the date of the disclosure document (a) filed as debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code (or any comparable foreign law), (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 year after the officer or general partner of the Franchisor held this position in the company or partnership

## DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity The information contained in this disclosure has not been verified by the State If you have any questions about this investment, see an attorney before you sign a contract or agreement

If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled (N C G S §66-95)

## ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Multi-Unit Development Agreement effectively amends and revises said documents as follows

1 Item 17(c) of the Disclosure Document, Articles 16 and 17 of the Franchise Agreement and Article 6 of the Multi-Unit Development Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release

2 Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law Item 17(r) of the Disclosure Document, Article 19 of the Franchise Agreement and Article 5 of the Multi-Unit Development Agreement are amended accordingly

3 Item 6 and Item 17(i) of the Disclosure Document and Article 19 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota

4 Item 17(u) of the Disclosure Document, Article 20 of the Franchise Agreement and Article 8 of the Multi-Unit Development Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties

5 Item 17(v) of the Disclosure Document and the provisions of Article 22 of the Franchise Agreement and Article 7 of the Multi-Unit Development Agreement which require jurisdiction of courts in Kent County, Rhode Island are deleted

6 Item 17(w) of the Disclosure Document, Article 22 of the Franchise Agreement and Article 7 of the Multi-Unit Development Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota

7 Apart from civil liability as set forth in Section 51-19-12 N D C C , which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law

8 The provisions of Article 22 of the Franchise Agreement and Article 12 of the Multi-Unit Development Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted

9 The provisions of Article 22 of the Franchise Agreement and Article 12 of the Multi-Unit Development Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies

**ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND**

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself

Section 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 of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act "

**DISCLOSURES REQUIRED BY SOUTH CAROLINA LAW**

If the seller fails to deliver the product, equipment or supplies necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled

**ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

In recognition of the restrictions contained in Section 13 1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Launch Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows

1 Additional Disclosure The following statements are added to Item 17 h

Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause If any grounds for default or termination stated in the franchise agreement and development agreement does not constitute "reasonable cause," as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable

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 involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable

## ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

The State of Washington has a statute, RCW 19 100 180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer

**The collection of the initial franchise fee will be deferred until the franchisor has fulfilled its initial pre-opening obligations and the franchisee is open for business**

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this ______ day of _____________, 20___

ATTEST

LAUNCH FRANCHISING, LLC

_________________________
Witness

By _________________________
Name _________________________
Title _________________________

FRANCHISEE

_________________________
Witness

_________________________

## EXHIBIT H TO THE FRANCHISE AGREEMENT

## TRANSFER OF FRANCHISE TO A CORPORATION OR LIMITED LIABILITY COMPANY

This Transfer Agreement hereby amends that certain Franchise Agreement dated ___________, 20___ between Launch Franchising, LLC ("Franchisor") and ____________________ ("Franchisee")

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below and the Franchisee of the Launch Trampoline Park under a Franchise Agreement executed on the date set forth below, between himself or herself and Franchisor granting him/her a franchise to operate at the location set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Franchisee constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Franchise Agreement to the Corporation, or Limited Liability Company in accordance with the provisions of Article 16 of the Franchise Agreement, agree as follows

1 The undersigned Franchisee shall remain personally liable in all respects under the Franchise Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Franchise Agreement including the restrictive covenants contained in Articles 9 and 19 thereof, to the same extent as if each of them were the Franchisee set forth in the Franchise Agreement and they jointly and severally personally guarantee all of the Franchisee's obligations set forth in said Agreement

2 The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend

> "The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated ___________, 20__ between ______________________ and Launch Franchising, LLC"
>
> or
>
> "The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated ___________, 20__ between ______________________ and Launch Franchising, LLC"

3 ___________________ or his designee shall devote his best efforts to the day-to-day operation and development of the Franchised Launch Trampoline Park

4 ___________________ hereby agrees to become a party to and to be bound by all of the provisions of the Franchise Agreement executed on the date set forth below between Franchisee and Franchisor, to the same extent as if it were named as the Franchisee therein

Date of Franchise Agreement ______________________________

Location of Launch Trampoline Park ____________________________________

WITNESS

As to Paragraph 3

______________________________

______________________________
[Name]

As to Paragraph 4

______________________________

______________________________
[Name]

ATTEST

______________________________
Name of Corp or Limited Liability Company

______________________________

By ____________________________
Title ___________________________

In consideration of the execution of the above Agreement, Launch Franchising, LLC hereby consents to the above referred to assignment on this _____ day of ____________, 20__

LAUNCH FRANCHISING, LLC

By ________________________________
Title _______________________________

## EXHIBIT I TO THE FRANCHISE AGREEMENT

## FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, Launch Franchising, LLC (the "Franchisor") and you are preparing to enter into a franchise agreement (the "Franchise Agreement") for the establishment and operation of a Launch Trampoline Park (the "Franchised Business") The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor (' Broker") that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor

In the event that you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor The questions below do not apply to any communications that you had with the transferring Franchisee Please review each of the following questions and statements carefully and provide honest and complete responses to each

1 Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

Yes _____ No _____

2 I had my first face-to-face meeting with a Franchisor representative on _______________, 20___

3 Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

4 Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary )

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

5 Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes _____ No _____

6 Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes _____ No _____

7 Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary )

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

8 Have you discussed the benefits and risks of establishing and operating a Franchised Business with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9 Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes _____ No _____

10 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Franchised Business operated by the Franchisor or its franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

11 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

12 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Business will generate, that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

13 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchised Business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

14 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes _____ No _____

15 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or franchise agreement?

Yes _____ No _____

16 Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

17 Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

18 Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? ______________________________________________________________

______________________________________________________________________________

If you have answered No to question 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines (Attach additional pages, if necessary, and refer to them below) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

I signed the Franchise Agreement and Addendum (if any) on ______________, 20___, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor

Please understand that your responses to these questions are important to us and that we will rely on them By signing this Questionnaire, you are representing that you have responded truthfully to the above questions In addition, by signing this Questionnaire, you also acknowledge that

A You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace You hereby acknowledge your awareness of and willingness to undertake these business risks

B You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the franchise Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None"

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

C You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures") The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is

(i) a person or entity listed in the Annex to the Executive Order,

(ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism,

(iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or

(iv) owned or controlled by terrorists or sponsors of terrorism

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure

Acknowledged this _____ day of _______________, 20____

Sign here if you are taking the franchise as an

INDIVIDUAL

______________________________
Signature

Print Name______________________

______________________________
Signature

Print Name______________________

______________________________
Signature

Print Name______________________

______________________________
Signature

Print Name______________________

Sign here if you are taking the franchise as a
CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP

______________________________
Print Name of Legal Entity

By ____________________________
Signature

Print Name______________________

Title__________________________

**EXHIBIT C TO THE DISCLOSURE DOCUMENT**

**MULTI-UNIT DEVELOPMENT AGREEMENT**

**LAUNCH FRANCHISING, LLC**

**MULTI-UNIT DEVELOPMENT AGREEMENT**

______________________________________
**MULTI-UNIT DEVELOPER**

______________________________________
**DATE**

## TABLE OF CONTENTS

## MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT ("Multi-Unit Development Agreement") is made and entered into this ____ day of _______________, 20__ by and between Launch Franchising, LLC, a Delaware limited liability company with its principal office at 920 Bald Hill Road Warwick, Rhode Island 02886 ("we", "us" or "our"), and ____________________, a ______________ whose principal address is _________________________________ (' you" or "your")

### WITNESSETH

**WHEREAS,** you have entered into a Franchise Agreement with us dated ______________, 20___ (hereinafter referred to as the "Franchise Agreement") to operate a business (the "Business" or "Launch Trampoline Park Business") using our plan and a system of uniform standards, methods, procedures, specifications, merchandising and advertising (hereinafter referred to as the "System") for the operation of an indoor sports and family entertainment facility featuring large interconnected trampolines that form a giant jumping surface, designated jump areas for kid's play and dodgeball, a foam pit, arcade area and cafe ("Approved Products and Services"), and includes management programs, standards, service programs, business methods, product specifications and proprietary marks and information The System provides programs for personnel management, sales promotion, advertising programs, franchisee training, business administration, business operations methods and other procedures and methods related to the operation of the Business,

**WHEREAS,** we are the licensee of the owner of the Proprietary Marks specified in the Franchise Agreement, or as may be hereafter designated as a part of the System and not thereafter withdrawn, and which we or our Affiliate may hereafter acquire or develop for use with the System, and

**WHEREAS,** you wish to obtain the rights and license from us for the use of the System and Proprietary Marks and, in association therewith, to own and operate additional Businesses in the area described in Exhibit "A" attached hereto (hereinafter referred to as the "Development Territory") and you understand and accept the terms, conditions and covenants set forth herein as those which are reasonably necessary to maintain our high and uniform standards of quality and service in order to protect the goodwill and enhance the public image of the System and the Proprietary Marks, and

**WHEREAS,** you acknowledge that you have read this Agreement and our Disclosure Document and that you 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 all Businesses in order to protect and preserve the goodwill of the Proprietary Marks, and

**WHEREAS,** we expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guarantee, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement You acknowledge that you have not received or relied on any representations, written or oral, about the franchise by us, or our officers, directors, employees or agents, that are contrary to the statements made in our Disclosure Document or to the terms herein, and you further represent to us, as an inducement to our entry into this Agreement, that you have made no misrepresentations, written or oral, to us in the application for the multi-unit development rights granted hereunder

