FRANCHISE DISCLOSURE DOCUMENT

ONE Sports Nation, LLC
an Arizona Limited Liability Company
26716 N. 10th Lane
Phoenix, AZ 85085
Phone: (480) 359-4859
E-mail: bonnie@onesportsnation.com
www.onesportsnation.com

ONE Sports Nation businesses provide various programs in adult and/or youth sports leagues ("Sports Programs"), associated merchandise (branded and non-branded) and equipment, skills camps, clinics, tournaments, and related services ("ONE Sports Nation Business(es)").

The total estimated initial investment required to begin operation of a ONE Sports Nation Business is between $38,269 and $89,629, including between $36,420 and $76,900 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Franchise Administration Department at 26716 N. 10th Lane, Phoenix, AZ 85085, via telephone at (480) 359-4859, or franchise@onesportsnation.com.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contracts. 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. In addition, there may be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 19, 2017

STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit A for information about the franchisor or about franchising in your state.

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION/LITIGATION ONLY IN ARIZONA. OUT-OF-STATE ARBITRATION/ LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE/LITIGATE WITH US IN ARIZONA THAN IN YOUR OWN STATE.

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

3. THE FRANCHISE AGREEMENT REQUIRES THAT SPOUSES MUST SIGN A GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE AGREEMENT, PLACING PERSONAL ASSETS AT RISK.

4. THIS NEW FRANCHISOR HAS BEEN IN BUSINESS FOR SUCH A SHORT PERIOD OF TIME THAT ITS FRANCHISES ARE A HIGHER RISK INVESTMENT THAN FRANCHISORS WITH A LONGER-TERM OPERATING HISTORY. SOME STATES HAVE REQUIRED THE POSTING OF A SURETY BOND BECAUSE OF OUR FINANCIAL CONDITION.

5. THE PROTECTED TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR-OWNED OUTLETS, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS.

6. YOU MUST MAKE ROYALTY AND ADVERTISING PAYMENTS BASED ON A SPECIFIED ANNUAL PERFORMANCE LEVEL, EVEN IF YOU HAVE NO EARNINGS. FAILURE TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE(S) AND LOSS OF YOUR INVESTMENT.

7. WE DO NOT HAVE A FEDERAL REGISTRATION FOR OUR PRINCIPAL TRADEMARK. THEREFORE, OUR TRADEMARK DOES NOT HAVE AS MANY LEGAL BENEFITS AND RIGHTS AS A FEDERALLY REGISTERED TRADEMARK. IF OUR RIGHT TO USE THE TRADEMARK IS CHALLENGED, YOU MAY HAVE TO CHANGE TO AN ALTERNATIVE TRADEMARK WHICH MAY INCREASE YOUR EXPENSES.

8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

Effective Dates: See next page for state effective dates.

STATE EFFECTIVE DATES

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

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

Effective Dates for States Requiring Registration and Notice Filings:

STATE	EFFECTIVE DATE
CALIFORNIA	PENDING
HAWAII	NOT REGISTERED
ILLINOIS	PENDING
INDIANA	NOT REGISTERED
MARYLAND	NOT REGISTERED
MICHIGAN	NOT REGISTERED
MINNESOTA	NOT REGISTERED
NEW YORK	NOT REGISTERED
NORTH DAKOTA	NOT REGISTERED
RHODE ISLAND	NOT REGISTERED
SOUTH DAKOTA	NOT REGISTERED
VIRGINIA	NOT REGISTERED
WASHINGTON	NOT REGISTERED
WISCONSIN	NOT REGISTERED

NOTICE REQUIRED BY
STATE OF MICHIGAN

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

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that the franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its terms except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type or under similar circumstances. This section does not require a renewal provision.

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

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

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

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

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

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

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

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

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

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EXHIBITS:

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

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

To simplify the language in this Franchise Disclosure Document, "OSN" and "we", "us", and "our" means ONE Sports Nation, LLC, the franchisor. "You," "your," and "Franchisee" means the person, and its owners if the Franchisee is a business entity, who buys the franchise from OSN.

The Franchisor

OSN is an Arizona limited liability company formed on March 23, 2012. We operate under the name ONE Sports Nation, LLC and ONE Sports Nation and no other name. Our principal business address is 26716 N. 10th Lane, Phoenix, AZ 85085. We began offering ONE Sports Nation franchises in January 2015. One Sports Nation, LLC was originally incorporated as MVP Sports 365, LLC, an Arizona limited liability company, but conducted no business under that name. We operate one (1) franchise like those described in this Franchise Disclosure Document. We have not and do not operate franchises in any other line of business.

Our agent for service of process in Arizona is Bonnie McMahon. Her principal business address is 26716 N. 10th Lane, Phoenix, AZ 85085. Our agents for service of process in other states are disclosed in Exhibit A. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

Parents, Predecessors and Affiliates

We have one (1) predecessor, Grid Iron Flag Football Franchises, LLC ("GIFFF"), an Arizona limited liability company that was incorporated on February 10, 2012, having a principal business address of 26716 N. 10th Lane, Phoenix, AZ 85085. From February 2012 until December 2014, GIFFF offered franchises similar to ONE Sports Nation Businesses offered under this Franchise Disclosure Document. There were four (4) Grid Iron Flag Football franchises in operation at that time. In 2014, GIFFF sold its franchise interests to ONE Sports Nation, LLC, and no longer offers new franchises for sale. GIFFF did not offer franchises in any other line of business. We have no parent entities and no affiliates.

The Franchise

We offer franchises ("ONE Sports Nation Franchise(s)" or "Franchise(s)") for the use of our "ONE SPORTS NATION" trademarks, trade names, service marks, and logos ("Marks") for the operation of ONE Sports Nation Businesses. ONE Sports Nation Businesses are operated under our proprietary ONE Sports Nation system ("System"). The System may be changed or modified by us throughout your ownership of the Franchise. ONE Sports Nation Businesses provide adult and/or youth sports leagues, associated merchandise (branded and non-branded) and equipment, skills camps, clinics, tournaments, and related services within a designated protected territory under our various sports brands: Grid Iron Flag Football, Grid Iron Cheer, Field Day Baseball, Full Court Legends Basketball, ONE Cup Soccer, and VolleyUP Volleyball. Franchisees must operate a minimum of one (1) sport during the first year of operations and two (2) sports per year thereafter, and must meet the minimum offerings per year for those sports, as set forth under the Brand Standards Manual. All franchisees must offer Grid Iron Flag Football.

ONE Sports Nation Businesses are usually operated from franchisees' residences. You must lease sports fields and sports courts to support the ONE Sports Nation programs that you offer. Franchisees may choose to rent an executive suite, office, or other commercial office space, but it is not required. You must sign our standard franchise agreement attached to this Franchise Disclosure Document as Exhibit B ("Franchise Agreement") for each ONE Sports Nation Business that you operate.

Market and Competition

ONE Sports Nation Businesses service the needs of the general public. While you will provide your products and services to the general public, your target market will be adults and/or youth interested in participating in sports leagues, tournaments, clinics, sports or social activities, and related products and services. ONE Sports Nation Businesses services are not seasonal in nature. We encourage you to study potential markets and the competition that may already exist there. The market for adult and/or youth sports-related products and services is competitive and well-developed. You will experience competition from, among others, national and regional sports organizations, nonprofit entities, city parks and recreation leagues, privately-held entities, and other community-based efforts offering youth opportunities to participate in organized sports, camps, and clinics. An investment in a ONE Sports Nation Business, like any other business, involves business risks, and the success of the Franchise will be primarily dependent on your business abilities and efforts.

Industry-Specific Laws and Regulations

ONE Sports Nation Businesses are subject to various federal, state, and local laws and regulations relating to the operation of sports leagues, tournaments, clinics, and sports or social activities, including applicable state laws on concussion awareness. Before you begin operations, you must obtain all required permits, licenses, and approvals to operate your ONE Sports Nation Business, including compliance with federal, state, and local requirements. Many jurisdictions have childcare laws which require licensing, bonding, insurance, building code, fire, safety, teacher to student ratios, hours, health (for example, immunizations), instructor licensing, fingerprinting, criminal background checks, and other similar requirements. Most organizations that you will contract with will require that your staff establish proof of a clean criminal history. Some may require fingerprint checks through the U.S. Department of Justice, while others may just require you to run the criminal background investigation yourself. Federal, state, local, and other laws and regulations vary widely, can change over time, and can materially affect your ability to do business. Other federal, state, and local laws of a more general nature, which apply to most businesses, may also apply to your ONE Sports Nation Business, and it will be your responsibility to comply with these laws, including employment, worker's compensation, insurance, corporate, taxing, licensing, and similar laws and regulations.

You alone are responsible for investigating, understanding, and complying with all applicable laws, regulations, and requirements applicable to you and your ONE Sports Nation Franchise, despite any advice or information that we may give you. You should consult with a legal advisor about whether these and/or other requirements apply to your ONE Sports Nation Business.

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer: Bonnie McMahon

Mrs. McMahon is our founder, and has been our CEO in Phoenix, Arizona since our inception in March 2012. From October 2013 to April 2015, Mrs. McMahon was the Executive Assistant to the CEO of WebPT, also in Phoenix, Arizona. Mrs. McMahon was the Executive Assistant to the CEO of Able Engineering and Component Services in Phoenix, Arizona from May 2009 until October 2013. Mrs.

McMahon is also the owner of Grid Iron Flag Football, LLC in Phoenix, Arizona, and has been since March 2012.

Vice President of Business Development: Scott McMahon

Mr. McMahon has been our Vice President of Business Development in Phoenix, Arizona since January 2017, and before that, he was our Commissioner/Manager of Franchise from our inception in March 2012 through January 2017. From September 2011 until March 2012, Mr. McMahon prepared our company for inception also in Phoenix, Arizona. Mr. McMahon was the Senior Production Manufacturing Engineering Supervisor for Honeywell Defense & Space in Phoenix, Arizona from January 2013 until February 2016. Prior to that, Mr. McMahon was the President of Able Electronics in Phoenix, Arizona from November 2009 until September 2011.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee ("Initial Franchise Fee") of $19,900 when you sign the Franchise Agreement. The Initial Franchise Fee is payment for all of our pre-opening assistance that we provide to allow you to open your ONE Sports Nation Business and also offsets some of our franchisee recruitment expenses. Each Franchise Agreement will grant you the right to operate one (1) ONE Sports Nation Business. Initial Franchise Fees are uniform except as described below and due in full when you sign the Franchise Agreement. The Initial Franchise Fee is earned by us when paid and is not refundable under any circumstances, even if you fail to open your ONE Sports Nation Business.

We also participate and support the International Franchise Association's VetFran program which provides special financial incentives to US Armed Forces Veterans. If you are a Veteran of the US Armed Forces we will discount the then-current Initial Franchise Fee by 20% (a discount of $3,980).

During our last fiscal year which ended December 31, 2016, we collected Initial Franchise Fees ranging from $10,800 to $12,000 (the low range of our Initial Franchise Fees were offered to US Armed Forces Veterans).

Territory Fee

Our standard Franchise includes a protected territory that supports an area with approximately 12,000 to 30,000 elementary-aged students enrolled in public schools in the designated geographical location. You must pay us a "Territory Fee" which varies depending on the number of Franchises already located in the metropolitan area where your ONE Sports Nation Business will be located. The Territory Fee for the first franchise in a metropolitan area shall be $500. The Territory Fee shall increase by $1,000 for each subsequent franchise awarded in the metropolitan area, up to a maximum of $4,500. For example, if you are the third franchise in a metropolitan area, you will pay $2,500 for your Territory Fee, and $3,500 if you are the fourth franchise in a metropolitan area. The Territory Fee is due in full at the time you sign the Franchise Agreement(s), and is deemed fully earned by us when paid and is non-refundable.

Franchise Equipment Package

We require all franchisees to purchase a "Franchise Equipment Package" of start-up items from us. The Franchise Equipment Package will be delivered to you approximately one (1) month prior to the season launch. The Franchise Equipment Package includes System standard game day equipment necessary to operate your ONE Sports Nation Business within the requirements established by the Brand Standards Manual. The cost of the total Franchise Equipment Package will vary depending on the number of and which Sports Programs you choose to offer. Franchise Equipment Package payments are not refundable under any circumstances.

The only Sports Program and Franchise Equipment Package you must purchase is the Grid Iron Flag Football Program and corresponding Franchise Equipment Package. The remainder of the sports programs offered are optional. You will decide if you want to offer more than one (1) Sports Program at your ONE Sports Nation Business. If so, then you will be required to purchase the additional Sports Program and Franchise Equipment Packages from us.

The Sports Programs available and the costs of the corresponding Franchise Equipment Packages are as follows:

Sports Program	Franchise Equipment Package Cost
Field Day Baseball Equipment Package	$ 3,000 - 5,000
Full Court Legends Basketball Equipment Package	$ 6,000 - $8,000
Grid Iron Cheer Equipment Package*	$ 1,000 - $ 2,000
Grid Iron Flag Football Equipment Package	$14,000 - $17,000
ONE Cup Soccer Equipment Package	$2,5000 - $4,000
VolleyUP Volleyball Equipment Package	$1,000 - $3,000

*Grid Iron Cheer is an add-on package to the Grid Iron Flag Football Equipment Package.

Opening Inventory

All Franchises must carry a minimum inventory of $1,000 in branded merchandise for sale at ONE Sports Nation events to support consistency in brand presentation. The merchandise must be purchased through us. You will be responsible for all shipping costs which are not included in this estimate, and will vary depending on your location and order. Your opening inventory will be shipped to you with the Trailer (defined below). Items include, but are not limited to, t-shirts, sweatshirts, hats, shorts, and other game day apparel in available sizes.

Trailer Fee

You must purchase one (1) ONE Sports Nation trailer ("Trailer") which you will use in the operation of your ONE Sports Nation Business to transport various equipment. The cost for the Trailer is payable to us and does not include shipping. The cost for the Trailer is as follows:

Trailer	Cost
6' x 12' x 8' enclosed trailer, wrapped	$5,000 - $6,000

Surety Bond

Some states have required the posting of a surety bond because of our financial condition. Please refer to the State Addenda and Agreement Riders in Exhibit G to the Franchise Disclosure Document.

Initial Training – Travel Reimbursement

We (or our designee) will provide a portion of your initial training at your ONE Sports Nation Business location on or around three weeks prior to your opening date. You are responsible for reimbursing us for all travel and living expenses that we (or our designee) incur for providing initial training at your ONE Sports Nation Business location. Your expenses may vary depending on your location, and whether you require additional training. We estimate that that this cost will be between $0 and $1,750. These expenses will be due in a lump sum upon your receipt of our invoice.

ITEM 6
OTHER FEES

Type of Fee(1)	Amount	Due Date	Remarks
Player Royalty(2)	The greater of: (a) 8% of gross sales per season; (b) $8 per player per season; or (c) the minimum monthly payment ($300 per month)	Monthly and 14 days after the commencement of each sport season	For purposes of calculating amounts owed per player, the "Player Royalty" is imposed per registered participant for each season of play. All players must be registered and have an executed waiver on file prior to participation. You will have monthly minimum payments that will be reconciled against the royalty owed each quarter. Your Player Royalty and Participant Royalty are ongoing payments that allow you to use the Marks and the intellectual property of the System and pays for our ongoing support and assistance.
Participant Royalty(2)	The greater of: (a) 8% of event registration fees collected; or (b) $3.50 per player per non-seasonal event	14 days after the commencement of the event	For purposes of calculating amounts owed per player, the "Participant Royalty" is imposed per registered participant for each non-seasonal event (camps, clinics, etc.). All participants must be registered and have an executed waiver on file prior to participation.

Type of Fee[(1)]	Amount	Due Date	Remarks
National Advertising Fund Contribution	Currently $100 per month, but this may be increased up to $250 per month	Monthly at the same time as Player Royalty payment	We charge this fee for a system-wide "National Advertising Fund" for our use in developing marketing materials, providing local marketing support, and building the ONE Sports Nation brand. We reserve the right to increase this fee up to $250 per month. The National Advertising Fund is discussed in Item 11.
Unauthorized Advertising Fee	$500 per occurrence	On demand	This fee is payable to us if you use unauthorized advertising in violation of the terms of the Franchise Agreement.
Insurance	You must reimburse our costs plus a 20% administrative fee	On demand	If you fail to obtain insurance, we may obtain insurance for you and you must reimburse us for the cost of insurance obtained plus 20% of the premium as an administrative cost of obtaining the insurance.
Additional Training or Assistance Fees	Then-current fee (currently $2,000 per person)	Due prior to commencement of the training session(s)	We provide initial training at no charge for certain persons, but we may charge you for training replacement or additional managers, newly-hired personnel, refresher training courses, advanced training courses, and additional or special assistance or training you need or request. The fee amount will depend on the training required and the experience level of the trainer. If the additional training is conducted at your ONE Sports Nation Business, you will also be required to reimburse our instructors' travel and living expenses.
Technology Fee	Then-current fee (currently $79 per month or $237 per quarter)	Due on the 1st day of each quarter	This fee covers certain technologies used in the operation of your ONE Sports Nation Business, including e-mail hosting, web hosting, website backup, and SSL certificates for each franchise website(s). We reserve the right to increase the Technology Fee up to $200 per month (or $600 per quarter).
Merchant Services Account Fee	Currently $20 per month	Due on the 1st day of each month	This fee is paid to our approved supplier and covers the cost of the POS system used to collect registrations for your ONE Sports Nation Business. If you meet monthly minimum requirements, the current monthly fee will decrease to $10 per month.

Type of Fee[1]	Amount	Due Date	Remarks
Convention Fee	Then-current fee (currently estimated to be $500 per person)	Upon demand	Payable to us to help defray the cost of your attendance at any annual convention that we choose to hold. This fee is due regardless of whether or not you fail to attend our annual convention in any given year.
Inventory	Then-current fee; shipping costs are additional	As incurred	Franchisees must purchase and maintain a minimum inventory of branded merchandise for sale at ONE Sports Nation events, including t-shirts, sweatshirts, hats, shorts, and other game day apparel.
Supplier and Product Evaluation Fee	Then-current new product/supplier application fee, plus costs of inspection (estimated to be approximately $100 to $500)	As incurred	Payable if we inspect a new product, service, or proposed supplier nominated by you.
Customer Issue Resolution	Reasonable costs we incur for responding to a customer complaint, which varies	On invoice	Payable if a customer of the ONE Sports Nation Business contacts us with a complaint and we provide a gift card, refund, or other value to the customer as part of our addressing the issue.
Payment Service Fee	Up to 4% of total charge	As incurred	If payment is made to us or our affiliates by credit card for any fee required, we may charge a service charge of four percent (4%) of the total charge.
Interest and Late Charges	$100 per occurrence, plus the lesser of the daily equivalent of 12% per year simple interest or the highest rate allowed by law	As incurred	Payable if any payment due to us or our affiliates is not made by the due date. Interest accrues from the original due date until payment is received in full.
Insufficient Funds Fee	$100 per occurrence	As incurred	Payable if any check or EFT payment is not successful due to insufficient funds, stop payment, or any similar event.
Failure to Submit Required Report Fee	$100 per occurrence and $100 per week	Your bank account will be debited for failure to submit any requested report within five (5) days of request	Payable if you fail to submit any required report or financial statement when due. Fines collected are paid to us. You will continue to incur this fee until you submit the required report.

Type of Fee[1]	Amount	Due Date	Remarks
Audit Expenses	Cost of audit and inspection, any understated amounts, and any related accounting and legal expenses (we estimate this cost to be between $1,000 and $12,000)	On demand	You will be required to pay this if an audit reveals that you understated your royalty payments or registered participants by more than two percent (2%), or you fail to submit required reports.
Indemnification	Will vary under circumstances	As incurred	You must indemnify and reimburse us for any expenses or losses that we or our representatives incur related in any way to your ONE Sports Nation Business or Franchise.
Professional Fees and Expenses	Will vary under circumstances	As incurred	You must reimburse us for any legal or accounting fees that we incur as a result of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement, or payable for any fees we incur for any transfer that is not completed.
Successor Fee	$7,500	180 days prior to renewal	Payable if you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement.
Transfer Fee	$7,500	$1,000 nonrefundable deposit at time of transfer application submittal and the remaining balance of fee at time of approved transfer	Payable in connection with the transfer of your ONE Sports Nation Business, a transfer of ownership of your legal entity, or the Franchise Agreement. There is no charge if the Franchise is transferred to an entity that you control with the same percentages of ownership.
Liquidated Damages[3]	Will vary under the circumstances	Within 15 days after termination of the Franchise Agreement	Due only if we terminate the Franchise Agreement before the end of the term because of your material breach, or you terminate the Franchise Agreement without legal cause.

Notes:

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

owed to us or our affiliates under the Franchise Agreement. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement.

2. Gross Sales. The term "Gross Sales" means the total of all revenues and income from the sale of all ONE Sports Nation Business products and services to your customers whether or not sold or performed at or from the ONE Sports Nation Business, and whether received in cash, coupon, in services in kind, from barter and/or exchange, on credit (whether or not payment is received), or otherwise. If you offer any services, all receipts from these services are included in Gross Sales. You may deduct from Gross Sales for purposes of this computation (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if the taxes are separately stated when the customer is charged and if the taxes are paid to the appropriate taxing authority. You may also deduct from Gross Sales the amount of any documented refunds, chargebacks, credits, and allowances you give in good faith to your customers. All barter and/or exchange transactions in which you furnish products and/or services in exchange for products and/or services provided to you by a vendor, supplier, or customer will, for the purpose of determining Gross Sales, be valued at the full retail value of the products and/or services so provided to you.

You are required to submit Gross Sales reports periodically as we request, signed by you and in the form and manner we specify, including electronically, which contains the sales information pertaining to the preceding reporting period including, without limitation, a summary of all monies received during the relevant period, as well as customer counts and average sales, and such other additional information which we deem necessary to properly evaluate your progress on or before the close of business on the due date of the Gross Sales report. If your Franchise Agreement is terminated before the initial term expires, you must make payment to us equal to the net present value of royalty fees, if any, and any other applicable fees in connection with the Franchise Agreement that would have become due following termination of the Franchise Agreement for the period the Franchise Agreement would have remained in effect.

You will be required to make a minimum monthly royalty payment ("Minimum Monthly Payment") of $300. Your Player Royalty during the term of the Franchise Agreement will equal the greater of: (a) the Minimum Monthly Payment, (b) $8 per player per season or (c) 8% of gross sales per season (together, (b) and (c) will be considered the "Variable Payment").

Each "season" falls within one Calendar Quarter (as described below). The Minimum Monthly Payment will be deducted using EFT each month. Within 14 days after the commencement of each season, we will reconcile the Minimum Monthly Payment payable for that Calendar Quarter against the Variable Payment and we will send you a bill showing what your Player Royalty amount will be per month for the remainder of the Calendar Quarter. For purposes of the Franchise Agreement, a "Calendar Quarter" is a period of three (3) consecutive months with the first quarter being January 1st through March 31st, the second quarter being April 1st through June 30th, the third quarter being July 1st through September 30th, and the fourth quarter being October 1st through December 31st. For example, if winter is your basketball season, and the first date of the season is January 15, you will start out paying your Minimum Monthly Payment on January 1. You will be responsible for submitting all financial reports in a timely manner, including your gross sales and player numbers. So long as we have received this information, on or before January 29, we will determine what the Player Royalty will be for you for the Calendar Quarter beginning on January 1. If your Variable Payment for the season is greater than the Minimum Monthly Amount for the Calendar Quarter, you will be billed for the remaining months of the Calendar Quarter so that you pay the full Royalty Payment over the Calendar Quarter.

If a ONE Sports Nation sports program for your ONE Sports Nation Business is booked through and paid to us, we will retain the Player Royalty from the amounts paid for the ONE Sports Nation sports program and distribute the remaining balance to you. We will send bi-weekly checks each month for any ONE Sports Nation sports program booked through us. If we are required to refund a customer of your ONE Sports Nation Business, we will either deduct the refund paid from the next registration booked with us or bill you at the end of the corresponding month and EFT debit the amount.

3. Liquidated Damages. Liquidated damages are determined by multiplying the combined monthly average of royalty fees and national advertising fund contributions (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with date you open your ONE Sports Nation Business through the date of early termination, multiplied by the lesser of: (i) 36, or (ii) the number of full months remaining in the term of the Franchise Agreement, except that liquidated damages will not, under any circumstances, be less than $30,000.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee(1)	$15,920	$19,900	Lump Sum	When you Sign the Franchise Agreement	Us
Territory Fee	$500	$4,500	Lump Sum	When you Sign the Franchise Agreement	Us
Field Day Baseball Equipment Package(2)	$0	$5,000	Lump Sum	When you Sign the Franchise Agreement	Us
Full Court Legends Basketball Equipment Package(2)	$0	$8,000	Lump Sum	When you Sign the Franchise Agreement	Us
Grid Iron Cheer Equipment Package(2)	$0	$2,000	Lump Sum	When you Sign the Franchise Agreement	Us
Grid Iron Flag Football Equipment Package(2)	$14,000	$17,000	Lump Sum	When you Sign the Franchise Agreement	Us
ONE Cup Soccer Equipment Package(2)	$0	$4,000	Lump Sum	When you Sign the Franchise Agreement	Us

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
VolleyUP Volleyball Equipment Package[2]	$0	$3,000	Lump Sum	When you Sign the Franchise Agreement	Us
Trailer[3]	$5,000	$6,000	As Incurred	As Incurred	Us
Trailer Shipping/Delivery	$0	$3,000	As Incurred	As Incurred	Third Parties
Marketing/ Advertising & Opening Inventory[4]	$1,900	$4,500	As Incurred Prior to First Season	Monthly	Third Parties & Us
Insurance[5]	$750	$1,500	Lump Sum	As Incurred	Third Parties
POS Registration System Fee[6]	$169	$169	As Incurred	As Incurred	Third Parties
Merchant Services Account Fee[7]	$30	$60	As Agreed	As Incurred	Third Parties
Computer System Fee[8]	$0	$1,000	As Incurred	As Incurred	Third Parties
Initial Training Travel Reimbursement[9]	$0	$3,500	As Incurred	As Incurred	Us
Additional Training Fee	$0	$2,000	As Incurred	As Incurred	Us
Professional Services[10]	$0	$1,000	As Agreed	As Incurred	Third Parties
Field Lease	$0	$2,000	As Agreed	As Incurred	Third Parties
Additional Funds (3 months)[11]	$0	$1,500	As Agreed	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT[12]	$38,269	$89,629			

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your ONE Sports Nation Franchise. We do not offer direct or indirect financing for these items. Our estimates are based on our experience, the experience of our company-owned business, and our current requirements for ONE Sports Nation Franchises. The factors underlying our estimates may vary depending on several variables, and the actual investment you make in developing and opening your ONE Sports Nation Franchise may be greater or less than the estimates given, depending upon the location of your ONE Sports Nation Business, and current relevant market conditions. Your costs will also depend on factors such as how well you follow our methods and procedures; your management skills; your business experience and capabilities; local economic conditions; the local market for our products and services; the prevailing wage rates; competition; and sales levels reached during your initial phase of business operations. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

1. Initial Franchise Fee. See Item 5 for more information on Initial Franchise Fees.

2. Franchise Equipment Package. The Franchise Equipment Package expense is specific to the sports program(s) your ONE Sports Nation Business will offer. Program packages include: Field Day Baseball Equipment Package; Full Court Legends Basketball Equipment Package; Grid Iron Cheer Equipment Package; Grid Iron Flag Football Equipment Package; ONE Cup Soccer Equipment Package; and the VolleyUP Volleyball Equipment Package. The Grid Iron Cheer Equipment Package is an add-on package to the Grid Iron Football Equipment Package. Each program has equipment requirements to deliver a consistent brand. The only Sports Program and Franchise Equipment Package you must purchase is the Grid Iron Flag Football Program and corresponding Franchise Equipment Package. Your Franchise Equipment Package expense will be based on the sports programming that you offer in your protected territory, as identified in the Brand Standards Manual.