**NOW, THEREFORE,** in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows

## ARTICLE 1
## DEVELOPMENT RIGHTS AND OBLIGATIONS

1 1 Subject to the provisions contained herein, this Agreement shall be for a term commencing on the date hereof and expiring on the last day of the last development period as defined in Exhibit B, attached hereto and incorporated herein by reference ("Development Period")

1 2 We retain the right, in our sole discretion and without granting any rights to you (a) to own and operate, or to grant other persons the right to own and operate, Businesses at such locations outside the Development Territory, and on such terms and conditions as we deem appropriate in our sole discretion, and (b) to sell outside the Development Territory the services and products authorized for Businesses under the Proprietary Marks or other trademarks, service marks and commercial symbols through dissimilar channels of distribution and pursuant to such terms and conditions as we deem appropriate

1 3 Provided you (i) are in full compliance with the terms and conditions contained in this Agreement, including, without limitation, the development obligations contained in Section 1 4, and (ii) are in full compliance with all obligations under all Franchise Agreements heretofore or hereafter entered into with us, then during the Development Periods, we (1) will grant to you, in accordance with the provisions of Article 2 hereof, franchises for the ownership and operation of Businesses located within the Development Territory, and (2) will not operate (directly or through an affiliate), nor grant a franchise for the operation of, any Business to be located within the Development Territory, except such franchises as are granted to you

1 4 You agree, during the term of this Agreement, that you will at all times faithfully, honestly and diligently perform your obligations hereunder and that you will continuously exert your best efforts to promote and enhance the development of Businesses within the Development Territory Without limiting the foregoing obligation, you agree to have developed within the Development Territory the cumulative number of Businesses at the end of each Development Period set forth in Section 2 of Exhibit B hereof ("Development Schedule") and to have each such Business open and operating by the dates stated on such Exhibit B If you fail at any time to meet any Development Schedule, we shall have the right to terminate this Agreement by delivering a notice to you stating that we elect to terminate this Agreement as a result of such failure Such termination shall be effective upon delivery of such notice of termination Our right to terminate this Agreement shall be our sole and exclusive remedy for your failure to meet the Development Schedule

1 5 You understand and acknowledge that (a) this Agreement does not confer upon you the right or license to use the Proprietary Marks or the System, which right and license may only be granted pursuant to a Franchise Agreement with us, and (b) you shall not open a Business to the public unless and until a fully executed Franchise Agreement is in place for such Business

## ARTICLE 2
## GRANT OF FRANCHISES TO YOU

2 1 Subject to the provisions of Article 1 hereof, we agree to grant franchises to you for the operation of Businesses located within the Development Territory, subject to the following you shall submit to us a complete site report (containing such demographic, commercial, and other information and photographs as we may reasonably require) for each site at which you propose to establish and operate a Business and which you reasonably believe to conform to site selection criteria established by us from time to time Such proposed site shall be subject to our prior written approval, which will not be

unreasonably withheld In approving or disapproving any proposed site, we will consider such matters as we deem material, including, without limitation, demographic characteristics of the proposed site, traffic patterns, density of population, and other commercial characteristics (including the purchase price or rental obligations and other lease terms for the proposed site) and the size of premises, appearance, and other physical characteristics

2 2 By delivery of written notice to you, we will approve or disapprove sites proposed by you for the operation of a Business We agree to exert our best efforts to deliver such notification to you within thirty (30) days of receipt by us of the complete site reports and other materials requested by us, containing all information reasonably required by us If you shall have failed to obtain lawful possession of any approved site (through acquisition, lease, or sublease) within thirty (30) days after delivery of our approval thereof, we may, at our sole discretion, withdraw approval of such site Our approval of a site is not a representation, warranty or guarantee that you will be successful at such site Our approval only indicates that the site meets our criteria applied at the time of our review

2 3 Provided you shall have obtained lawful possession of any approved site, we shall offer to you a franchise to operate a Business at such approved site by delivering to you a Franchise Agreement in form for execution by you Such Franchise Agreement shall be executed by you and returned to us within fifteen (15) days of our delivery thereof, with payment of the balance of the initial franchise fee required thereunder If you fail to execute such Franchise Agreement and tender payment of the balance of the initial franchise fee as above provided, we may, at our sole discretion, terminate our offer to grant to you a franchise to operate a Business at such approved site and withdraw our approval of such site

## ARTICLE 3
## RESERVATION FEE

**The Maryland Securities Commissioner has required a financial assurance Therefore, all initial fees and payments owed by franchisees shall be deferred until franchisor completes its pre-opening obligations under the franchise agreement In addition, all development fees and initial payments by area developers shall be prorated and collected as each unit opens**

In consideration of the development rights granted herein, you shall pay to us a Reservation Fee of ___________________________ Thousand Dollars ($____________), which is calculated as Twenty-Five Thousand Dollars ($25,000) multiplied by the total number of Businesses to be developed pursuant to this Agreement

You acknowledge and agree that the Reservation Fee shall be fully earned by us upon execution of this Agreement, is not refundable, and will not be credited against any other fees you may pay to us pursuant to this Agreement or any Franchise Agreement

## ARTICLE 4
## TERMINATION BY US

In addition to our right to terminate under Section 1 4 hereof for your failure to meet the Development Schedule, we shall have the right to terminate this Agreement by delivering a notice to you stating that we elect to terminate this Agreement as a result of any of the breaches set forth below Such termination shall be effective upon delivery of such notice of termination or, if applicable, upon your failure to cure (to our satisfaction) any such breach by the expiration of any period of time within which such breach may be cured in accordance with the provisions set forth below It shall be a material breach of this Agreement if

(a) you, or any of your shareholders or members, make an unauthorized assignment or transfer of this Agreement or an ownership interest in you,

(b) you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors, if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you, if you are adjudicated a bankrupt or insolvent, if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you, if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction, if proceedings for a composition with creditors under any state or federal law should be instituted by or against you, if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed), if you are dissolved, if execution is levied against your business or property, if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within thirty (30) days, or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable,

(c) a general partnership interest in you (if you are a limited partnership) is terminated for whatever reason or, of you are a corporation or limited liability company, such corporation or limited liability company is involuntarily dissolved by the Secretary of State (or similar authority) where such entity was formed,

(d) you or any of your shareholders or members have made any material misrepresentation or omission in your application for the development rights conferred by this Agreement or are convicted of or plead no contest to a felony or other crime or offense that may adversely affect the goodwill associated with the Proprietary Marks,

(e) you fail to comply with any other provision of this Agreement, and such breach is not cured within thirty (30) days after delivery to you of our notice of termination,

(f) you fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not such failures to comply are corrected after notice thereof is delivered to you, or

(g) any other agreement between you and us, including, but not limited to, a Franchise Agreement, is terminated in accordance with its terms and conditions as defined in such agreement

## ARTICLE 5
## EFFECT OF TERMINATION AND EXPIRATION

5 1 All of our and your obligations under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement and until they are satisfied in full or by their nature expire

5 2 Upon termination or expiration of this Agreement, you agree that for a period of two (2) years, commencing on the effective date of expiration or termination of this Agreement, you and your shareholders or partners will not have any interest as an owner, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any business that offers products or services similar to those offered at the Business located or operating within the Development Territory or

within twenty (20) miles of any Launch Trampoline Park Business, except for Businesses operated under Franchise Agreements granted by us and the ownership of securities in a publicly held company that represent less than five percent (5%) of that class of securities

**ARTICLE 6**
**ASSIGNMENT**

6 1 We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations, and (ii) the assignee shall expressly assume and agree to perform such obligations

You expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks or to the System outright to a third party, may go public, may engage in a private placement of some or all of our securities, may merge, acquire other corporations, or be acquired by another corporation, may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring, and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of "Launch Franchising, LLC" as Franchisor Nothing contained in this Agreement shall require us to remain in the indoor recreation business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that we exercise our right to assign our rights in this Agreement

6 2 You understand and acknowledge that the rights and duties created by this Agreement are personal to you and that we have granted this Agreement in reliance upon the individual or collective character, skill, aptitude, attitude, business ability, and financial capacity of your owners Therefore, neither this Agreement (or any interest therein) nor any part or all of the ownership of you may be voluntarily, involuntarily, directly or indirectly, assigned, sold, subdivided, sub-franchised, or otherwise transferred by you or your owners (including, without limitation, by consolidation or merger, by issuance of securities representing an ownership interest in you, by conversion of a general partnership to a limited partnership, by transfer or creation of an interest as a general partner of a limited partnership, by transfer of an interest in you, or in the event of death of you or an owner of you, by will, declaration of or transfer in trust or the laws of intestate succession), without our prior written approval Any such assignment or transfer without such approval shall constitute a breach hereof and shall convey no rights to or interest in this Agreement to such assignee You understand that this Agreement may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered

6 3 Upon the death or mental incapacity of any person with an interest of more than fifty percent (50%) in this Agreement or in you, the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by us within twelve (12) months Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions stated in Section 6 2 hereof, the personal representative of the deceased shall have a reasonable time, not to exceed twelve (12) months from the date said personal representative is appointed, to dispose of the deceased's interest in you or in the development rights, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement It is understood and agreed, however, that notwithstanding the foregoing, the Development Schedule shall be complied with as though no such death or mental incapacity had occurred In the event the interest described above is not disposed of within such time, we shall have the right to terminate this Agreement, provided such termination had not previously occurred for failure to

perform pursuant to the Development Schedule, upon ninety (90) days' notice to your representative, or we shall have the right to re-purchase same at the same price being sought by your representative

6 4 You have represented to us that you are entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the development rights hereunder Therefore, you agree that any attempt to assign this Agreement, prior to the time that at least twenty-five percent (25%) of the Launch Trampoline Park Businesses to be constructed hereunder are opened or under construction shall be deemed to be an event of default

6 5 Except as provided in Section 6 4, if you receive from an unaffiliated third party and desire to accept a bona fide written offer to purchase your business, development rights and interests, we shall have the option, exercisable within thirty (30) days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Section 6 5, to purchase such business, development rights and interests, including your right to develop sites within the Development Territory, on the same terms and conditions as offered by said third party In order that we may have information sufficient to enable us to determine whether to exercise this option, we may require you to deliver to us certified financial statements as of the end of your most recent fiscal year and such other information about your business and operations as we may request If we decline, or do not accept the offer in writing within thirty (30) days, you may, within thirty (30) days from the expiration of the option period, sell, assign and transfer your business, development rights and interest to said third party, provided we have consented to such transfer as required by this Article 6 Any material change in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by us or our nominee, as in the case of an initial offer Our failure to exercise the option afforded by this Section 6 5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Article with respect to the proposed transfer

6 6 You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect the development rights, the System and the Marks, as well as our reputation and image, and are for the protection of us, you and other multi-unit developers and franchisees Any assignment or transfer permitted by this Article 6 shall not be effective until we receive a completely executed copy of all transfer documents, and we consent in writing thereto

Except as provided in Section 6 5 hereof, we agree not to unreasonably withhold our consent to a sale, assignment or transfer by you hereunder Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless

(a) All of your obligations created by this Agreement, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee

(b) All ascertained or liquidated debts of you to us or our affiliated or subsidiary corporations are paid

(c) You are not in default hereunder

(d) We are reasonably satisfied that the transferee meets all of our requirements for new multi-unit developers, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations

(e) Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, our standard form of Multi-Unit Development Agreement, Franchise Agreements for all

Businesses open or under construction hereunder, and such other then-current ancillary agreements being required by us of new multi-unit developers on the date of transfer

(f) You execute a general release, in a form satisfactory to us, of any and all claims against us, our officers, directors, employees and principal stockholders of any and all claims and causes of action that you may have against us or any subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance thereof by us

(g) You or transferee pay to us a transfer fee in an amount equal to fifty percent (50%) of our then-current initial franchise fee to cover our reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee

Our consent to a transfer of any interest in you or in the development rights pursuant to this Section shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee

6 7 In the event that you are a corporation or desire to conduct business in a corporate capacity, said corporate entity or assignment to a corporate entity (which may include a corporation, limited liability company or partnership) must receive our prior written approval and you agree to comply with the provisions hereinafter specified, including without limitation, personal guaranties by one or more equity owners of all of the obligations of said corporate entity or assignee corporate entity to us and other parties designated by us The corporate entity or assignee corporate entity shall not engage in any business activities other than those directly related to the operation of the Businesses pursuant to the terms and conditions of the Franchise Agreements with us, and all assets related to the operation of the Businesses shall be held by the corporate entity or assignee corporate entity There shall be no transfer fee charged by us for a one (1) time assignment to a corporate entity

## ARTICLE 7
## ENFORCEMENT

7 1 To the extent that Section 5 2 is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, or length of time, but may be made enforceable by reductions of any or all thereof, you and we agree that same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought

7 2 If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder, 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 specification, standard or operating procedure prescribed by us is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and we shall have the right, in our sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure 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 specification, standard or operating procedure prescribed by us, any portion or portions which a court 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 court order Such modifications to this Agreement shall be effective only in such jurisdiction unless we elect to give them

greater applicability and this Agreement shall be enforced as originally made and entered into in all other jurisdictions

7 3 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 Whenever this Agreement requires our prior approval or consent, you shall make a timely written request therefor, and such approval shall be obtained in writing

7 4 We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you by granting any waiver, approval, or consent to you, or by reason of any neglect, delay, or denial of any request therefor Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to our continuing review, and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice

7 5 We and you shall 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 determine this Agreement prior to the expiration of its term) by virtue of any custom or practice of the parties at variance with the terms hereof, any failure, refusal, or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder, any waiver, forbearance, delay, failure, or omission by us to exercise any right, power, or option, whether of the same, similar or different nature, with respect to any Business or any development or franchise agreements therefor, any grant of a Franchise Agreement to you, or the acceptance by us of any payment from you after any breach of this Agreement

7 6 Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform its obligations results from (1) compliance with any law, ruling, order, regulation, requirement, or instruction of any federal, state, or municipal government or any department or agency thereof, (2) acts of God, (3) acts or omissions of the other party, (4) fires, strikes, embargoes, war, or riot, or (5) any other similar event or cause Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, provided, however, that in no event will a cause under this Section include your lack of available financing

7 7 Nothing herein contained shall bar our right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause us loss or damages under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions You agree that we may have 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

7 8 Our and your rights hereunder are cumulative and no exercise or enforcement by us or you of any right or remedy hereunder shall preclude the exercise or enforcement by us or you of any other right or remedy hereunder or which we or you are entitled by law or equity to enforce

7 9 To the extent not inconsistent with applicable law, this Agreement and the offer or sale of this Agreement shall be governed by the substantive laws (and expressly excluding the choice of law) of the State of Rhode Island

7 10 You and we agree that any action arising out of or relating to this Agreement (including, without limitation, the offer and sale of this Agreement) shall be instituted and maintained only in a state

or federal court of general jurisdiction in the State of Rhode Island, and you irrevocably submit to the jurisdiction of such court and waive any objection you may have to either the jurisdiction or venue of such court

7 11 This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest, and shall not be modified except by written agreement signed by both you and us

7 12 The preambles and exhibit(s) are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement, provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us

7 13 Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto

7 14 The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs

7 15 The term "Multi-Unit Developer" as used herein is applicable to one (1) or more persons, a corporation, limited liability company, or a partnership, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine If two (2) or more persons are at any time Multi-Unit Developer hereunder, their obligations and liabilities to the Franchisor shall be joint and several References to "Multi-Unit Developer' and "assignee" which are applicable to an individual or individuals shall mean the owner(s) of the equity or operating control of Multi-Unit Developer or the assignee, if Multi-Unit Developer or the assignee is a corporation or partnership

7 16 This Agreement may be executed in multiple copies, each of which shall be deemed an original

7 17 Time is of the essence of this Agreement

## ARTICLE 8
## DISPUTE RESOLUTION

8 1 (a) We and you acknowledge that during the term of this Agreement disputes may arise between the parties that may be resolvable through mediation To facilitate such resolution, we and you agree that each party shall submit the dispute between them for non-binding mediation at a mutually agreeable location before commencing an arbitration proceeding under Section 8 1(c) If we and you cannot agree on a location, the mediation will be conducted in Kent County, Rhode Island The mediation will be conducted by one (1) mediator who is appointed under the American Arbitration Association's Commercial Mediation Rules and who shall conduct the mediation in accordance with such rules We and you agree that statements made by us, you or any other party in any such mediation proceeding will not be admissible in any arbitration or other legal proceeding Each party shall bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate in the mediation

(b) If any dispute between the parties cannot be resolved through mediation within forty-five (45) days following the appointment of the mediator, the parties agree to submit such dispute to arbitration subject to the terms and conditions of Section 8 1(c)

(c) Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration in Rhode Island under the authority of Rhode Island Statutes The arbitrator(s) will have a minimum of five (5) years experience in franchising or distribution law and will have the right to award specific performance of this Agreement If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Rhode Island Statutes The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Rhode Island Statutes The decision of the arbitrator(s) will be final and binding on all parties This Section will survive termination or non-renewal of this Agreement under any circumstances Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement

(d) If we desire to seek specific performance or other extraordinary relief including, but not limited to, injunctive relief under this Agreement, and any amendments thereto, or to collect monies due, then any such action shall not be subject to arbitration and we shall have the right to bring such action as described in Section 8 2

(e) In proceeding with arbitration and in making determinations hereunder, the arbitrators shall not extend, modify or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by us in good faith Notice of or request to or demand for arbitration shall not stay, postpone or rescind the effectiveness of any termination of this Agreement

8 2 Notwithstanding anything to the contrary contained in Section 8 1 above, we and you each have the right, in a proper case, to seek injunctions, restraining orders and orders of specific performance from a court of competent jurisdiction, provided that we agree to contemporaneously submit our dispute for arbitration on the merits as provided herein

You agree that we will not be required to post a bond to obtain any injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction if warranted upon due hearing All claims for damages by reason of the wrongful issuance of such injunction are hereby expressly waived If we secure any such injunction or order of specific performance, you agree to pay to us an amount equal to the aggregate of our costs of obtaining such relief including, without limitation, reasonable legal fees, costs and expenses as provided in this Section and any damages incurred by us as a result of the breach of any such provision