3. Trailer. Calculation of the fee for the Trailer is described in Item 5.

4. Marketing/Advertising & Opening Inventory. We strongly encourage franchisees to advertise and market their ONE Sports Nation Business prior to opening. This estimate includes at least $900 in marketing and advertising to be spent by you. A minimum inventory of $1,000 in branded merchandise must be purchased from us. Calculation of the fee for opening inventory is described in Item 5.

5. Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require, and satisfy other insurance-related obligations. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of a ONE Sports Nation Business, your rates may be significantly higher than those estimated above. If you fail to obtain or renew the required insurance, our system standards provide that we may purchase insurance on your behalf and charge you for doing so.

6. POS Registration System Fee. You must pay a one-time application fee of $149, plus $20 for the mobile swiper purchase.

7. Merchant Account. You must utilize a merchant account services provider and gateway provider whom we designate or approve. Currently, we require you to use Elavon Merchant Services as the web and mobile merchant account provider. We estimate the cost to establish such merchant account and obtain the use of the gateway to be approximately $20 monthly, plus their prescribed transaction cost. If you meet monthly minimum requirements, the monthly fee will decrease to $10 per month. Fees associated with the cost of the merchant account are paid directly to the third party supplier.

8. Computer System Fee. The low end of this estimate assumes you already own a computer which you will use for your ONE Sports Nation Business, and the high end assumes you must purchase a new computer. See Item 11 for details concerning the computer system requirements.

9. Initial Training Travel Reimbursement. We (or our designee) will provide a portion of your initial training at your ONE Sports Nation Business location on or around three weeks prior to

your opening date (as described in Item 5), and another portion of your initial training at your ONE Sports Nation Business location on or around your opening date. You are responsible to reimburse us for all travel and living expenses we incur for initial training or additional training at your ONE Sports Nation Business location. Your expenses may vary depending on your location, and whether you require additional training. These expenses will be due in a lump sum upon your receipt of our invoice. In addition, you are responsible for compensation for all persons attending initial training or additional training on your behalf.

10. Professional Services. We strongly recommend that you hire a lawyer, accountant, or other professional to advise you on this franchise offering. Rates for professionals can vary significantly based on area and experience.

11. Additional Funds (3 Months). These amounts represent our estimate of the amount needed to cover your expenses for the initial three (3)-month start-up phase of your ONE Sports Nation Business. They include payroll costs during the ONE Sports Nation Business' operation, but not any draw or salary for you. This estimate also includes site specific purchases that you must make depending on the locations that you choose to conduct your ONE Sports Nation Business programs such as generators, extension cords, and other purchases. These figures do not include standard pre-opening expenses, royalties, or advertising fees payable under the Franchise Agreement or debt service, and assume that none of your expenses are offset by any sales generated during the start-up phase. For purposes of this disclosure, we estimated the start-up phase to be three (3) months from the date your ONE Sports Nation Business opens for business. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your ONE Sports Nation Business. You must bear any deviation or escalation in costs from the estimates that we have given. Your costs will depend on factors such as: how well you follow our methods and procedures; your management skills, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; the sales level reached during the start-up period; and the size of your ONE Sports Nation Business. Additional funds for the operation of your ONE Sports Nation Franchise will be required after the first three (3) months of operation if sales produced by the ONE Sports Nation Franchise are not sufficient to produce positive cash flow.

12. Figures May Vary. You must purchase the Grid Iron Flag Football Package. For purposes of the estimate, we have calculated you purchasing only the Grid Iron Flag Football Package. This is an estimate of your initial startup expenses for one (1) ONE Sports Nation Franchise. You should review these figures carefully with a business advisor before making any decision to purchase the ONE Sports Nation Franchise.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

You must operate your ONE Sports Nation Franchise according to our System and specifications. This includes purchasing or leasing all products, services, supplies, fixtures, equipment, inventory, computer hardware and software, and real estate related to establishing and operating the ONE Sports Nation Franchise under our specifications, which may include purchasing these items from: (i) our designees, (ii) approved suppliers, and/or (iii) us or our affiliates. You must not deviate from these methods, standards, and specifications without our prior written consent, or otherwise operate in any manner which reflects adversely on our Marks or the System.

Our confidential Business Brand Standards Manual and Activity Standards ("Brand Standards Manual") states our standards, specifications, and guidelines for all products and services we require you to obtain in establishing and operating your ONE Sports Nation Franchise, and approved vendors for these products and services. We will notify you of new or modified standards, specifications, and guidelines through periodic amendments or supplements to the Brand Standards Manual or through other written communication (including electronic communication, such as e-mail or through a system-wide intranet).

You must purchase, install, maintain in sufficient supply, and use, only fixtures, furnishings, equipment, signs, and supplies that conform to the standards and specifications described in the Brand Standards Manual or otherwise in writing. We will issue copies of our standards and specifications to you and approved and proposed suppliers, unless these standards and specifications contain our confidential information.

We formulate and modify our standards and specifications for ONE Sports Nation products and services based upon the collective experience of our franchisees, officers, and affiliates. We have the right, under the Franchise Agreement, to change the standards and specifications applicable to the operation of the ONE Sports Nation Business, including standards and specifications for ONE Sports Nation products and services, vehicles, signs, furnishings, supplies, fixtures, inventory, and equipment by written notice to you or through changes in the Brand Standards Manual or otherwise in writing. You recognize that you may incur an increased cost to comply with these changes at your own expense; however, no change will materially alter your fundamental rights under the Franchise Agreement. The amount you must pay for the changes or additions will be dependent upon the nature and type of changes or additions. Given that we do not know the extent of what these changes may be in the future, we are unable to estimate a dollar amount of these changes.

You must use the computer hardware and software, including the point-of-sale ("POS") system (collectively referred to as the "Computer System") that we periodically designate to operate your ONE Sports Nation Franchise. You must obtain the computer hardware, software licenses, maintenance and support services, and other related services that meet our specifications from the suppliers we specify. You must obtain the insurance coverage required under the Franchise Agreement. The insurance company must be authorized to do business in the state where your ONE Sports Nation Business is located, and must be approved by us. It must also be rated "A" or better by A.M. Best & Company, Inc. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies must name us and any affiliates we designate as additional named insured parties.

Purchases from Approved Suppliers

We require you to purchase certain products, services, signs, inventory, furnishings, supplies, fixtures, and equipment from approved suppliers identified in the Brand Standards Manual or otherwise in writing. We reserve the right to require you to purchase certain items exclusively from us, an affiliate, or an unaffiliated third party supplier.

We are the only approved supplier of the Franchise Equipment Package and expansion equipment packages. You must purchase required player uniforms from us or our approved supplier designated solely by us in accordance with the Brand Standards Manual. We are the only approved supplier of the Trailers.

All Franchises must carry a minimum inventory of branded merchandise for sale at ONE Sports Nation events to support consistency in brand presentation. Items include, but are not limited to, t-shirts, sweatshirts, hats, shorts, and other game day apparel in available sizes. We are the only approved supplier of this inventory. The required products are to be purchased through us at cost plus 15%. The 15% surcharge is to facilitate us in carrying inventory in order to minimize the inventory requirements of each league location and to capture bulk order savings from preferred vendors that benefit all Franchise owners. Shipping costs are additional for inventory and Trailers. A 15% charge will be added to the procurement costs of the Franchise Equipment Package. Sales tax and shipping charges are included in the Franchise Equipment Package fee.

You must pay us a monthly Technology Fee to cover technologies used in the operation of your ONE Sports Nation Business, including e-mail hosting, web hosting, website backup, and SSL certificates for each Franchise website(s). You must also pay a monthly POS Registration System fee to the merchant service provider. In addition, you must pay a one-time application fee of $149, plus $20 for the mobile swiper purchase.

We estimate that approximately ninety percent (90%) of purchases required to open your ONE Sports Nation Business and eighty percent (80%) of purchases required to operate your ONE Sports Nation Business will be from us or from other approved suppliers and under our specifications. We and our affiliate may receive rebates from some suppliers based on your purchase of products and services. None of our officers own an interest in any supplier.

We derived $189,717 or 57.7% of our total revenue of $328,848 from franchisee purchases during the fiscal year ended December 31, 2016.

We may negotiate purchase arrangements with suppliers and distributors for the benefit of our franchisees. We and our affiliates may receive rebates or other consideration from suppliers in consideration for products or services that we require or advise you to obtain from approved suppliers, and we reserve the right to do so in the future. Our revenue or other consideration received may include promotional allowances, volume discounts, and other payments. We do not have any purchasing or distribution cooperatives as of the Issuance Date of this Franchise Disclosure Document.

Approval of New Suppliers

We will provide you with a list of our designated and approved suppliers in our Brand Standards Manual. If you want to use or sell a product or service that we have not yet evaluated, or if you want to purchase or lease a product or service from a supplier or provider that we have not yet approved (for products and services that require supplier approval), you must notify us and submit to us the information, specifications, and samples we request. We will approve or disapprove the supplier within ten (10) business days of receipt of your request and adequate samples of the items for which approval is requested. If you do not receive approval from us within ten (10) business days after we receive your request, your request will be deemed denied. We reserve the right to charge a fee to evaluate the proposed product, service, or supplier. We will issue copies of our standards and specifications to you and approved and proposed suppliers, unless these standards and specifications contain our confidential information. The supplier may also be required to sign a supplier agreement. We may periodically re-inspect approved suppliers' facilities and products, and we reserve the right to revoke our approval of any supplier, product, or service that does not continue to meet our specifications. We will send written notice of any revocation of an approved supplier, product, or service. We do not provide material benefits, such as renewing or granting additional Franchises to franchisees based on their use of designated or approved suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Item in Disclosure Document
(a) Site selection and acquisition/lease	Section 2A	Items 7 and 11
(b) Pre-opening purchases/leases	Section 2	Item 8
(c) Site development and other pre-opening requirements	Section 2	Items 6, 7 and 11
(d) Initial and ongoing training	Section 4A	Item 11
(e) Opening	Section 2F	Item 11
(f) Fees	Section 3	Items 5, 6 and 7
(g) Compliance with standards and policies/ Brand Standards Manual	Section 4C	Items 8, 11 and 14
(h) Trademarks and proprietary information	Sections 5 and 6	Items 13 and 14
(i) Restrictions on products/services offered	Section 8	Items 8, 11 and 16
(j) Warranty and customer service requirements	Section 8	Item 16
(k) Territorial development and sales quotas	Section 1	Item 12
(l) Ongoing product/service purchases	Section 8	Item 8
(m) Maintenance, appearance and remodeling requirements	Section 8	Item 11
(n) Insurance	Section 8F	Item 7
(o) Advertising	Section 9	Item 11
(p) Indemnification	Section 16	Item 6
(q) Owner's participation/management/ staffing	Section 8	Items 11 and 15
(r) Records and reports	Section 10	Item 6
(s) Inspections and audits	Section 11	Item 6
(t) Transfer	Section 12	Item 17
(u) Renewal	Section 13	Item 17
(v) Post-termination obligations	Section 15	Item 17
(w) Non-competition covenants	Section 15D	Item 17
(x) Dispute resolution	Section 17	Item 17

ITEM 10
FINANCING

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

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

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

Pre-Opening Obligations

Before you open your ONE Sports Nation Business, we (or our designee) will provide the following assistance and services to you:

1. Designate your protected territory (See Franchise Agreement - Sections 1E and 1F). Because you do not have to locate a site from which to operate your ONE Sports Nation Business, we do not provide you with assistance in doing so. You may open an office, but it is not required.

2. Provide you with mandatory and suggested criteria for venues, approve venues, and provide field layout drawings (See Franchise Agreement - Section 2A).

3. Provide our initial training program, including Business Operations and Activity Standards training, as outlined in the Brand Standards Manual, for certain persons ("Initial Training Program") (See Franchise Agreement - Section 4A). You must complete training to our satisfaction. You are responsible for all travel and lodging expenses you and your personnel incur during the Initial Training Program and for reimbursing us for our travel and living expenses to visit your location.

4. Loan to you, or make available to you on our website, one (1) copy of the Brand Standards Manual. The Brand Standards Manual contains approximately 105 pages. The table of contents for the Brand Standards Manual is attached to this Franchise Disclosure Document as Exhibit C (See Franchise Agreement - Section 4C).

5. Establish a portal on our website for your Franchise consistent with our brand allowing you password protected access to Franchise location specific information, including, but not limited to, season information, pricing, and photos (See Franchise Agreement - Section 2C).

6. Provide an e-mail address for you as the league commissioner (See Franchise Agreement - Section 2C).

Schedule for Opening

The typical length of time between signing the Franchise Agreement or the payment of any fees and the opening of the ONE Sports Nation Business can vary from one (1) to twenty (20) weeks. You are required to open your ONE Sports Nation Business within nine (9) months from executing the Franchise Agreement. Some factors which may affect this timing are your ability to secure any necessary financing, your ability to obtain any necessary permits and certifications, the time to complete required training, the timing of the delivery of inventory and equipment and installation of the equipment, and hiring and training of your staff. Although we may provide guidance and assistance from time to time regarding the opening and operation of your Franchise, you are solely responsible for all of the costs and liabilities associated with the operation of your ONE Sports Nation Franchise.

Continuing Obligations

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

1. Assist in the inaugural game day for your ONE Sports Nation Business' first sport (See Franchise Agreement - Section 4A). You will be responsible for reimbursing us for our travel and living expenses to visit your location.

2. Provide you with ongoing updates of information and programs regarding your ONE Sports Nation Business and the System, including, without limitation, information about special or new products or services which may be developed and made available to franchisees (See Franchise Agreement - Section 4B).

3. Provide additional training to you for newly-hired personnel on the ONE Sports Nation brand and System guidelines, refresher training courses, and additional training or assistance that, in our discretion, you need or request. You may be required to pay additional fees for this training or assistance (See Franchise Agreement - Section 4A).

4. Make our employees or designated agents available to you for advice and assistance in your protected territory in connection with ongoing support for league operations and the operation of your ONE Sports Nation Business. In the event that you request additional assistance and we agree to provide the same, we reserve the right to charge you for all travel, meals, lodging, telephone charges, and other identifiable expenses associated with such assistance, plus a fee based on the time spent by each employee on your behalf, which fee will be charged in accordance with our then-current hourly rates for assistance. Whether or not we charge a fee will depend upon the time of the assistance, the number of trainees, and where the training takes place (See Franchise Agreement - Section 4).

5. Allow you to continue to use confidential materials, including the Brand Standards Manual and the Marks (See Franchise Agreement – Section 4C).

6. Provide ongoing support for league operations (See Franchise Agreement - Section 4A).

Optional Assistance

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

1. Modify, update, or change the System, including the adoption and use of new or modified trade names, trademarks, service marks, or copyrighted materials, new products, new services, new equipment, or new techniques.

2. Make periodic visits to your ONE Sports Nation Business for the purpose of assisting in all aspects of the operation and management of the Franchise, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the Franchise, and detailing any problems in the operations which become evident as a result of any visit.

3. Maintain and administer a National Advertising Fund, and use these funds to develop promotional and advertising programs for ONE Sports Nation Businesses. We may dissolve the National Advertising Fund upon written notice (See Franchise Agreement - Section 9B).

4. Hold periodic national or regional conferences to discuss business and operational issues affecting ONE Sports Nation franchisees. You will be required to pay a convention fee for each individual that is required to attend the annual convention, regardless of whether the individual attends or not. It is recommended that you attend every conference that we hold; however, it is mandatory that you attend a conference every two (2) years that it is offered (See Franchise Agreement - Section 4A).

Advertising

National Advertising Fund

We have established a National Advertising Fund for the common benefit of System franchisees. You must participate in and contribute monthly to the National Advertising Fund ("National Advertising Fund Contribution") in the amount of $100 per month. We reserve the right to increase this fee up to $250 per month. We use National Advertising Fund Contributions to develop, produce, and distribute national advertising and public relations materials which promote, in our sole judgment, the services offered by System franchisees. We may or may not use the following media: print, radio, television, telephone, telephone directories, Internet, and direct mail. We are not required to spend your National Advertising Fund Contribution in any specific media.

Your contribution to the National Advertising Fund will be in addition to all other advertising requirements set out in this Item 11. Each franchisee will be required to contribute to the National Advertising Fund, but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Franchisor-owned or affiliate-owned outlets may, but are not required to, contribute to the National Advertising Fund on the same basis as franchisees.

The National Advertising Fund will be administered by us or our affiliate or designee, at our discretion, and we may use a professional advertising agency or media buyer to assist us. The National Advertising Fund will be in a separate bank account, commercial account, or savings account.

We have complete discretion on how the National Advertising Fund will be utilized. We may use the National Advertising Fund for local, regional, or national marketing, advertising, sales promotion and promotional materials, public and consumer relations, website development and search engine optimization, the development of technology for the System, and any other purpose to promote the ONE Sports Nation brand. We may reimburse ourselves, our authorized representatives, or our affiliates from the National Advertising Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes, and all other direct or indirect expenses associated with the programs funded by the National Advertising Fund. We do not guarantee that advertising expenditures from the National Advertising Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the National Advertising Fund Contributions for advertising that is principally a solicitation for the sale of Franchises, but we reserve the right to include a notation in any advertisement indicating "Franchises Available" or similar phrasing, or include information regarding acquiring a Franchise on or as a part of materials and items produced by or for the National Advertising Fund.

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the National Advertising Fund or to maintain, direct, or administer the National

Advertising Fund. Any unused funds in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the National Advertising Fund on any terms we deem reasonable.

The National Advertising Fund is not audited. We will provide an annual accounting for the National Advertising Fund that shows how the National Advertising Fund proceeds have been spent for the previous year upon written request.

We started collecting National Advertising Fund Contributions in April 2017, and did not collect funds in the most recent fiscal year.

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

You must order sales and marketing material from us or our designated suppliers. It is a material breach of the Franchise Agreement to use other marketing material without obtaining our prior written approval. If you desire to use your own advertising materials, you must obtain our prior approval, which may be granted or denied in our sole discretion. We will review your request and we will respond in writing within 30 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. Use of logos, Marks, and other name identification materials must follow our approved standards. You may not use our logos, Marks, and other name identification materials on items to be sold or services to be provided without our prior written approval. If we approve of promotional items or services that will be sold in your ONE Sports Nation Business, those items or services must be included in your Gross Sales, and will be subject to royalty fees, any local advertising requirement, and National Advertising Fund Contributions. If you use unauthorized advertising materials, you must pay a fee of $500 per occurrence to us, or if established, the National Advertising Fund.

We may allow you to market your ONE Sports Nation Business through social media sites so long as you follow our online policies and procedures, which are contained in the Brand Standards Manual. Our online policies and procedures may change as technology and the Internet changes. Under our online policies and procedures, we may retain the sole right to market on the Internet, including all use of websites, domain names, advertising, and co-branding arrangements. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Marks. We may require you to allow us access to your social media pages to manage content. In all social media activities, you must identify yourself as an independently-owned and operated franchisee. We intend any franchisee website be accessed only through our home page. You will provide us content for our Internet marketing. We retain the right to approve or disapprove any linking or other use of our website in our sole discretion.

System Website

We have established a System website for ONE Sports Nation Businesses ("System Website"), which includes local pages for each franchisee. Your page will include information relating to your specific business location and select content that we provide from our System Website. Your page will also showcase ONE Sports Nation products and services. You agree to use the supplier designated in the Brand Standards Manual to establish your page. We reserve the right to change the requirements relating to your page at any time. Your monthly technology fee includes website maintenance fees to the supplier that provides website maintenance services. You may not establish or maintain any other website or engage in any other electronic marketing of products or services without our prior written approval. All such information shall be subject to our approval prior to posting. You may be requested to provide content for our Internet marketing, and you must follow our intranet and Internet usage rules, policies, and requirements. We retain the right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms, and meta-tags, and in connection with linking, marketing, co-branding, and other arrangements. You may not independently market on the Internet, or use any domain name, address, locator, link, meta-tag, or search technique with words or symbols similar to the Marks except as allowed by our online policy. We intend any franchisee website be accessed only through our home page. You will provide us content for our Internet marketing. We retain the right to approve any linking or other use of our System Website.

We may allow you to promote your business via alternate online strategies consistent with our online policy as contained in our Brand Standards Manual. We have the right to review all online content on social media sites, blogs, in electronic communications, and on other online sites on which our trademarks are used to protect the reputation and high quality associated with our trademarks. We may require you to remove any questionable usage or content involving our trademarks. We may also require you to cease using our trademarks at all such sites or discontinue all use of such sites.

As long as we maintain a System Website, we will have the right to use the National Advertising Fund assets to develop, maintain, and update the System Website. We may update and modify the System Website from time to time. You must promptly notify us whenever any information on your listing changes or is not accurate. We have final approval rights of all information on the System Website. We may implement and periodically modify System Standards relating to the System Website.

We are only required to reference your ONE Sports Nation Business on the System Website while you are in full compliance with your Franchise Agreement and all System Standards. If you are in default of any obligation under the Franchise Agreement or System Standards, then we may temporarily remove references to your ONE Sports Nation Business from the System Website until you fully cure the subject default(s). You may not, without our prior written approval, develop, maintain, or authorize any website that mentions or describes you, your ONE Sports Nation Business, or displays any of the Marks. If we approve your use of a website, including social media websites, we will reserve the right to require you to obtain our written approval of its initial content and as it is updated or modified from time to time. If we develop a template or other standardized format and/or content for franchisee websites, you must agree to use our mediums (See Franchise Agreement – Section 9C).

Advertising Council

We currently do not have, but may form an Advisory Council ("Council") to advise us on advertising policies. The purpose of the Council is to provide input regarding the National Advertising Fund and to promote communications between us and all franchisees. If we form a Council, we will select the Council's members, and we may change or dissolve the Council at any time in our sole discretion. We anticipate that a Council would serve in an advisory capacity, but we may grant to the Council any operational or decision-making powers that we deem appropriate. The Council will be governed by bylaws.

Software and Computer Equipment

You are required to purchase a computer system that consists of the following hardware and software: (a) either a laptop or desktop computer (which may be a computer that you already own) with a high speed Internet connection; and (b) Microsoft Office Suite (including Word, Excel, and PowerPoint) and Adobe Reader. We estimate the cost of purchasing the Computer System will range from $0 to $1,000. The Computer System will manage the daily workflow of the ONE Sports Nation Business, coordinate the customer ordering experience, track inventory, labor, and other information. You must record all Gross Sales on the Computer System. You must store all data and information in the Computer

System that we designate, and report data and information in the manner we specify. The Computer System will generate reports on the Gross Sales of your ONE Sports Nation Franchise. You must also maintain a high-speed Internet connection at the ONE Sports Nation Business. In addition to offering and accepting ONE Sports Nation gift cards and loyalty cards, you must use any credit card vendors and accept all credit cards and debit cards that we determine. The term "credit card vendors" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet"). We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates, or support for the Computer System (See Franchise Agreement - Section 2C). You must arrange for installation, maintenance, and support of the Computer System at your cost. There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance, repairs, or upgrades relating to the Computer System. We cannot estimate the cost of maintaining, updating, or upgrading the Computer System or its components because it will depend on your repair history, costs of computer maintenance services in your area, and technological advances, which we cannot predict at this time. We may revise our specifications for the Computer System periodically. You must upgrade or replace your Computer System at such time as specifications are revised. There is no limitation on the frequency and cost of this obligation.

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

We have the right to independently access your electronic information and data through the Computer System and intranet system and to collect and use your electronic information and data in any manner we promote developing the System and the sale of Franchises. This may include posting financial information of each ONE Sports Nation franchisee on an intranet website or using this information to make financial performance representations in our Franchise Disclosure Document. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system.

Training

Initial Training

You (or your operating principal, if you are an entity) and any manager or representative that we require must complete the initial training to our satisfaction before you open your ONE Sports Nation Business. We provide initial training at no cost for up to two (2) people. You must pay a $2,000 fee for training each additional person. You (or your operating principal, if you are an entity) and your manager must complete the training program to our reasonable satisfaction, as determined by the specific program instructors, before you are able to open the ONE Sports Nation Business. Initial training classes are held whenever necessary to train new franchisees. You will not receive any compensation or reimbursement for services or expenses for participation in the Initial Training Program. You are responsible for all your expenses to attend any training program, including lodging, transportation, food, and similar expenses.

We plan to provide the training listed in the table below. The hours presented for each subject are estimates and may change.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Website Administration	2	2	Online
Social Media	1	0	Online
Google Apps	2	2	Online
Marketing Training	2	2	Online or Onsite
MailChimp (Eblast Service)	1	0	Online
Merchant Account Training	1	0	Online
Roster Development / Team Building	0	2	Online
NFL Flag Website and Equipment Ordering	2	2	Online
Equipment Set-Up / Event Tear Down	0	2	Franchisee Site
Coaching Clinic	0	3	Franchisee Site
Officiating Clinic	0	3	Franchisee Site
1st Game Day	0	10	Franchisee Site
Weekly Coaching Calls	20	0	Online
On-Line Training Videos	1	0	Online
Total Hours	32 Hours	28 Hours	

Notes:

1. The training subjects may vary, and the training may be less than the times indicated above, depending on the number and experience of the attendees. We will use the Brand Standards Manual as the primary instruction materials during the Initial Training Program.

2. Scott McMahon, our Vice President of Business Development, currently oversees our technical and game day operation training program to which he brings more than six (6) years of management experience in Youth Sports Operation. Bonnie McMahon, our CEO, provides business operation and administration training to which she brings more than six (6) years of experience.