8 3 If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us

## ARTICLE 9
## INDEPENDENT CONTRACTORS, INDEMNIFICATION

We and you are independent contractors Neither we nor you shall be obligated by or have any liability under any agreements, representations, or warranties made by the other that are not expressly authorized hereunder, nor shall we be obligated for any damages to any person or property directly or indirectly arising out of your operation of your business conducted pursuant to this Agreement, whether or not caused by your negligent or willful action or failure to act We shall have no liability for any sales, use, excise, income, gross receipts, property, or other taxes levied upon you or your assets or upon us in connection with the business conducted by you, or any payments made by you to us pursuant to this Agreement or any Franchise Agreement You agree to indemnify us and our subsidiaries, affiliates, stockholders, directors, officers, employees, agents and assignees against and to reimburse them for all such obligations, damages, and taxes for which they are held liable and for all costs reasonably incurred by them in the defense of any such claim brought against them or in any action in which they are named as a party, including, without limitation, reasonable attorneys' and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses We shall have the right to defend any such claim against us The indemnities and assumptions of liabilities and obligations herein shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement

## ARTICLE 10
## NOTICES AND PAYMENTS

All notices and reports to us or you, if not personally served, shall be deemed so delivered one (1) business day after sending by facsimile or comparable electronic system or two (2) business days after deposit with Federal Express or a comparable overnight courier company or five (5) business days after being placed in the U S mail by Registered or Certified Mail, return receipt requested All notices shall be sent postage prepaid and addressed to the respective party as follows, or as either party may from time to time designate in writing

| | |
|---|---|
| To Franchisor | Launch Franchising, LLC<br>920 Bald Hill Road Warwick, Rhode Island 02886<br>Attention President<br>Facsimile (401) 828-5892 |
| with a copy to | Harold L Kestenbaum, Esq<br>175 BroadHollow Road, Suite 175<br>Melville, New York 11747<br>Facsimile (516) 745-0293 |
| To Multi-Unit Developer | ____________________<br>____________________<br>____________________<br>Facsimile ______________ |

## ARTICLE 11
## ACKNOWLEDGMENTS

11 1 YOU ACKNOWLEDGE THAT THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES SUBSTANTIAL BUSINESS RISKS AND

WILL BE TOTALLY AND COMPLETELY DEPENDENT UPON YOUR ABILITY AS AN INDEPENDENT BUSINESS PERSON WE EXPRESSLY DISCLAIM THE MAKING OF, AND YOU ACKNOWLEDGE NOT HAVING RECEIVED, ANY WARRANTY OR GUARANTY, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT

11 2 YOU ACKNOWLEDGE HAVING RECEIVED, READ AND UNDERSTOOD THIS AGREEMENT, THE EXHIBITS ATTACHED HERETO AND AGREEMENTS RELATING HERETO, IF ANY, AND THE DISCLOSURE DOCUMENT DELIVERED SIMULTANEOUSLY HEREWITH, AND WE HAVE ACCORDED YOU AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL RISKS OF ENTERING INTO THIS AGREEMENT

11 3 YOU ACKNOWLEDGE THAT YOU RECEIVED THE DISCLOSURE DOCUMENT REQUIRED BY THE TRADE REGULATION RULE OF THE FEDERAL TRADE COMMISSION AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED OR ANY PAYMENT WAS MADE TO US OR OUR AFFILIATES

11 4 YOU AND EACH OF YOUR OWNERS EXPRESSLY ACKNOWLEDGE THAT NEITHER YOU NOR THEY HAVE RELIED UPON ANY EARNINGS CLAIMS, SUCH AS ORAL OR WRITTEN STATEMENTS OR SUGGESTIONS, MADE BY ANY REPRESENTATIVE OF OR ANY OTHER PERSON PURPORTING TO BE ACTING ON OUR BEHALF REGARDING THE POTENTIAL FUTURE SALES, REVENUES OR PROFITS WHICH MAY BE DERIVED FROM OPERATION OF LAUNCH TRAMPOLINE PARKS OR DEVELOPMENT OF THE DEVELOPMENT TERRITORY, EXCEPT AS MAY BE CONTAINED IN ITEM 19 OF THE DISCLOSURE DOCUMENT

## ARTICLE 12
## MISCELLANEOUS

12 1 We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement Such waiver shall be effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver Whenever this Agreement requires our prior approval or consent, you shall make a timely written request therefor and such approval shall be obtained in writing

12 2 We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you by granting any waiver, approval, or consent to you or by reason of any neglect, delay, or denial of any request therefor Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to continuing review by us and may be revoked in our sole discretion at any time and for any reason effective upon delivery to you of ten (10) days' prior written notice

12 3 We and you shall 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 (a) custom or practice of the parties at variance with the terms hereof, (b) any failure, refusal, or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder including, without limitation, any mandatory specification, standard or operating procedure, (c) any waiver, forbearance, delay, failure, or omission by us to exercise any right, power, or option, whether of the same, similar or different nature, with respect to any other Launch Trampoline Park or any franchise

agreement or multi-unit development agreement therefor, or (d) our acceptance of any payments from you after any breach by you of this Agreement

12 4 Our and your rights hereunder are cumulative and no exercise or enforcement by us or you of any right or remedy hereunder shall preclude the exercise or enforcement by us or you of any other right or remedy hereunder or which we or you are entitled by law to enforce

12 5 If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us

12 6 You agree that you and your owners shall institute any action and that we may institute any action against you or your owners which is not required to be arbitrated hereunder in any state or federal court of general jurisdiction applicable to Warwick, Rhode Island or the state court of general jurisdiction or the Federal District Court nearest to our executive office at the time such action is filed You and each owner irrevocably submit to the jurisdiction of such courts and waive any objection you/he/she may have to either the jurisdiction or venue of such courts

12 7 Any and all claims arising out of or relating to this Agreement or the relationship of you and us shall be barred unless an action or proceeding is commenced within one (1) year from the date on which you or we knew or should have known in the exercise of reasonable diligence of the facts giving rise to such claims

12 8 We and you hereby 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, except as otherwise provided herein, each shall be limited to the recovery of actual damages sustained by it We and you hereby irrevocably waive trial by jury on any action, proceeding or counterclaim, whether at law or in equity, brought by either of us

12 9 This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest and shall not be modified except by written agreement signed by both you and us

12 10 The preambles and exhibits to this Agreement are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement, provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us Except as expressly stated herein, nothing in this Agreement is intended nor shall be deemed to confer any rights or remedies upon any person or legal entity not a party hereto The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit, or construe the contents of such sections or paragraphs This Agreement shall be executed in multiple copies, each of which shall be deemed an original

12 11 We and you agree to act reasonably in all dealings with each other pursuant to this Agreement Whenever the consent or approval of either party is required or contemplated hereunder, the party whose consent is required agrees not to unreasonably withhold the same unless otherwise permitted to do so in this Agreement

**IN WITNESS WHEREOF**, the parties hereto have executed, sealed and delivered this Agreement on the day and year first above written

LAUNCH FRANCHISING, LLC

By ______________________________
Name ____________________________
Title _____________________________

MULTI-UNIT DEVELOPER

By ______________________________
Name ____________________________
Title _____________________________

## EXHIBIT "A"

The Development Territory referred to in Article 1 of the captioned agreement shall be

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

LAUNCH FRANCHISING, LLC

By ______________________________
Name ____________________________
Title ____________________________

MULTI-UNIT DEVELOPER

By ______________________________
Name ____________________________
Title ____________________________

**EXHIBIT "B"**

**SECTION 1**

The Reservation Fee referred to in Article 3 of the captioned agreement shall be ______________________ Dollars ($_________)

**SECTION 2**

The Agreement authorizes and obliges Multi-Unit Developer to establish and operate _____________ (___) Launch Trampoline Park Businesses pursuant to a Franchise Agreement for each Business The following is Multi-Unit Developer's Development Schedule

| **Number of Businesses** | **Last Day of Development Period** | |
|---|---|---|
| | , 20__ | (First Development Period) |
| | , 20__ | (Second Development Period) |
| | , 20__ | (Third Development Period) |
| | , 20__ | (Fourth Development Period) |
| | , 20__ | (Fifth Development Period) |
| | , 20__ | (Sixth Development Period) |

The first Development Period commences on the date of the captioned agreement and expires on the date shown, each subsequent Development Period commences on the date succeeding the last day on the preceding Development Period and expires on the date shown

LAUNCH FRANCHISING, LLC

By ___________________________
Name _________________________
Title __________________________

MULTI-UNIT DEVELOPER

By ___________________________
Name _________________________
Title __________________________

**EXHIBIT"C"**
**GUARANTY**

(TO BE EXECUTED ONLY IF MULTI-UNIT DEVELOPER IS A CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP)

In consideration of the execution by Launch Franchising, LLC of the annexed Multi-Unit Development Agreement, and acknowledging that undersigned will benefit directly or indirectly from the execution thereof, the undersigned, being all of the shareholders, directors, and officers of the Multi-Unit Developer, agree to be jointly and severally bound by and agree to guaranty the performance of all of the terms and conditions of the Multi-Unit Development Agreement and any amendments thereto or renewals thereof, and do hereby execute this Multi-Unit Development Agreement for the purpose of binding and obligating themselves to the terms and conditions of the aforesaid Multi-Unit Development Agreement and any amendments thereto or renewals thereof