Ongoing Training

From time to time, we may require that you, managers, technicians, and other employees attend system-wide refresher or additional training courses. Some of these courses may be optional, while others may be required. If you appoint a new manager, that person must attend and successfully complete our Initial Training Program before assuming responsibility for the management of your ONE Sports Nation Business. You are responsible for training your own event coordinators, coaches, volunteers, officials, operations staff and other personnel. If we conduct an inspection of your ONE Sports Nation Business and determine you are not operating in compliance with the Franchise Agreement, we may require that you attend remedial training that addresses your operational deficiencies. You may also request that we provide additional training (either at corporate headquarters or at your ONE Sports Nation Business).

In addition to participating in ongoing training, you may be required to attend an annual meeting of all franchisees at a location we designate and pay a convention fee, whether or not you actually attend. We estimate that this training will be no longer than five (5) days per year. You are responsible for all travel and expenses for your attendees. It is recommended that you attend every conference that we hold; however, it is mandatory that you attend a conference every two (2) years that it is offered.

You are responsible for your travel and living expenses incurred in attending any training program, seminar, or convention. In addition, we may charge our then-current published fee for attendance and participation at any of these programs.

ITEM 12
TERRITORY

The Franchise Agreement for your ONE Sports Nation Franchise grants you a designated protected territory ("Protected Territory") based on the geographic area and population properties within that area and other relevant demographic characteristics. You must locate a venue large enough to conduct the ONE Sports Nation programs for your customers. If you have difficulty locating a proper venue, we may provide assistance to you.

We do not require you to obtain office space outside your home, nor do we recommend it. Currently all of our franchisees operate from home offices. If you decide to operate, or relocate, your ONE Sports Nation Business to an outside office you do not need our approval. You must, however, locate that outside ONE Sports Nation business office in your Protected Territory.

The Protected Territory will comprise an area that includes approximately 12,000 to 30,000 elementary-aged students enrolled in public schools. The population statistics used in determining your Protected Territory will be based on numbers derived from the current United States Census report and supplemented with other information available and other population statistical sources of our choosing to determine populations. In certain densely populated metropolitan areas, a territory may be smaller, while franchisees operating in less densely populated urban areas may have significantly larger areas. Your Protected Territory will be identified in an attachment to your Franchise Agreement. The Protected Territory may be defined by city or county limits, zip code areas, street boundaries, or other geographic boundaries.

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.

We, and our affiliates, have the right to operate, and to license others to operate, ONE Sports Nation Businesses at any location outside the Protected Territory, even if doing so will or might affect the operation of your ONE Sports Nation Business. We retain the right, for ourselves and our affiliates, on any terms we deem advisable, and without granting you any rights:

1. to own, franchise, or operate ONE Sports Nation Businesses at any location outside of the Protected Territory, regardless of the proximity to your ONE Sports Nation Business;

2. to use the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce without our prior written approval and subject to the policies and procedures in our Brand Standards Manual;

3. to use and license the use of other proprietary and non-proprietary marks or methods, which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business offering various programs in adult and/or youth sports leagues, associated merchandise (branded and non-branded) and equipment, skills camps, clinics, tournaments, and related products and services, at any location, including wholesale or retail, including catalogue sales, including within the Protected Territory, which may be similar to or different from the ONE Sports Nation Business operated by you;

4. to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your ONE Sports Nation Business, wherever located;

5. to acquire and convert to the System operated by us, any businesses offering services and products similar to those offered by ONE Sports Nation Businesses, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned, and whether located inside or outside of the Protected Territory, provided that in such situations the newly-acquired businesses may not operate under the Marks in the Protected Territory; and

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

We are not required to pay you if we exercise any of the rights specified above within your Protected Territory. We do not pay compensation for soliciting or accepting orders inside your Protected Territory. Franchisees must operate a minimum of one (1) sport during the first year of operations and two (2) sports per year thereafter, and meet the minimum offerings per year for those sports, as set forth in the Brand Standards Manual.

You are not prohibited from directly marketing to or soliciting customers whose principal business office (or principal residence, if the client is an individual) is outside of your Protected Territory, but you cannot operate events in the territory granted to another franchisee under its franchise agreement without its written approval. Other ONE Sports Nation Franchises may market within your Protected Territory, but they cannot operate events in your Protected Territory without your written approval.

With our prior written approval, you may provide ONE Sports Nation services to customers with addresses outside your Protected Territory at locations where no other ONE Sports Nation franchisee or company-owned or affiliate-owned ONE Sports Nation Business has been granted, and you follow the policies and procedures as contained in our Brand Standards Manual. We may revoke our approval if you are not in compliance with the Franchise Agreement or if we grant another franchisee or licensee the right to provide ONE Sports Nation services at those locations outside your Protected Territory. You will refer all customer orders located within a territory of another ONE Sports Nation franchisee or company or affiliate-owned ONE Sports Nation business to such other franchisee or to us or our affiliate, as applicable.

You may operate the ONE Sports Nation Business only in your Protected Territory. If you wish to purchase an additional ONE Sports Nation Franchise, you must apply to us, and we may, at our discretion, offer an additional ONE Sports Nation Franchise to you. We consider a variety of factors when determining whether to grant additional ONE Sports Nation Franchises. Among the factors we consider, in addition to the then-current requirements for new ONE Sports Nation franchisees, are whether or not the franchisee is in compliance with the requirements under their current franchise agreement.

Our grant of the ONE Sports Nation Franchise does not include any option or promise to allow you to purchase any additional Franchises, authorization for new types of customers (adult or youth), additional sports, or to expand your Protected Territory contiguously, or elsewhere. You are not given a right of first refusal on the sale of existing ONE Sports Nation Franchises.

You are not permitted to have an individual franchisee website. You may choose, however, to promote your business via alternate online strategies consistent with our online policy. We have the right to review all online content on social media sites, discount websites, blogs, in electronic communications, and on other online sites on which our trademarks are used to protect the reputation and high quality associated with our trademarks. We may require you to remove or cease using our trademarks and intellectual property if used in a questionable way. You may only provide services and sell products according to our policies. Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use.

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ITEM 13
TRADEMARKS

The Franchise Agreement and your payment of Player Royalties grant you the non-exclusive right and license to operate your Franchise using our principal Marks listed below. You may also use other future trademarks, service marks, and logos we approve to identify your ONE Sports Nation Franchise. We are the owner of the following registrations on the United States Patent and Trademark Office ("USPTO") Principal Register:

Mark	Registration Date	Registration No.	Status
GRID IRON FLAG FOOTBALL	December 11, 2012	4,256,682	Registered on the Principal Register

All required affidavits have been filed for the registered Marks.

We have also applied to register the following trademark on the Principal Register at the USPTO:

Mark	Filing Date	Serial No.	Status
ONE SPORTS NATION	February 16, 2017	87/339,007	Pending on the Principal Register
	February 16, 2017	87/339,024	Pending on the Principal Register

We do not have a federal registration for the trademarks above (serial numbers 87/339,007 and 87/339,024). These trademarks do not have the same legal benefits and rights as federally-registered trademarks. If our right to use these Marks is challenged, you may have to change to alternative trademarks, which may increase your expenses.

Except as described below, there are no effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, and no pending infringement, opposition or cancellation proceedings, or material litigation involving the Marks. No agreement significantly limits our right to use or license the Marks in a manner material to your Franchise. Except as described below, we do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state. On July 28, 2015, we filed for trademark registration on the principal register for the two trademarks which are listed in the chart above (original serial numbers 86/706,892 and 86/706,866). We abandoned 86/706,892 after receiving a non-final refusal from the USPTO, and 86/706,866 after receiving a final refusal from the USPTO; both refusals based on a likelihood of confusion with an existing registered mark. We have refiled these same trademarks using different service descriptions (see information in the chart above). If our new trademark applications are refused, there may be an issue with your right to use the trademarks described above.

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

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

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

You must notify us within three (3) days after you learn about an infringing or challenging use of the Marks. If you are in compliance with the Franchise Agreement, we will defend you against any claim brought against you by a third party alleging your use of the Marks in accordance with the Franchise Agreement infringes upon that party's intellectual property rights. We may require your assistance, but you are not permitted to control any proceeding or litigation relating to our Marks. We have no obligation to pursue any infringing users of our Marks. If we learn of an infringing user, we will take the action appropriate, but we are not required to take any action if we do not feel it is warranted. You must not directly or indirectly contest our right to the Marks. We may acquire, develop, and use additional marks not listed here, and may make those marks available for your use and for use by other franchisees.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

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

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

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

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

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

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

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

We require that either you directly operate your ONE Sports Nation Business or designate a manager ("Manager") who has been approved by us. If you are not an individual, you must designate an operating principal ("Operating Principal") acceptable to us who will be principally responsible for communicating with us about the ONE Sports Nation Business. The Operating Principal must have the authority and responsibility for the day-to-day operations of your ONE Sports Nation Business, and must own at least fifty-one percent (51%) equity in the franchisee entity. You (or your Operating Principal, if you are an Entity) and the Manager must successfully complete our training program (See Item 11). We may require that the Manager have an ownership interest in the franchisee entity. If you replace a Manager or designate a new Operating Principal, the Manager must satisfactorily complete our training program at your own expense.

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

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale only those products and services authorized by us and which meet our standards and specifications. You must follow our policies, procedures, methods, and techniques. You must sell or offer for sale all types of products and services specified by us. Our products and services include programs in adult and/or youth sports leagues, associated merchandise (branded and non-branded) and equipment, skills camps, clinics, tournaments, and related services. You are required to offer a minimum amount of products and services that we designate. These required services currently include three (3) seasons of each youth sports program that you offer per year (as permitted by the climate of your location) in at least two (2) ONE Sports Nation sports. You must also offer and sell any branded merchandise that we require.

We may change or add to our required products and services, at our discretion, with prior notice to you. If we change or add to our required products and services, the changes or additions will remain in permanent effect, unless we specify otherwise. The amount you must pay for the changes or additions will depend upon the nature and type of changes or additions. You must discontinue selling and offering for sale any products or services that we disapprove. We reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions.

We may allow you to market your ONE Sports Nation Business through social media sites so long as you follow our online policies and procedures, which are contained in the Brand Standards Manual. Our online policies and procedures may change as technology and the Internet changes. Under our online policies and procedures, we may retain the sole right to market on the Internet, including all use of websites, domain names, advertising, and co-branding arrangements. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Marks. We may require you to allow us access to your social media pages to manage content. Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use. You may not sell products through other channels of distribution such as wholesale, Internet, or mail order sales. You may not provide any goods or services related to the operation of your ONE Sports Nation Business that we have not approved.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 1D	Seven (7) years
b. Renewal or extension of the term	Section 13	If you are in good standing and you meet other requirements, you may enter into two (2) consecutive successor terms of five (5) years each.
c. Requirements for you to renew or extend	Section 13	Your successor franchise rights permit you to remain as a Franchisee after the initial term of your Franchise Agreement expires. You must upgrade your ONE Sports Nation Business to then-current standards, perform required upgrades, execute release, pay successor franchise fee in the amount of $7,500, have been in substantial compliance with Franchise Agreement, execute our then-current form of franchise agreement and any ancillary documents, the terms of which may vary materially from the terms of your original Franchise Agreement and may include, without limitation, increased royalty fees and advertising obligations, or an increase in Territory size.
d. Termination by you	Section 14A	You may terminate the Franchise Agreement if you are in compliance and we are in material breach, and we fail to cure that breach within 30 days of receipt of written notice.
e. Termination by us without cause	None	Not applicable.
f. Termination by us with cause	Section 14B	We can terminate upon certain violations of the Franchise Agreement by you.

Provision	Section in Franchise Agreement	Summary
g. "Cause" defined - curable defaults	Section 14B	We have the right to terminate the Franchise Agreement after providing you a 15-day cure period if: (i) you fail to maintain sufficient inventory levels; (ii) you fail to commence operations; (iii) you fail to maintain prescribed hours of operation; (iv) you fail to supervise operations or employ sufficient personnel; and (v) fail to meet our current operating standards. We have the right to terminate the Franchise Agreement after providing you a 30-day cure period if you fail to pay any amounts owed to us, our affiliates, or System suppliers, or perform or comply with any other terms of the Franchise Agreement or any other agreements between you and us.
h. "Cause" defined - non-curable defaults	Section 14B	The Franchise Agreement will automatically terminate without notice or an opportunity to cure if: (i) you make an assignment for the benefit of creditors, file a voluntary petition for bankruptcy, are adjudicated bankrupt or insolvent; (ii) proceedings are commenced to have adjudicated bankrupt and such proceedings are not dismissed in 60 days; or (iii) you purport to sell or transfer your or any interest in the ONE Sports Nation Business without our written approval. We have the right to terminate the Franchise Agreement upon notice and without an opportunity to cure if: (i) you intentionally or negligently disclose to an unauthorized person the Confidential Information; (ii) you abandon the ONE Sports Nation Business; (iii) if you or any of your principals becomes insolvent; (iv) a lien or writ of attachment is placed against you and not released or bonded against within 30 days; (v) you are convicted of, plead guilty, or no contest to a crime; (vi) you misuse the Marks; (vii) you receive two (2) or more written notices of default within any 12-month period; (viii) you violate the Franchise Agreement's restrictive covenants; (ix) you or your principals commit any fraud or

Provision	Section in Franchise Agreement	Summary
		misrepresentation in the operation of the ONE Sports Nation Business; (x) you make any misrepresentation or omission on your franchise application; (xi) you fail to complete initial training; (xii) you or your principals breach any other agreement with us; (xiii) you offer any unauthorized products or services; and (xiv) you order or purchase any unauthorized supplier, signs, equipment, or inventory from an unapproved supplier; (xv) your conduct adversely reflects on the System; and (xvi) you perform services outside your Protected Territory without our prior written consent.
i. Your obligations on termination/nonrenewal	Section 15	Pay outstanding amounts, de-identification, return of Confidential Information, customer lists, and telephone numbers (see also r).
j. Assignment of contract by us	Section 12A	No restriction on our right to assign.
k. "Transfer" by you – definition	Section 12B	Includes any voluntary, involuntary, direct, or indirect assignment, sale, gift, exchange, grant of a security interest, or change of ownership in the Franchise Agreement, the Franchise, or interest in the Franchise.
l. Our approval of transfer by you	Sections 12C, 12D, and 12F	We have the right to approve all transfers, our consent not to be unreasonably withheld.
m. Conditions for our approval of transfer	Section 12C	Transferee qualifies to become a franchisee, all amounts due are paid in full, transferee completes training, transfer fee paid, then-current contract signed, general release signed.
n. Our right of first refusal to acquire your business	Section 12F	We have 30 days to match any offer for your ONE Sports Nation Business.
o. Our option to purchase your business	Section 15G	We may, but are not required to, purchase your ONE Sports Nation Franchise, your inventory, or equipment at fair market value if your Franchise is terminated for any reason by giving you written notice of our intent to exercise this option within thirty (30) days after the date of termination or expiration of the Franchise Agreement.

Provision	Section in Franchise Agreement	Summary
p. Your death or disability	Section 12G	Franchise must be assigned to approved transferee within six (6) months.
q. Non-competition covenants during the franchise term	Sections 7A and 7B	Neither you, your principal owners, nor any immediate family members of you or your principal owners may participate in a diverting business, have no owning interest in, loan money to, or perform services for a competitive business anywhere. You may not interfere with our or our other franchisees' ONE Sports Nation Franchise(s).
r. Non-competition covenants after the franchise is terminated or expires	Section 15D	For a period of two (2) years from the termination or expiration, or the date on which you cease to conduct business, whichever is later, neither you, any Manager, nor your officers, directors, shareholders, managers, members, and/or partners will have any direct or indirect interest as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, own, manage, operate, finance, control, or participate in any Competitive Business located or operating within a 25-mile radius of your Protected Territory or within a 25-mile radius of the protected territory of any other franchised or company-owned ONE Sports Nation Business, either opened or under development. Owners may not solicit any customer, employee, or independent contractor of the Franchise or any ONE Sports Nation Franchise for two (2) years.
s. Modification of the agreement	Sections 1G and 8I	No modifications of the Franchise Agreement generally during the term, but the Brand Standards Manual is subject to change at any time in our discretion.
t. Integration/merger clause	Section 17K	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 17	Except for certain claims, all disputes must be mediated and arbitrated in Phoenix, Arizona.
v. Choice of forum	Section 17	All disputes must be mediated, arbitrated, and if applicable, litigated in Phoenix, Arizona, except as provided in the State-Specific Addendum to this Franchise Disclosure Document, subject to applicable state law.
w. Choice of law	Section 17F	Arizona law applies, subject to any contrary provision contained in the State-Specific Addendum (See Exhibit G), subject to applicable state law.

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Franchise Administration Department at 26716 N. 10th Lane, Phoenix, AZ 85085, via telephone at (480) 359-4859, or bonnie@onesportsnation.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2014 - 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	2	4	+2
	2015	4	13	+9
	2016	13	15	+2
Company-Owned	2014	1	1	0
	2015	1	1	0
	2016	1	1	0
Total Outlets	2014	3	5	+2
	2015	5	14	+9
	2016	14	16	+2

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2014 - 2016

State	Year	Number of Transfers
Arizona	2014	0
	2015	0
	2016	0
Totals	2014	0
	2015	0
	2016	0

Table No. 3
Status of Franchised Outlets
For Years 2014 - 2016

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
Arizona	2014	3	1	0	0	0	0	4
	2015	4	4	0	0	0	0	8

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
	2016	8	0	0	0	0	0	8
California	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	2	0	0	0	0	2
Colorado	2014	0	1	0	0	0	0	1
	2015	1	3	0	0	0	0	4
	2016	4	0	0	0	0	0	4
Florida	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Totals	2014	3	2	0	0	0	0	5
	2015	5	8	0	0	0	0	13
	2016	13	2	0	0	0	0	15

Table No. 4
Status of Company-Owned Outlets
For Years 2014 - 2016

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Arizona	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Total Outlets	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1

Table No. 5
Projected Openings as of
December 31, 2016

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	2	2	0
Texas	1	1	0
Total	3	3	0

The names, addresses, and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as Exhibit D. The name and last known address and telephone number of every current franchisee and every franchisee who has had a ONE Sports Nation Franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during the one (1)-year period ending December 31, 2016, or who has not communicated with us within ten (10) weeks of the Issuance Date of this Franchise Disclosure Document, is listed in Exhibit D. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experiences with the ONE Sports Nation Franchise System. You may wish to speak with current and former franchisees, but know that not all such franchisees can communicate with you. During the last three (3) fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the ONE Sports Nation Franchise System. If you buy a ONE Sports Nation Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by us, and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document. We do not have any trademark specific Franchise organizations.

ITEM 21
FINANCIAL STATEMENTS

Exhibit E contains the financial statements required to be included with this Franchise Disclosure Document: audited financial statements as of December 31, 2016, December 31, 2015 and December 31, 2014. Our fiscal year end is December 31st.

ITEM 22
CONTRACTS

Exhibit B	Franchise Agreement
Exhibit G	State Addenda and Agreement Riders
Exhibit H	Contracts for use with the ONE Sports Nation Franchise

ITEM 23
RECEIPTS

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

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

State Administrator and Agents for Service of Process:

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

HAWAII

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

Agents for Service of Process:

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

ILLINOIS

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

INDIANA

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

MARYLAND

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

Agents for Service of Process:

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

MICHIGAN

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

MINNESOTA

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

NEW YORK

Administrator:

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

Agents for Service of Process:

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

NORTH DAKOTA

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

RHODE ISLAND

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

SOUTH DAKOTA

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

VIRGINIA

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

Agent for Service of Process:

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

WASHINGTON

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

WISCONSIN

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

Rev. 021517

EXHIBIT B

FRANCHISE AGREEMENT

EXHIBIT B

ONE SPORTS NATION, LLC

FRANCHISE AGREEMENT

____

FRANCHISE OWNER

____

ONE SPORTS NATION BUSINESS ADDRESS

____

____

TABLE OF CONTENTS

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into by and between **ONE SPORTS NATION, LLC,** a limited liability company formed under the laws of the State of Arizona, with its principal business address at 26716 N. 10th Lane, Phoenix, Arizona 85085 ("**we**," "**us**," or "**our**"), and the Franchise Owner identified on the signature block of this Franchise Agreement ("**Franchisee**," "**you**" or "**your**"), made effective as of the date listed in **Exhibit A** (the "**Effective Date**").

1. PREAMBLES, ACKNOWLEDGMENTS, AND GRANT OF FRANCHISE.

1A. PREAMBLES.

(1) We and our affiliates have, with considerable effort, developed (and continue to develop and modify) a system and franchise opportunity for the establishment, operation and promotion of adult and youth sports leagues, associated merchandise and equipment, skills camps, clinics, tournaments, and related services under our sports brands (a "**ONE Sports Nation Business**") by offering services and products we authorize. ONE Sports Nation Businesses have a distinctive business format, methods, procedures, designs, standards, and specifications, all of which we may further develop or otherwise modify from time to time.

(2) We and our affiliates use, promote, and license others to use and promote certain trademarks, service marks, and other commercial symbols in operating a ONE Sports Nation Business, which have gained and may continue to gain public acceptance and goodwill, and we may create, use, and license other trademarks, service marks, and commercial symbols to identify ONE Sports Nation Businesses (collectively, the "**Marks**").

(3) We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate a ONE Sports Nation Business offering the goods and services we authorize using our business formats, business system, methods, procedures, signs, designs, layouts, standards, specifications, and the Marks we authorize (the "**Franchise System**").

(4) As a franchise owner of a ONE Sports Nation Business, you will comply with this Agreement and all System Standards (as defined in Section 4C) in order to maintain the high and consistent quality that is critical to attracting and keeping customers for ONE Sports Nation Businesses and preserving the goodwill of the Marks.

(5) You have applied for a franchise to own and operate a ONE Sports Nation Business and have provided us with certain information in support of your application.

1B. ACKNOWLEDGMENTS.

You acknowledge that:

(1) you have independently investigated this franchise opportunity and recognize that, like any other business, the nature of the business that a ONE Sports Nation Business conducts may, and probably will, evolve and change over time;

(2) we do not guarantee the success of a ONE Sports Nation Business, and being part of the Franchise System does not alter the fact that an investment in a ONE Sports Nation

Business involves business risks that could result in the loss of a significant portion or all of your investment;

(3) among other things, your business abilities and efforts are vital to the Franchised Business (as defined in Section 1D);

(4) attracting customers for the Franchised Business will require you to make consistent marketing efforts in your community through various methods, including media advertising, direct mail advertising, networking, and display and use of promotional materials;

(5) retaining customers for the Franchised Business will require you to have a high level of customer service and adhere strictly to the Franchise System and our System Standards and that you are committed to maintaining System Standards;

(6) you have not received from us, and are not relying upon, any representations or guaranties, express or implied, as to the potential volume, sales, income, or profits of a ONE Sports Nation Business;

(7) in all of their dealings with you, our officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are deemed to be only between you and us;

(8) you have represented to us, to induce our entry into this Agreement, that all statements you have made and all materials you have given us are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise;

(9) you have read this Agreement and our franchise disclosure document and understand and accept that this Agreement's terms and covenants are reasonably necessary for us to maintain our high standards of quality and service and to protect and preserve the goodwill of the Marks;

(10) we have the right to restrict your sources of goods and services and require you to sell certain products, as provided in various sections of this Agreement, including Section 8C below;

(11) we have not made any representation, warranty, or other claim regarding this franchise opportunity, other than those made in this Agreement and our franchise disclosure document, and that you have independently evaluated this opportunity, including by using your business professionals and advisors, and have relied solely upon those evaluations in deciding to enter into this Agreement;

(12) you have been afforded an opportunity, and have been encouraged by us, to ask any questions you have and to review any materials of interest to you concerning this franchise opportunity;

(13) you have been afforded an opportunity, and have been encouraged by us, to have this Agreement and all other agreements and materials we have given or made available to you reviewed by an attorney and have either done so or elected not to do so;

(14) you have a net worth which is sufficient to make the investment in the franchise opportunity represented by this Agreement, and you will have sufficient funds to meet all of your obligations under this Agreement; and

(15) you alone will exercise day-to-day control over all operations, activities and elements of the ONE Sports Nation Business and that under no circumstance shall we do so or be deemed to do so unless specifically described in this Agreement.

1C. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP.

If you are a corporation, limited liability company, or general or limited partnership (collectively, an "**Entity**"), you agree and represent that:

(1) You have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

(2) Your organizational documents, operating agreement, or partnership agreement, as applicable, recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement's restrictions;

(3) **Exhibit C** to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date;

(4) Each of your owners, and the spouse of each owner, during this Agreement's term will execute an Owners Agreement in the form attached hereto as **Exhibit D** undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Subject to our rights and your obligations under Section 12, you and your owners agree to sign and deliver to us revised **Exhibits C** to reflect any permitted changes in the information that **Exhibit C** now contains;

(5) You must identify on **Exhibit C** one of your owners who is a natural person with at least 51% ownership interest and voting power in you and who will have the authority of a chief executive officer (the "**Operating Principal**"). In the event that your Operating Principal ceases to own at least a 51% ownership interest in you, you must recruit a new Operating Principal within 30 days of the change in ownership and deliver to us a revised **Exhibit C** to accurately identify the Operating Principal for our review and approval; and

(6) The Operating Principal is authorized to deal with us on your behalf in respect of all matters whatsoever which may arise in respect of this Agreement, and any decision made by the Operating Principal will be final and binding upon you. We will be entitled to rely solely upon the decision of the Operating Principal in any such dealings without the necessity of any discussions with any other party named in this Agreement, and we will not be held liable for any actions taken by you or otherwise, based upon any decision or actions of the Operating Principal.

1D. GRANT AND TERM OF FRANCHISE.

Subject to this Agreement's terms, we grant you a franchise to operate a ONE Sports Nation Business ("the **Franchised Business**") located within your Protected Territory (defined below) and to use the Franchise System in its operation. The term of this Agreement begins on the Effective Date and expires seven years from that date, unless sooner terminated as provided herein.

You shall at all times faithfully, honestly, and diligently perform your obligations under this Agreement and to use your best efforts to promote the Franchised Business. You agree that you will offer a minimum one of our sports brands during the first year of operations and two per year thereafter and meet the minimum offerings for those sports as set forth in the Brand Standards Manual (the "**Minimum Offerings**"). You must offer football at all times. We may add, subtract, or alter the sports brands upon notice to you. In addition, you may not engage in any promotional or similar activities, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system except as provided in Section 9C.