The guarantors hereunder hereby waive notice of termination or default under the Multi-Unit Development Agreement

SIGNATURES OF ALL SHAREHOLDERS, DIRECTORS, OFFICERS, MEMBERS AND PARTNERS, AS APPLICABLE

______________________ ______________________
WITNESS

______________________ ______________________
WITNESS

______________________ ______________________
WITNESS

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Multi-Unit Developer, each has read this Multi-Unit Development Agreement, and each agrees to be individually bound by all obligations of Multi-Unit Developer hereunder

______________________ ______________________
WITNESS

______________________ ______________________
WITNESS

______________________ ______________________
WITNESS

# EXHIBIT "D"
# TRANSFER OF A FRANCHISE TO
# A CORPORATION OR LIMITED LIABILITY COMPANY

This Transfer Agreement shall amend that certain Multi-Unit Development Agreement between ___________, an individual with an address at _________________ ("Multi-Unit Developer"), and Launch Franchising, LLC (' Franchisor ')

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below, and the Multi-Unit Developer of the Launch Trampoline Parks under a Multi-Unit Development Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate in the Development Territory set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Multi-Unit Developer constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Multi-Unit Development Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Article 6 of the Multi-Unit Development Agreement, agree as follows

1 The undersigned Multi-Unit Developer shall remain personally liable in all respects under the Multi-Unit Development Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Multi-Unit Development Agreement including the restrictive covenants contained in Article 5 thereof, to the same extent as if each of them were the Multi-Unit Developer set forth in the Multi-Unit Development Agreement and they jointly and severally personally guarantee all of the Multi-Unit Developer's obligations set forth in said Agreement

2 The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend

> "The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Development Agreement dated ___________, 20__ between __________________ and Launch Franchising, LLC"
>
> or
>
> "The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Development Agreement dated ___________, 20__ between __________________ and Launch Franchising, LLC"

3 __________________ or his designee shall devote his best efforts to the day-to-day operation and development of the Launch Trampoline Parks

4 __________________ hereby agrees to become a party to and to be bound by all of the provisions of the Multi-Unit Development Agreement executed on the date set forth below between

Multi-Unit Developer and Franchisor, to the same extent as if it were named as the Multi-Unit Developer therein

Date of Multi-Unit Development Agreement ______________________________

Development Territory __________________________________

WITNESS

______________________________

______________________________

As to Paragraph 3

______________________________
[Name]

As to Paragraph 4

______________________________
[Name]

ATTEST

______________________________

______________________________
Name of Corp or Limited Liability Company

By ________________________
Title ______________________

In consideration of the execution of the above Agreement, Launch Franchising, LLC hereby consents to the above referred to assignment on this _____ day of ________________, 20__

LAUNCH FRANCHISING, LLC

By ________________________
Name ______________________
Title ______________________

## EXHIBIT "E"
## ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for Launch Franchising, LLC's for its Multi-Unit Development Agreement The amendments to Multi-Unit Development Agreement included in this addendum have been agreed to by the parties

1 The appropriate sections of the Multi-Unit Development Agreement are amended to permit a Multi-Unit Developer to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

2 The appropriate sections of the Multi-Unit Development Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise

3 The appropriate sections of the Multi-Unit Development Agreement are amended to state that 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

4 Multi-Unit Development Agreement is amended to include the following statement "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 "

5 **The Maryland Securities Commissioner has required a financial assurance Therefore, all initial fees and payments owed by Franchisees shall be deferred until Franchisor completes its pre-opening obligations under the Franchise Agreement In addition, all development fees and initial payments by Area Developers shall be deferred until the first franchise under the Development Agreement opens**

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this ______ day of _____________, 20___

| | |
|---|---|
| ATTEST | LAUNCH FRANCHISING, LLC |
| ________________________ | By ______________________________ |
| Witness | Name ____________________________ |
| | Title ____________________________ |
| ________________________ | ______________________________ |
| Witness | Multi-Unit Developer |

## ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

The State of Washington has a statute, RCW 19 100 180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer

**The Maryland Securities Commissioner has required a financial assurance Therefore, all initial fees and payments owed by franchisees shall be deferred until franchisor completes its pre-opening obligations under the franchise agreement In addition, all development fees and initial payments by area developers shall be prorated and collected as each unit opens**

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this ______ day of _____________, 20___

ATTEST

_______________________
Witness

LAUNCH FRANCHISING, LLC

By ______________________________
Name ____________________________
Title _____________________________

FRANCHISEE

_______________________
Witness

_________________________________

## EXHIBIT D TO THE DISCLOSURE DOCUMENT

## LIST OF FRANCHISEES AND MULTI-UNIT DEVELOPERS AS OF DECEMBER 31, 2018

| | |
|---|---|
| **Alabama** | |
| Launch Montgomery, AL<br>3535 Wallahatchie Road<br>Rike Road, AL 36034 | |
| **Delaware** | |
| Launch Delaware LLC<br>204 Wickerberry Drive<br>Middletown, Delaware 19709 (New<br>Telephone 301-922-4158<br>Stephanie Eldridge transferred to Jason Avant in 2018 | |
| **Florida** | |
| Jonah Roter<br>2525 NW 82nd Ave Building 2, Doral, FL 33122<br>(305) 800-5867<br>Opened in July 2018 | |
| **Georgia** | |
| Columbus, Georgia<br>Columbus Family Entertainment INC<br>7607 Veterans Parkway Columbus, GA 31909<br>Business Phone Number 706 221 8680<br>Date of Signing July 8, 2015<br>Grand Opening May 28, 2016 | James Canouse<br>5967 Bethelview Rd, Cumming, GA 30040<br>(678) 807-7772<br>Opened in May, 2018 |
| **Maryland** | |
| Launch Rockville MD<br>4942 Boiling Brook Pkway<br>Rockville, MD 20852<br>Stephanie Eldridge transferred to Ramesh Ponnada in 2018 | Launch Columbia MD<br>9315 Snowden River Parkway<br>Columbia, MD 21046<br>Stephanie Eldridge transferred to Ramesh Ponnada in 2018 |
| **Massachusetts** | |
| Velo Associates LLC<br>DBA Launch Trampoline Park<br>570 Providence Highway<br>Norwood, Massachusetts 02062<br>Telephone 781-255-5867 | Launch Watertown, Inc<br>780 Marshall Street, Holliston,<br>Massachusetts 01746<br>Business Phone Number 781-737-3373 |

| | |
|---|---|
| Methuen, Massachusetts<br>Fun Dynamics LLC<br>96 A Milk Street Methuen, MA 01844<br>Business Phone Number 978 655 3379<br>Date of Signing May 26, 2015<br>Grand Opening February 13, 2016 | |
| **Mississippi** | |
| S Singh<br>4222 Riverwind Drive<br>Pearl, MS<br>601-664-0060 | |
| **New Hampshire** | |
| Launch Nashua Inc ,<br>17 Tanguay Avenue, Nashua,<br>New Hamphire 03063<br>Business Phone Number 603-318-7600 | |
| **North Carolina** | |
| Asheville, North Carolina<br>KJ Endeavors LLC<br>24 Walden Drive Arden, NC 28704<br>Business Phone Number 828 651 0280<br>Date of Signing January 26, 2015<br>Grand Opening March 25, 2016 | |
| **New Jersey** | |
| Launch Depford, NJ<br>1500 Almonesson Road<br>Deptford, J 08096 | Li & James Miao<br>Linden NJ<br>732-397-8197<br>opened June ,2018 |
| **New York** | |
| Sammy Alsaedi<br>16354 Cross Bay Blvd, Jamaica, NY 11414<br>(718) 593-4204<br>opened October, 2018 | NY - Richard Cuff<br>260 W Nyack Rd, West Nyack, NY 10994<br>(845) 977-0415<br>opened in June, 2018 |
| **Virginia** | |
| Karim Bensouda,<br>13348 Franklin Farm Rd, Herndon, VA 20171<br>(571) 386-1800<br>571-332-9457<br>Open in 2017 | Rodrick Moore<br>2707 W Cary Street<br>Richmond, VA 23220<br>Opened in December, 2018 |

## LIST OF FRANCHISEES AND MULTI-UNIT DEVELOPERS

**Signed but not yet opened as of 12/31/2018**

| | |
|---|---|
| **California** | |
| Irvine, CA<br>Ehab Mansour,<br>128 YUBA<br>Irvine CA 92620<br>310-951-1197 | |
| **Georgia** | |
| Kennesaw, GA<br>Corey Stalnaker,<br>635 E Hampton Pl<br>Canton GA 30115<br>706-525-8474 | |
| **Louisiana** | |
| Baton Rouge, LA<br>Kristen & Mike Hogan<br>24950 Arlington Ave<br>Baton Rouge LA 70726<br>225-892-2094 | |
| **Massachusetts** | |
| Leominster MA<br>Mark Emma<br>8 Richards Way<br>Leominster MA 01462<br>(978) 833-1608 | Framingham, Woburn, Braintree, Worcester and Saugus MA (5unit MUDA)<br>Ryan Debin,<br>Arena Capital Partners<br>PO box 127 Sherborn, MA 01770<br>857 272 7509 |
| **New Jersey** | |
| Del Ran, NJ<br>Jason Avant | |
| **North Carolina** | |
| Ryan Wilhelm<br>MRW Family Entertainment Inc<br>3756 Brushy Dr<br>Charlotte NC<br>630-803-1130 | |
| **Texas** | |
| Humble, TX<br>Bob & Thyra Bari,<br>17118 Mariposa Grove Lane | League City TX<br>Wes & Lori Tolopka<br>2282 Rising Bay Ct |

| | |
|---|---|
| Humble TX<br>832-443-0357 | League city TX 77573<br>832-443-0357 |
| **Washington** | |
| Kennewick, Seattle Spokane WA (3unit MUDA)<br>Will & Kaili Mckay<br>3515 W 46th Ave<br>Kennewick WA 99337<br>509-521-3323 | |