1E. **PROTECTED TERRITORY.**

Provided that you are in full compliance with the terms and conditions of this Agreement, including the Minimum Offerings, and all other agreements with us and our affiliates, we and our affiliates will not operate or grant a franchise for the operation of another ONE Sports Nation Business within the Protected Territory (as defined below), once such Protected Territory has been determined. The "**Protected Territory**" shall be the specific geographical area you and we agree upon, which area will be identified on **Exhibit B**. You acknowledge and agree that nothing contained herein restricts us, our affiliates or our franchise owners from advertising or soliciting customers within the Protected Territory.

1F. **TERRITORIAL RIGHTS WE RESERVE.**

Except as expressly limited by Section 1E above, you acknowledge and agree that we (and our affiliates) retain all rights with respect to the placement of ONE Sports Nation Businesses and other businesses using the Marks, the sale of similar or dissimilar products and services, and any other activities. These rights include, without limitation:

(1) the right to establish and operate, and allow others to establish and operate, other ONE Sports Nation Businesses and other sports-related businesses using the Marks and the Franchise System at any location outside the Protected Territory and regardless of the proximity the Protected Territory, and on such terms and conditions we deem appropriate;

(2) the exclusive right to use the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce without our prior written approval and subject to the policies and procedures in our confidential Brand Standards Manual;

(3) the right to use and license the use of other proprietary and non-proprietary marks or methods, which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business offering various programs in adult and/or youth sports leagues, associated merchandise (branded and non-branded) and equipment, skills camps, clinics, tournaments, and related services, and related products and services, at any location, including wholesale or retail, including catalogue sales, including within the Protected Territory, which may be similar to or different from the Franchised Business operated by you;

(4) the right to develop or acquire or be acquired by (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction) one or more additional concepts or businesses (i) providing products and services similar to those provided at ONE Sports Nation Businesses, and/or (ii) creating or maintaining franchises, licenses or similar

arrangements with respect to these businesses, wherever these businesses (or the franchise owners or licensees of these businesses) are located or operating (including in the Protected Territory);

(5) the right to offer products and services offered by ONE Sports Nation Businesses under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from ONE Sports Nation Businesses, at any special event, conference, exhibition or temporary venue (including in the Protected Territory);

(6) the right to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere, and the right to issue mandatory policies to coordinate such multi-area marketing programs; and

(7) the right to engage in all other activities not expressly prohibited by this Agreement.

1G. MODIFICATION OF FRANCHISE SYSTEM.

Because complete and detailed uniformity under many varying conditions might not be possible or practical, you acknowledge that we specifically reserve the right and privilege, as we consider to be best, in our sole opinion, to vary System Standards for any franchise owner based upon the peculiarities of any condition that we consider important to that franchise owner's successful operation. We may choose not to authorize similar variations or accommodations to you or other franchise owners.

2. DEVELOPMENT AND OPENING OF THE FRANCHISED BUSINESS.

2A. ONE SPORTS NATION BUSINESS VENUE.

You agree not to conduct the business of the Franchised Business at any location other than venues approved by us (a "**Venue**"). You are responsible for selecting each Venue for the Franchised Business. While we may provide certain assistance, guidance and advice regarding potential Venues, we are not obligated to do so. You must propose a Venue to us and obtain our approval in writing before you enter into any agreements to use a particular Venue. We will provide you mandatory and suggested criteria for Venues for the Franchised Business. We may inspect a Venue that you propose before we grant our approval. You acknowledge and agree that our approval of any Venue is merely our determination, entirely for our own purposes, that the Venue meets our current criteria. Our consent does not constitute a representation or warranty of any kind, express or implied, of the Venue's suitability, and you confirm that you have not relied and will not rely on our approval for that purpose. You recognize that demographic and/or other factors could change at any time before or during the term of this Agreement, altering the Venue's potential and suitability. Your selection of the Venue is based on your own independent investigation of, or agreement in the future to investigate, the Venue's suitability. With respect to each Venue, we will not assess compliance with federal, state, or local laws and regulations, including the ADA and safety requirements, as compliance with these laws is your responsibility. We will approve additional Venues that you propose for the Franchised Business if the proposed Venues meet our then-current criteria; provided that we reserve the right to deny approval of an additional if we determine that you are not maximizing the use of your existing Venues. We will provide field layout drawings for your venue.

You must not enter into an agreement with a Venue owner or operator to use a Venue for purposes of the Franchised Business (a "**Venue Agreement**") until we approve such Venue. The Venue Agreement must include the terms and conditions that we require from time to time. Neither our approval nor any guidance and assistance that we provide or have provided in connection with your negotiation of the Venue Agreement constitute a guaranty or warranty, express or implied, that the terms of the Venue Agreement represent the most favorable terms available in your Protected Territory.

2B. **OPERATING ASSETS.**

You agree to use in operating the Franchised Business only those products, signs, inventory, supplies and equipment ("**Operating Assets**") that we approve for ONE Sports Nation Businesses as meeting our specifications and standards for customer service, quality, design, appearance, function, and performance. You agree to place or display at the Venue of the Franchised Business the Operating Assets as required by us from time to time. You agree to purchase or lease approved brands, types, or models of Operating Assets in accordance with Section 8D of this Agreement.

2C. **COMPUTER SYSTEM.**

Within 15 days after the Effective Date, you agree to obtain and use the computer hardware and software, including, but not limited to, any proprietary scheduling, booking and payment processing software that we specify from time to time (the "**Computer System**"). Without limiting the foregoing, you must use the computer software, merchant account services provider, and gateway provider we designate for all scheduling and registrations for the Franchised Business and to process all customer payments. We may modify specifications for and components of the Computer System from time to time, and you agree to implement our modifications within 30 days after you receive notice from us, which may include purchasing, leasing and/or licensing new or modified computer hardware and/or software and obtaining service and support for the Computer System. You acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable by unpredictable changes to technological needs and opportunities, you agree that we will have the right to establish, in writing, reasonable new standards for the implementation of technology.

You must pay for any additional or replacement proprietary software or technology that we, our affiliates or a third-party designee licenses to you and for other maintenance and support services that we, our affiliates or a third-party designee provides during this Agreement's term. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support.

You will have sole responsibility for: (1) the operation, maintenance, and upgrading of your Computer System; (2) the manner in which your Computer System interfaces with our computer system and those of other third parties; and (3) any and all consequences that may arise if your Computer System is not properly operated, maintained, and upgraded. You agree to obtain the Computer System components that we designate and to ensure that your Computer System, as modified, is functioning properly. You agree that we or our affiliates may condition the license of any additional or replacement proprietary software to you, or your use of additional technology that we or our affiliates develop or maintain, on your signing the form of license agreement or similar document that we or our affiliates prescribe at such time to regulate your use of, and our and your respective rights and responsibilities with respect to, such additional or replacement software or technology. You acknowledge and agree that we have the unlimited right to independently access your electronic information and data through the Computer System and intranet system and the right to collect and use your electronic information and data (including but not limited to, customer, price maintenance and payroll information) in any manner we deem necessary including the promotion of the Franchise System and the sale of other franchises. At our request, you agree to sign a release with any vendor of your Computer System providing us with unlimited access to your data.

You will pay us or our affiliate a technology fee (as set forth in Section 3D) for use of any software or other technology that we (or our affiliates) license or provide to you, and includes e-mail hosting, web hosting, website backup and SSL certificates. Despite the fact that you agree to buy, license, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) your connectivity to the Computer System at all times; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded.

2D. **COACHES AND INSTRUCTORS.**

Only personnel who have satisfied the training requirements we specify from time to time, which may include, without limitation, training in our proprietary teaching methods, may serve as coaches and instructors at the Franchised Business. We may modify the required training and teaching techniques to be used by coaches and instructors from time to time, and you agree to implement such modifications within the time period we specify. Our modification of training and techniques for the coaches, and/or other personnel might require you to incur additional training and labor expenses. You must pay for any additional training provided by us or any third party designated by us. Although we cannot estimate the future costs of training or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining term, you agree to incur the costs of keeping all of your coaches, instructors, and other personnel trained to satisfy any additions or modifications in our training requirements.

2E. **TRAILER.**

You must purchase a trailer (the "**Trailer**") to use in the operation of your ONE Sports Nation Business to transport equipment at our then-current rate. You must also pay for us or our vendor to ship the Trailer to you. The fee for the Trailer is payable to us and is due when you sign the Franchise Agreement. You must purchase a 6' x 12' x 8' enclosed, wrapped trailer. We may change the specifications and requirements for the Trailers.

2F. **OPENING REQUIREMENTS.**

Subject to your compliance with the following conditions, you agree to begin operating the Franchised Business by no later than nine months after signing this Agreement. The date that the Franchised Business first begins operating its first sports program shall be referred to herein as the "**Opening Date**."

You agree not to begin operations until you have satisfied the following conditions, at your own expense:

(1) You have obtained all required health, safety, business, and other permits and licenses necessary to operate the Franchised Business at the Venue;

(2) You give us certificates for all required insurance policies (as described in Section 8F);

(3) We notify you in writing that the Venue meets our standards and specifications (although our acceptance is not a representation or warranty, express or implied, that the

Franchised Business complies with any licensing, environmental, labor, health, fire, sanitation, occupational, fitness facility, insurance, safety, tax, governmental, or other statutes, laws, ordinances, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies) and

(4) You (or your Operating Principal, if you are an Entity) and any manager or representative that we require must complete the initial training provided by ONE Sports Nation for new franchisees, to our satisfaction.

3. **FEES.**

3A. **INITIAL FRANCHISE FEE AND TERRITORY FEE.**

When you sign this Agreement, you will pay us a nonrecurring, nonrefundable initial franchise fee (the "**Initial Franchise Fee**") in the amount set forth in **Exhibit A**. If you are a Veteran of the US Armed Forces we will discount the Initial Franchise Fee set forth in **Exhibit A** by 20%. Your Initial Franchise Fee is for a Protected Territory with a population ranging from approximately 12,000 to 30,000 children enrolled in public elementary school for each Franchised Business territory. The Initial Franchise Fee is due, and fully earned by us, when you sign this Agreement. The Initial Franchise Fee is payment for all of our pre-opening assistance that we provide to allow you to open your ONE Sports Nation Business and also offsets some of our franchise recruitment expenses. You are also required to pay us a territory fee ("**Territory Fee**") in the amount set forth in **Exhibit B**, which is due, and fully earned by us, when you sign this Agreement.

3B. **ROYALTY FEES & MINIMUM ROYALTY.**

You must pay us a recurring royalty fee (the "**Player Royalty**") equal to the greater of: (a) the Minimum Monthly Payment (defined below), (b) eight dollars for each registered participant for each season of play or (c) 8% of Gross Sales (together (b) and (c) will be considered the "**Variable Payment**"). In no event will the Player Royalty be less than $300.00 per month ("**Minimum Monthly Payment**"). The Minimum Monthly Payment will be deducted monthly using EFT or such other payment system we designate.

Each "season" falls within one Calendar Quarter (as described below). Within 14 days after the commencement of each season, we will reconcile the Minimum Monthly Payment payable for that Calendar Quarter against the Variable Payment and we will send you a bill showing what your Player Royalty amount will be per month for the remainder of the Calendar Quarter. For purposes of the Franchise Agreement, a "Calendar Quarter" is a period of three (3) consecutive months with the first quarter being January 1st through March 31st, the second quarter being April 1st through June 30th, the third quarter being July 1st through September 30th, and the fourth quarter being October 1st through December 31st. For example, if winter is your basketball season, and the first date of the season is January 15, you will start out paying your Minimum Monthly Payment on January 1. You will be responsible for submitting all financial reports in a timely manner, including your gross sales and player numbers. So long as we have received this information, on or before January 29, we will determine what the Player Royalty will be for you for the Calendar Quarter beginning on January 1. If your Variable Payment for the season is greater than the Minimum Monthly Amount for the Calendar Quarter, you will be billed for the remaining months of the Calendar Quarter so that you pay the full Royalty Payment over the Calendar Quarter.

For each non-seasonal event (including camps, clinics or similar events), you agree to pay us a recurring royalty fee (the "**Participant Royalty**") equal to eight percent of event registration fees collected or $3.50 per participant per non-seasonal event, whichever is greater, due no later than 14 days after the commencement of the event.

If registrations and payments for a sports program or non-seasonal event for your Franchised Business are received through us or our website, we will withhold the Player Royalty or Participant Royalty from payments received and remit to you the balance of payments received. If we are required to refund a customer of your ONE Sports Nation Business, we will either deduct the refund paid from the next registration booked with us or bill you at the end of the corresponding month and EFT debit the amount. Together, the Minimum Monthly Payment, Player Royalty and Participant Royalty payments may collectively be referred to as the "**Royalty**." The Royalty is an ongoing payment for the right to use the Marks and the intellectual property of the System and for our ongoing support and assistance.

You must submit Gross Sales reports periodically as we request, signed by you and in the form and manner we specify. For purposes of this Agreement, "**Gross Sales**" means all revenue and income from operating the Franchised Business, including, but not limited to, all amounts or other consideration that you receive, directly or indirectly, at or from the Franchised Business, and in the form of cash, check, credit and debit card, barter exchange, trade credit or other credit transactions (whether or not payment is received). For example, Gross Sales includes, without limitation, the following:

(1) all monies you receive from customers, including, but not limited to, monies received from registrations or the sale of products and services;

(2) the amount of gift card redemptions;

(3) the proceeds of any business loss or interruption insurance or similar insurance; and

(4) any other revenue you derive.

Gross Sales does not include any federal, state, or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority or any customer refunds.

We reserve the right to receive payment for the Minimum Monthly Payment, Player Royalty, and Participant Royalty payments in any method we designate, including EFT. All Royalty payments to us are fully earned when paid and are nonrefundable under any circumstances.