**EXHIBIT E TO THE DISCLOSURE DOCUMENT**

**FRANCHISEES AND MULTI-UNIT DEVELOPERS WHO HAVE LEFT THE SYSTEM**

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

Milford, Connecticut
Launch Milford, Inc
125 Old Gate Lane Milford, CT 06460
Business Phone Number 203 998 7887
Date of Signing May 12, 2015
Grand Opening July 9, 2016
Closed in 2018

**EXHIBIT G TO THE DISCLOSURE DOCUMENT**

**OPERATIONS MANUALTABLE OF CONTENTS**

TM

## SECTION 1

## INTRODUCTION LAUNCH-TRAMPOLINE PARK™



## SECTION 2

## ESTABLISHING YOUR BUSINESS

## SECTION 3
## SITE SELECTION & CONSTRUCTION

## SECTION 4
## HUMAN RESOURCE & PERSONNEL

## SECTION 5
## DAILY OPERATION

**SECTION 6**

**MARKETING & ADVERTISING STRATEGIES**

## EXHIBIT H TO THE DISCLOSURE DOCUMENT
## MULTI-STATE ADDENDUM

### CALIFORNIA APPENDIX

1 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 Multi-Unit Development Agreement contain provisions that are inconsistent with the law, the law will control

2 The Franchise Agreement and Multi-Unit Development Agreement provide for termination upon bankruptcy This provision may not be enforceable under Federal Bankruptcy Law (11 U S C A Sec 101 et seq )

3 The Franchise Agreement and Multi-Unit Development Agreement contain covenants not to compete which extend beyond the termination of the agreements These provisions may not be enforceable under California law

4 Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise

5 Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document 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 79a et seq , suspending or expelling such persons from membership in such association or exchange

6 The Franchise Agreement and Multi-Unit Development Agreement require binding arbitration The arbitration will occur at Rhode Island with the costs being borne by franchisee and franchisor Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

7 The Franchise Agreement and Multi-Unit Development Agreement require application of the laws of Rhode Island This provision may not be enforceable under California law

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

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

10 The Franchise Agreement contains a liquidated damages clause Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable

11 OUR WEBSITE, www launchri com, 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

## ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1 The following item must be included within the Disclosure Document and shall replace the language that is in the Disclosure Document itself

Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 (' Act") states that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State " This Section of the Act replaces any contradictory language contained in the Franchise Agreement and Multi-Unit Development Agreement

2 Illinois law governs the Franchise Agreement and Multi-Unit Development Agreement

3 Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987 which 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 This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code "

4 Under Illinois law at 200 608, Jurisdiction and Venue, a franchise agreement may not provide for a choice of law of any state other than Illinois The Summary column of Items 17(v) and (w) of the Disclosure Document are amended to state "Illinois law" The appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended accordingly

5 The appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended to comply with Section 27, Periods of Limitation, of the Act to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee and/or Multi-Unit Developer, or your operation of the Franchise brought by you against us shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after you become aware of the facts or circumstances indicating you may have a claim for relief, or 90 days after delivery to you of a written notice disclosing the violation, or such claim or action will be barred

6 Item 17(g) of the Disclosure Document and the appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended by changing the time frame to cure defaults, excluding defaults for safety or security issues, to 30 days

## ADDENDUM REQUIRED BY THE STATE OF INDIANA

1 To be added to Item 3 of the Disclosure Document, is the following statement

There are presently no arbitration proceedings to which the Franchisor is a party

2 Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2 7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory

3 Item 17 is amended to state that this is subject to Indiana Code 23-2-2 7-1 (10)

4 Under Indiana Code 23-2-2 7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests This amends the appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement

5 Under Indiana Code 23-2-2 7-1 (10), franchisee may not agree to waive any claims or rights

## ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for Launch Franchising, LLC's Franchise Disclosure Document The amendments included in this addendum have been agreed to by the parties

1 Item 17 of the Disclosure Document is amended to state that 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

2 Item 17 and Exhibit of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

3 Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise

4 Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement and Multi-Unit Development Agreement which provide for termination upon bankruptcy of the franchisee/multi-unit developer may not be enforceable under federal bankruptcy law (11 U S C Section 101 et seq )

5 **Item 5 of the Disclosure Document is amended to state that the Maryland Securities Commissioner has required a financial assurance Therefore, all initial fees and payments owed by Franchisees shall be deferred until Franchisor completes its pre-opening obligations under the Franchise Agreement In addition, all development fees and initial payments by Area Developers shall be deferred until the first franchise under the Development Agreement opens**

6 Exhibit J, the franchisee acknowledgment statement is amended to state "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law "

7 Exhibit K, the Site Selection Agreement is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

**8 Exhibit K the Site Selection Agreement is amended to state that the Maryland Securities Commissioner has required a financial assurance Therefore, all initial fees and payments owed by Franchisees shall be deferred until Franchisor completes its pre-opening obligations under the Franchise Agreement In addition, all development fees and initial payments by Area Developers shall be deferred until the first franchise under the Development Agreement opens**

9 Exhibit K the Site Selection Agreement is amended to state All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law "

## DISCLOSURE REQUIRED BY THE 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**

(a) A prohibition on the right of a franchisee to join an association of franchises

(b) A requirement that a 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 term except for good cause Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (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 five (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 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) 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 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**

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement

Any questions regarding this notice should be directed to

Consumer Protection Division
Attn Marilyn McEwen
525 W Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

## ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed to this ____ day of __________, 20__, and effectively amends and revises said Disclosure Document and Franchise Agreement and Multi-Unit Development Agreement as follows

1 Item 13 of the Disclosure Document and the appropriate sections of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein

> "In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use "

2 Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended by the addition of the following language to the original language that appears therein

> "With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec 80C 14, Subds 3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld "

3 Item 17 of the Disclosure Document and appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections

"Minn Stat Sec 80C 21 and Rule 2860 4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction "

4 Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended by the addition of the following language to the original language that appears therein

"Minn Rule 2860 4400D prohibits us from requiring you to assent to a general release "

5 Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn Rule 2860 4400J which prohibits requiring you to consent to liquidated damages

6 The appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are hereby deleted in accordance with Minn Rule 2860 4400J which prohibits waiver of a jury trial

7 The appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement regarding Limitations of Claims is hereby amended to comply with Minn Stat §80C 17, Subd 5

8 Item 6, Insufficient Fund Fees NSF fees are governed by Minnesota Statute 604 113, which puts a cap of $30 on a NSF check This applies to everyone in Minnesota who accepts checks except banks

9 Under Minn Rule 2860 440J, the franchisee cannot consent to the franchisor obtaining injunctive relief The franchisor may seek injunctive relief A court will determine if a bond is required The appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are hereby amended accordingly

## ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself

3 LITIGATION

Neither the Franchisor, its Predecessor nor any person listed under 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

(B) has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten 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 violation of a franchise, anti-fraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, 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 injunctive 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

4 BANKRUPTCY

Neither the Franchisor, its affiliate, its predecessor, officers, or general partner during the ten year period immediately before the date of the disclosure document (a) filed as debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code (or any comparable foreign law), (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 year after the officer or general partner of the Franchisor held this position in the company or partnership

## DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity The information contained in this disclosure has not been verified by the State If you have any questions about this investment, see an attorney before you sign a contract or agreement

If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled (N C G S §66-95)

## ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Multi-Unit Development Agreement effectively amends and revises said documents as follows

1 Item 17(c) of the Disclosure Document, Articles 16 and 17 of the Franchise Agreement and Article 6 of the Multi-Unit Development Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release

2 Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law Item 17(r) of the Disclosure Document, Article 19 of the Franchise Agreement and Article 5 of the Multi-Unit Development Agreement are amended accordingly

3 Item 6 and Item 17(i) of the Disclosure Document and Article 19 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota

4 Item 17(u) of the Disclosure Document, Article 20 of the Franchise Agreement and Article 8 of the Multi-Unit Development Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties

5 Item 17(v) of the Disclosure Document and the provisions of Article 22 of the Franchise Agreement and Article 7 of the Multi-Unit Development Agreement which require jurisdiction of courts in Kent County, Rhode Island are deleted

6 Item 17(w) of the Disclosure Document, Article 22 of the Franchise Agreement and Article 7 of the Multi-Unit Development Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota

7 Apart from civil liability as set forth in Section 51-19-12 N D C C , which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law

8 The provisions of Article 22 of the Franchise Agreement and Article 12 of the Multi-Unit Development Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted

9 The provisions of Article 22 of the Franchise Agreement and Article 12 of the Multi-Unit Development Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies

## ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself

Section 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 of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act "

## DISCLOSURES REQUIRED BY SOUTH CAROLINA LAW

If the seller fails to deliver the product, equipment or supplies necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled

## ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13 1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Launch Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows

1 Additional Disclosure The following statements are added to Item 17 h

Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause If any grounds for default or termination stated in the franchise agreement and development agreement does not constitute "reasonable cause," as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable

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 involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable

## ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

The State of Washington has a statute, RCW 19 100 180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer

**The collection of the initial franchise fee will be deferred until the franchisor has fulfilled its initial pre-opening obligations and the franchisee is open for business**

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this ______ day of _____________, 20___

ATTEST

LAUNCH FRANCHISING, LLC

_________________________

By ___________________________________

Witness

Name ______________________________

Title ______________________________

FRANCHISEE

______________________________ ______________________________

Witness

**EXHIBIT I TO THE DISCLOSURE DOCUMENT**

**GENERAL RELEASE AGREEMENT**

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of _____________, 20___ by and between Launch Franchising, LLC, a Delaware limited liability company whose principal office is at 920 Bald Hill Road Warwick, Rhode Island 02886 (the "Franchisor"), and _________________, a __________ with an address at ______________________ (hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows

1 **Release by Releasor**

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees

2 Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph

3 Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary

4 Rhode Island law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto

5 In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Rhode Island

6 This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above

| | |
|---|---|
| Witness | RELEASOR |
| ______________________ | ______________________ |
| | (Name) |
| Witness | LAUNCH FRANCHISING, LLC |
| ______________________ | By ______________________ |
| | Name ______________________ |
| | Title ______________________ |

## EXHIBIT J TO THE DISCLOSURE DOCUMENT

## FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, Launch Franchising, LLC (the ' Franchisor") and you are preparing to enter into a franchise agreement (the "Franchise Agreement") for the establishment and operation of a Launch Trampoline Park (the "Franchised Business") The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor ("Broker") that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor

In the event that you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor The questions below do not apply to any communications that you had with the transferring Franchisee Please review each of the following questions and statements carefully and provide honest and complete responses to each

1 Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

Yes _____ No _____

2 I had my first face-to-face meeting with a Franchisor representative on ______________, 20___

3 Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

4 Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary )

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

5 Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes _____ No _____

6 Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes _____ No _____

7 Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary )

____________________________________________________________________

____________________________________________________________________

____________________________________________________________________

____________________________________________________________________

____________________________________________________________________

____________________________________________________________________

8 Have you discussed the benefits and risks of establishing and operating a Franchised Business with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9 Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes _____ No _____

10 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Franchised Business operated by the Franchisor or its franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

11 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

12 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Business will generate, that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

13 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchised Business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

14 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes _____ No _____

15 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or franchise agreement?

Yes _____ No _____

16 Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

17 Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

18 Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? ________________________________________________

________________________________________________________________________

If you have answered No to question 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines (Attach additional pages, if necessary, and refer to them below) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank

I signed the Franchise Agreement and Addendum (if any) on _____________, 20___, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor

Please understand that your responses to these questions are important to us and that we will rely on them By signing this Questionnaire, you are representing that you have responded truthfully to the above questions In addition, by signing this Questionnaire, you also acknowledge that

A You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace You hereby acknowledge your awareness of and willingness to undertake these business risks

B You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the franchise Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None"

C You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures") The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is

(i) a person or entity listed in the Annex to the Executive Order,

(ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism,

(iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or

(iv) owned or controlled by terrorists or sponsors of terrorism

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure

Acknowledged this _____ day of ________________, 20___

Sign here if you are taking the franchise as an

INDIVIDUAL

______________________________________
Signature

Print Name______________________________

______________________________________
Signature

Print Name______________________________

______________________________________
Signature

Print Name______________________________

______________________________________
Signature

Print Name______________________________

Sign here if you are taking the franchise as a CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP

______________________________________
Print Name of Legal Entity

By ____________________________________
Signature

Print Name______________________________

Title__________________________________

**EXHIBIT K TO THE DISCLOSURE DOCUMENT**

**SITE SELECTION AGREEMENT**

**EXHIBIT K**
**FRANCHISE DISCLOSURE DOCUMENT**

## SITE SELECTION AGREEMENT

This SITE SELECTION AGREEMENT is made and entered into on __________, 20___, (the "Effective Date") by and between Launch Franchising, LLC, a Delaware limited liability company with its principal place of business at Launch Franchising, LLC, 920 Bald Hill Road Warwick, Rhode Island 02886 ("Franchisor", "our" or "we') and ______________________________, a ______________ [resident] [corporation] [partnership] [limited liability company] [residing at] [with offices located at] ______________________________ (**"you"**)

## BACKGROUND

A Franchisor franchises the right to own and the opportunity to operate an LAUNCH TRAMPOLINE PARK, which is an indoor sports and family entertainment facility featuring large interconnected trampolines that form a giant jumping surface, designated jump areas for kid's play and dodgeball, a foam pit, arcade area cafe, and other competitive attractions You have applied for a franchise to operate a LAUNCH TRAMPOLINE PARK in the Site Selection Area identified in Attachment A, and we desire to grant you a franchise, based on the information contained in your franchise application

B Operating a LAUNCH TRAMPOLINE PARK requires leasing at least 19,000 to 38,000 square feet of space, which the parties understand may not be available in the Site Selection Area, and we desire to provide certain assistance in connection with this search

C The parties are entering into this Agreement to govern their relationship during the real estate search, with the intention that, if and when an appropriate and desirable site is found, the parties will enter into a franchise agreement for a LAUNCH TRAMPOLINE PARK, in the form attached as Attachment B (the "**Franchise Agreement**")

NOW, THEREFORE, for and in consideration of the mutual promises contained in this Agreement, the parties agree as follows

## ARTICLE 1
**Definitions**

Capitalized words shall have the meanings ascribed to them in the body of this Agreement

## ARTICLE 2
**Site Selection Rights**

2 1 Term The term of this Agreement begins on the Effective Date and expires one-hundred twenty (120) days after the Effective Date At your request and at our sole discretion, we may grant an extension of up to sixty (60) days after the expiration of the Term The term may be extended only by a written agreement signed by both parties This Agreement will expire automatically upon execution of the Franchise Agreement by the parties Expiration, nonrenewal, or termination of this agreement, for any reason, does not affect your obligations under Article 5 below

2 2 No Franchise Rights This Agreement is not a franchise and does not grant you any right whatsoever to use the "Launch Trampoline Park" marks and/or system, which rights can only be granted under a franchise agreement entered into by you and Franchisor You shall not use the "Launch Trampoline Park" marks or system, nor shall you make any representation or commitment on Franchisor's behalf

## ARTICLE 3
**Fees**

***This Agreement is Void in the State of Maryland since there is currently a fee deferral in place***

3 1 Site Selection Fee Upon execution of this Agreement, you shall pay to us a Site

Reservation Fee in sum of Five Thousand Dollars ($5,000), which is fully earned upon payment

## ARTICLE 4
## Site Selection

4 1 Franchise Site Application For each proposed site that you identify, you must submit to us a Franchise Site Application including such information about the site as Franchisor may reasonably request to perform its evaluation This information may include, among other things, a description of the proposed site, demographic characteristics, traffic patterns, parking, character of the neighborhood, competition from other businesses in the area, the proximity to other businesses, the nature of other businesses in proximity to the site, and other commercial characteristics (including the purchase price, rental obligations and other lease terms for the proposed site) and the size, appearance, other physical characteristics and a site plan of the premises

4 2 Assistance To assist you with identifying and evaluating proposed sites for your LAUNCH TRAMPOLINE PARK, Franchisor will make available to you demographic reports from its then-current site evaluation software There is no charge to you for the first site you propose, but we may charge you its then-current site evaluation fee for each additional proposed site, as published in the Manual from time to time We will also make available to you site feasibility studies from its then-current architectural firm There is no charge to you for the first site feasibility study, but Franchisor may charge you its then-current site feasibility fee for each additional proposed site, as published in the Manual from time to time

4 3 Approval We will approve or refuse to approve a proposed site within fourteen (14) days after the receipt of these documents and any additional information as Franchisor may reasonably require Our failure to provide notification within this time period shall not be considered either approval or disapproval To the extent that Franchisor provides onsite evaluations, you must reimburse Franchisor for any out of pocket costs that it incurs in connection with performing the evaluation, such as travel, lodging, and dining expenses for each individual performing the evaluation

4 4 Your Acknowledgments

(a) The parties acknowledge and agree that Franchisor's approval of your proposed site DOES NOT AND WILL NOT constitute, directly or implicitly, an assurance that your LAUNCH TRAMPOLINE PARK will achieve a certain sales volume or level of profitability, it means only that the proposed site meets Franchisor's minimum criteria Franchisor assumes no liability or responsibility for (1) evaluation of the site's soil for hazardous substances, (2) inspection of any structure for asbestos or other toxic or hazardous materials, (3) compliance with the Americans With Disabilities Act ("ADA"), or (4) compliance with any other applicable law It is your sole responsibility to obtain satisfactory evidence and/or assurances that the site (and any structures thereon) is free from environmental contamination and is in compliance with the requirements of the ADA and other applicable laws

(b) Our operational standards, specifications, policies, and procedures are communicated to LAUNCH TRAMPOLINE PARK franchisees through our confidential operations manual and other written directives (collectively, "**Manual**") You acknowledge you are not a franchisee and that Franchisor may share only certain portions of the Manual with you to aid you in this search for a suitable site You also acknowledge that only after entering into a Franchise Agreement will you obtain the complete Manual and other confidential information

(c) The parties acknowledge and agree that, after the Site Selection Agreement expires or is terminated, regardless of the reason (even if Franchisor and you sign a Franchise Agreement), Franchisor and its affiliates may engage, and allow others to engage, in any activities we desire within and outside the Site Selection Area without any restrictions whatsoever, subject only to your rights under franchise agreements with Franchisor then in effect

## ARTICLE 5
## Lease

5 1 Execution of Franchise Agreement You shall sign and deliver to us, the Franchise Agreement, and pay the initial franchise fee due thereunder, prior to signing your lease

5 2 Franchisor's Approval of Lease Terms We must approve the lease for the site before you sign it We will not withhold approval arbitrarily, but may condition its approval on the lease containing any or all of the terms set forth in the Lease Rider attached hereto as Attachment C You shall provide to us a fully executed copy of the lease within 10 days after its execution

5 3 Acceptance of Lease, Countersignature of Franchise Agreement Upon our acceptance of your lease terms, we shall countersign the Franchise Agreement and accept payment of the initial franchise fee You shall deliver to us a fully executed copy of your lease within five (5) days after receipt

5 4 Your Acknowledgment The parties acknowledge and agree that our approval of a lease does not mean that the economic terms of the lease are favorable, it means only that the lease contains the lease terms that Franchisor requires

## ARTICLE 6
## Confidentiality, Non-Circumvention, and Non-Competition

6 1 Confidential Information You and your owners (if you are a business entity) acknowledge that, during the site selection process, you will receive some of our proprietary, confidential, and trade secret information and business strategies, as well as market information concerning the availability of suitable real estate in the Site Selection Area, rental rates, and lease negotiation procedures and strategies (collectively, "**Confidential Information**")

6 2 Confidentiality and Use You and your owners (if you are a business entity) agree to maintain the confidentiality of all Confidential Information, and to refrain from disclosing any Confidential Information to any third party You and your owners (if you are a business entity) shall refrain from using any Confidential Information for any purpose other to search for suitable real estate for your LAUNCH TRAMPOLINE PARK franchised business The parties acknowledge and agree that your disclosure of Confidential Information to aid a Competitive Business would constitute an unfair method of competition

6 3 Non-Circumvention For a period of three (3) years from the Effective Date of this Agreement, you and your owners (if you are a business entity) shall refrain from leasing or otherwise acquiring any real estate identified as a potentially suitable site for your LAUNCH TRAMPOLINE PARK Specifically, but without limiting the generality of the foregoing, you and your owners shall refrain from acquiring, attempting to acquire, or assisting anyone else in acquiring, such real estate for purposes of operating a Competitive Business

6 4 Covenant Not to Compete Neither you nor any of your owners (if you are a business entity) may, directly or indirectly, for yourselves or through, on behalf of, or in conjunction with any person, or legal entity, at any time during the term of this Agreement, or at any time during the uninterrupted two-year period (which will be tolled during any period of noncompliance) after expiration or termination of this Agreement

(a) Divert or attempt to divert any present or prospective customer of any LAUNCH TRAMPOLINE PARK business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act that is harmful, injurious, or prejudicial to the goodwill associated with Franchisor or the LAUNCH TRAMPOLINE PARK family of businesses, or

(b) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to or have any direct or indirect interest in (as owner or otherwise) or relationship or association with, any Competitive Business

6 5 <u>Geographic Scope of Restriction</u> During the Term of this Agreement, the restrictions contained in Section 5 4(b) shall apply to any location within the United States, its territories or commonwealths, and any other country, province, state, or geographic area in which Franchisor, Franchisor's affiliates, or Franchisor's franchisees have operated or licensed others to operate an indoor or outdoor trampoline park business or any related line of business, after expiration or termination of this Agreement, this restriction shall apply to any Competitive Business that is or is intended to be located within the Site Selection Area or within a twenty (20) mile radius of LAUNCH TRAMPOLINE PARK business then operating in existence or under development at the time

6 6 <u>Reformation</u> If all or any portion of any covenant contained in this Article 6 is held to be unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which Franchisor is a party, you and your owners (if you are a business entity) will be bound by any lesser covenant subsumed within the terms of such covenant which imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Article 6 Notwithstanding the foregoing, Franchisor has the unilateral right, in its sole and absolute discretion, to reduce the scope of any covenant set forth in Section 5 4, or any portion thereof, which reduction will become effective immediately upon delivery of notice of the reduction

6 7 <u>Definition of Competitive Business "Competitive Business"</u> means any trampoline park or similar entertainment facility, other than a LAUNCH TRAMPOLINE PARK business

**ARTICLE 7**
**<u>Assignment</u>**

7 1 <u>Assignment by Franchisor</u> We may freely assign its rights and interest in this Agreement

7 2 <u>Assignment by You</u> The rights granted under this Agreement are personal to you, and were granted in reliance on the information contained in your franchise application Therefore, you may not assign your rights or interest in this Agreement without the prior written consent of Franchisor, which may be granted or withheld in our discretion

**ARTICLE 8**
**<u>General Provisions</u>**

8 1 <u>Notices</u> Any notices contemplated or required under this Agreement shall be deemed effectively given when personally delivered or when received through certified mail posted to the addresses first listed above, unless other addresses have been designated by written notice in the manner prescribed by this Section 7 1

8 2 <u>Governing Law</u> This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Rhode Island without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State of Rhode Island The exclusive venue for disputes arising out of this Agreement shall be the state or federal, as applicable, district courts situated in Rhode Island

8 3 <u>Waiver</u> No delay or omission by either party to exercise any right or remedy under this Agreement shall be construed to be either acquiescence or the waiver of the ability to exercise any right or remedy in the future

8 4 <u>Enforcement</u> The prevailing party (being defined as a party that is awarded actual relief

in the form of damages, declaratory relief, or injunctive relief, as well as a party that successfully defends a legal action commenced against it) in any litigation will be entitled to recover from the non-prevailing party its all of its costs and expenses, including attorneys' fees

8 5 Severability If any provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement shall continue to remain valid and enforceable as though the invalid or unenforceable provision had not been included If any provision is held invalid or unenforceable, then a suitable and equitable provision shall be substituted for the invalid provision so as to carry out so far as possible the intent and purpose of the invalid or unenforceable provision If any provision of this Agreement is susceptible to more than one construction, only one of which would render the provision valid and enforceable, then the provision shall be given the meaning that renders it valid and enforceable

8 6 Third party Beneficiaries There are no intended third parties of this Agreement

8 7 Entire Agreement This Agreement (including its Schedules) constitutes the entire, fully integrated agreement between the parties with regard to the subject matter of this Agreement

**IN WITNESS WHEREOF**, the undersigned have duly executed this Site Selection Agreement to be effective on the date set forth above

| FRANCHISOR | SITE SELECTOR |
|---|---|
| LAUNCH FRANCHISING, LLC | ______________________ |
| By ______________________ | By ______________________ |
| Name ______________________ | Name ______________________ |
| Title ______________________ | Title ______________________ |

**Attachment A**

**Description of Site Selection Area**

The Site Location Area is

*The Site Location Area may be defined as a Metro Statistical Area, City, Suburb or Specific Intersection You desire to open a facility in Franchisor maintains the right to prohibit You from searching for Sites in areas that violate another Franchisees protected Farea*

**RECEIPT**

**(RETURN ONE COPY TO US)**

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 Launch Franchising, LLC 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 New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship Michigan, Oregon and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first

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

The franchisor is Launch Franchising, LLC, located at 920 Bald Hill Road Warwick, Rhode Island 02886 Its telephone number is (401) 828-5867

Issuance date February 4, 2019 See the State Effective Dates page for state related information

The name, principal business address and telephone number of the franchise seller for this offering is Robert Arnold, CEO at Launch Franchising, LLC, 920 Bald Hill Road Warwick, Rhode Island 02886and (401) 738-1259

Launch Franchising, LLC authorizes the agents listed in Exhibit A to receive service of process for it

I have received a disclosure document dated ________________, 20___ that included the following Exhibits

| | |
|---|---|
| A – List of State Agencies/Agents for Service of Process | F – Financial Statements |
| B – Franchise Agreement with Addendum | G – Operations Manual Table of Contents |
| C – Multi-Unit Development Agreement with Addendum | H – State Specific Addendum |
| D – List of Franchisees and Multi-Unit Developers | I – Form of General Release |
| E – Franchisees and Multi-Unit Developers Who Have Left the System | J – Franchisee Disclosure Acknowledgment Statement |
| | K– Site Selection Agreement |

Date ______________________
(Do not leave blank)

______________________________________
Signature of Prospective Franchisee

______________________________________
Print Name

You may return the signed receipt either by signing, dating and mailing it to Launch Franchising, LLC at 920 Bald Hill Road Warwick, Rhode Island 02886, or by faxing a copy of the signed and dated receipt to Launch Franchising, LLC at (401) 828-5892

**RECEIPT**

**(RETURN ONE COPY TO US)**

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If Launch Franchising, LLC 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 New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship Michigan, Oregon and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first

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(Do not leave blank)

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Signature of Prospective Franchisee

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Print Name

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