3C. **MARKETING FEES.**

You agree to pay us a National Advertising Fund Contribution (as defined in Section 9B). The National Advertising Fund Contribution is due and payable monthly, at the same time as the Player Royalty payment.

3D. **TECHNOLOGY FEE.**

You agree to pay us or our affiliate our then-current monthly technology fee ("**Technology Fee**"), (currently $79.00 per month). We reserve the right to increase the Technology Fee up to $200.00 per month. The technology fee is due and payable on the first day of each quarter of each year.

3E. **FRANCHISE EQUIPMENT PACKAGE/INVENTORY**

You must purchase a package of start-up equipment ("**Franchise Equipment Package**") from us, at our then current price, for each sports program you offer. The Franchise Equipment Package includes equipment necessary to operate your Franchised Business within the requirements established in the Brand Standards Manual. Franchise Equipment Package payments are non-refundable.

3F. **INVENTORY**

You must purchase branded merchandise and other inventory through us. You will be responsible for all shipping costs.

3G. **TRAVEL REIMBURSEMENT – INITIAL AND ADDITIONAL TRAINING**

We (or our designee) will provide a portion of your initial training (and may provide additional training) at your ONE Sports Nation Business location on or around three weeks prior to your opening date and another portion on or around your opening date. You are responsible for reimbursing us for all travel and living expenses that we (or our designee) incur for providing initial (and additional) training at your ONE Sports Nation Business location.

3H. **APPLICATION OF PAYMENTS.**

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

3I. **METHOD OF PAYMENT.**

You hereby authorize us to debit your business checking account you designate automatically for the Royalties, Technology Fee, Minimum Monthly Payment, National Advertising Fund Contribution and other amounts due under this Agreement (the "**EFT Authorization**"). Such EFT Authorization will remain in full force and effect during the term of this Agreement. You agree to execute any documents we require for the EFT Authorization. We have the right to periodically specify (in the Brand Standards Manual or otherwise in writing) different payees and/or payment methods, such as, but not limited to, weekly or monthly payment, payment by auto-draft, credit card and payment by check. If you make any payment to us by credit card for any fee or required payment, we may charge a service charge of up to four percent of the total charge. You shall not subordinate to any other obligation its obligation to pay the Royalties or any other fee or charge due to us or our affiliate under this Franchise Agreement.

We may require you to remit fees and other amounts due to us under this Franchise Agreement via EFT or other similar means utilizing an approved computer system or otherwise. You agree to comply with our procedures and/or perform such acts and deliver and execute such documents as may be necessary to assist in or accomplish payment by such method.

We may receive information regarding your Gross Sales through the Computer System. If we ever cease to have access to this information, and you fail to report your Gross Sales when due, we may debit your designated account for estimated Royalties and National Advertising Fund Contribution on the date they are due. We will debit your designated account 110% of the previous quarter's Royalty payments and National Advertising Fund Contribution that we debited. If the amounts that we debit from your designated account are less than the amounts you actually owe us (once we have determined your true and correct Gross Sales), we will debit your designated account for the balance on the day we specify. If the amounts that we debit from your designated account are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your designated account on the next payment due date.

3J. **LATE PAYMENTS/INSUFFICIENT FUNDS**.

Any payment not made by the due date will be deemed overdue. In the event of any overdue amounts, you will pay us, besides the overdue amounts, a late fee of $100.00 per occurrence plus interest on such amounts from the date such amounts were due until paid at the lesser of the daily equivalent of 12% per year simple interest or the highest amount allowed under law. Such interest will be in addition to any other remedies we may have under law or equity. We may debit your bank account automatically or deduct from amounts we owe you for service charges and interest. You acknowledge this Section is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Franchised Business.

If any check or electronic fund transfer payment from you to us does not successfully convey funds due to insufficient funds, stop payment instructions, or any similar event, you shall pay, upon demand, a non-sufficient funds fee of $100.00 per occurrence.

4. **TRAINING AND ASSISTANCE.**

4A. **INITIAL AND ONGOING TRAINING.**

We will train you (or your Operating Principal) in the material aspects of operating a ONE Sports Nation Business and provide one of your coaches or instructors the training described in Section 2D hereof, both at our expense (the "**Initial Training Program**"). You may not begin offering sports programs until you (or your Operating Principal, if you are an Entity) and your coach or instructor complete our Initial Training Program to our satisfaction. If we determine that you (or your Operating Principal) cannot complete the Initial Training Program to our satisfaction, we may terminate this Agreement. We provide the Initial Training Program for you (or the Operating Principal) and one coach or instructor without an additional fee. You may invite additional employees to attend the Initial Training Program if space allows, though we reserve the right to charge you our then-current training fee for each additional individual attending the Initial Training Program. We reserve the right to limit the number of attendees for the Initial Training Program.

In the event that you (or your Operating Principal) fail to complete the Initial Training Program to our satisfaction, we reserve the right to require such individual to attend additional training and we will charge you our then-current training fee for such additional training. Such additional training may be provided at our offices in Phoenix, Arizona (or another designated training facility of our choice). We may, but are not obligated to, provide you additional training at your Venue and charge you our then-current off-site training fee. If you (or your Operating Principal) are unable to complete the additional training to our satisfaction, we reserve the right, in our sole discretion, to terminate this Agreement.

Except as described below, you or your Operating Principal (as may be required, pursuant to Section 8F) are responsible for providing the training described in Section 2D to all of your event coordinators, coaches, volunteers, officials, instructors, operations staff and other personnel and for training all of your employees other than the attendees of the Initial Training Program that we provide. At your request, we may, from time to time in our discretion, train your coaches or instructors for an additional fee. We may, but are not obligated to, provide you or your coaches or instructors training at your Venue. If the additional training is conducted at your Venue, you will also be required to pay our representative's travel and living expenses. All employees must satisfactorily pass a training program prior to providing services at the Franchised Business. If we determine, in our sole discretion, that you (or your Operating Principal), or any of your employees, including your coaches or instructors, are not properly trained to provide the services offered by the Franchised Business, we may require such person to cease providing services at the Franchised Business and/or to be trained by one of our trainers at our then-current training fee. If you appoint a new Operating Principal (subject to Sections 1C and 12), he or she must attend the then-current Initial Training Program within 30 days of the appointment date and you shall pay our then-current training fee.

You (or your Operating Principal) may request additional training in the operation of a ONE Sports Nation Business. We and you will jointly determine the duration of this additional training, and we reserve the right to charge you our then-current training fee for such additional training. However, if your attendees satisfactorily complete our Initial Training Program and have not expressly informed us at the end of the program that they do not feel sufficiently trained in the operation of a ONE Sports Nation Business, then you and they will be deemed to have been trained sufficiently to operate a ONE Sports Nation Business.

We may require you (or your Operating Principal), and/or certain other employees, including coaches and instructors, of the Franchised Business to attend various training courses, meetings, conferences and seminars, which may include an annual meeting of franchise owners, at the times and locations that we designate. It is recommended that you attend every conference that we hold; however, it is mandatory that you attend a conference every two (2) years that it is offered. You must pay our then-current convention fee for the annual meeting, whether or not you actually attend. You agree to pay our then-current conference fee, seminar fee, or training fees and all travel and living expenses (including, without limitation, wages, transportation, food, lodging, and workers' compensation insurance) that you (or your Operating Principal), or any employees incur during their attendance at any conferences, seminars, annual meetings and/or training courses and programs. We may preclude you from attending any course or conference if you are in default of this Agreement at the time of the course or conference, or if you have had two notices of default within 12 months prior to the course or conference. Notwithstanding the foregoing, you acknowledge and agree that we may require the individuals described above to participate in additional meetings or training through the Internet or other electronic means. You understand and agree that any specific ongoing training or guidance we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or guidance, all of which we may discontinue and modify from time to time. We will not provide general business or operations training to your employees or independent contractors. We will provide limited training on the ONE Sports Nation Franchise System and brand standards to your employees. You will be responsible for training your employees and independent contractors, including any training on the day-to-day operations of the ONE Sports Nation Business. You will be responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of the ONE Sports Nation Business.

4B. **GUIDANCE AND SYSTEM STANDARDS.**

We may advise you from time to time regarding the Franchised Business's operation based on your reports or our inspections. We will provide mandatory and suggested specifications, standards, operating procedures, and rules ("**System Standards**") that we periodically prescribe for operating a ONE Sports Nation Business and information on your other obligations under this Agreement, which may include, but are not limited to: (1) standards, specifications, and operating procedures and methods that franchisees use, including, but not limited to, scheduling and managing leagues, programs and events; (2) customer service standards and policies; (3) qualifications and tests for coaches, instructors and other employees, including criminal background checks (although you will have sole responsibility and authority concerning employee selection and promotion); (4) staffing levels, training, dress, and appearance of your employees; (5) amounts and types of leagues, programs, and events to be offered, including class sizes; (6) days and hours of operation; (7) supplies, equipment and inventory management; (8) use and display of the Marks at the Franchised Business and on Operating Assets and other materials; (9) sales, marketing, advertising, and promotional strategies and programs and materials/media used in these leagues, programs, and events; (10) recommended liability waiver forms for customers; (11) use and acceptance of gift cards, loyalty programs, coupons, passes, certificates and discounts; (12) policies regarding credit and debit cards, electronic payment, other payment systems, credit card vendors (including companies that provide services for electronic payment such as near filed communication vendors such as "Apple Pay" and "Google Wallet," and check verification services, including compliance with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC or any successor organization or standards that we may reasonably specify ; (13) required and recommended associations and memberships; (14) participation in market research and testing and product and service development programs as well as participation in, and dues assessed for, advisory councils; and (15) administrative, accounting, reporting and record retention. Such guidance and System Standards will be furnished in the form of our brand standards manual for the operation of ONE Sports Nation Businesses (collectively, the "**Brand Standards Manual**"), which may include access to an Internet site containing information, as well as audiotapes, videotapes, compact discs, computer software, newsletters, bulletins and other written or electronic materials. We may also provide guidance via telephonic conversations and/or consultation at our offices. If you request, and we agree to provide, additional or special guidance, assistance, or training, we may charge you our then-current fee, including our personnel's per diem charges and travel and living expenses. We reserve the right to periodically visit the Venue(s) and evaluate the Franchised Business.

4C. **BRAND STANDARDS MANUAL.**

We will provide you access to some or all of the Brand Standards Manual on a restricted Website or extranet to which you will have access. (For purposes of this Agreement, "**Website**" means an interactive electronic document contained in a network of computers linked by the Internet.) We may modify the Brand Standards Manual periodically to reflect changes in System Standards. You acknowledge that your compliance with the Brand Standards Manual is vitally important to us and other ONE Sports Nation franchisees and is necessary to protect our reputation and the goodwill of the Marks and to maintain the uniform quality of operation through the Franchise System. However, while the Brand Standards Manual is designed to protect our reputation and the goodwill of the Marks, it is not designed to control the day-to-day operation of your ONE Sports Nation Business

You agree to monitor and access the Website or extranet for any updates to the Brand Standards Manual or System Standards. If there is a dispute over its contents, our version of the Brand Standards Manual shall control. You agree that the Brand Standards Manual's contents are confidential and that you will not disclose the Brand Standards Manual to any person other than employees of the Franchised Business who need to know its contents. You may not at any time print, distribute or otherwise communicate any part of the Brand Standards Manual except as authorized by this Agreement. Any passwords or other digital identifications necessary to access the Brand Standards Manual on a Website or extranet will be deemed to be part of Confidential Information (as defined in Section 6 below).

4D. **DELEGATION OF PERFORMANCE.**

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

4E. **STAFFING**.

You must hire and supervise efficient, competent, and courteous persons as your employees or independent contractors for the operation of the Franchised Business. You alone are responsible for all employment decisions and functions of the Franchised Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether you have received advice from us on these subjects or not. We will not have the power to hire or fire your employees and/or independent contractors. All employees or independent contractors hired by or working for you will be your employees or independent contractors alone and will not, for any purpose, be deemed our employees or subject to our control, including 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. You agree to inform each of your employees that you alone are the employer, and we are not. We will have no liability for any action or settlement related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees and you agree to indemnify us for any such liabilities we incur. You expressly agree, and will never contend otherwise, that our authority under this Franchise Agreement to certify certain of your employees or independent contractors for qualification to perform certain functions for the ONE Sports Nation Business does not directly or indirectly vest in us the power to hire, fire or control any such employee or independent contractor. You agree that any direction you receive from us regarding employment policies should be considered as examples, that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel well-versed in employment law. Upon our request, you and each of your employees will sign an employment acknowledgement form within seven (7) days stating that you or your entity alone is the employer. You will use your legal name on all documents for use with your employees or contractors, including, but not limited to, employment applications, time cards, pay checks, and employment and independent contractor agreements, and you will not use the Marks on these documents.

5. **MARKS.**

5A. **OWNERSHIP AND GOODWILL OF MARKS.**

Your right to use the Marks is derived only from this Agreement and your payment of the Royalties, and is limited to your operating the Franchised Business according to this Agreement and all System Standards we prescribe during its term. Your unauthorized use of the Marks is a breach of this Agreement and infringes our rights in the Marks. You acknowledge and agree that any unauthorized use of the Marks will cause us irreparable harm for which there is no adequate remedy at law and will entitle us to injunctive relief. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Franchised Business under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after this Agreement’s term contest or assist any other person in contesting the validity, or our ownership, of the Marks.

5B. LIMITATIONS ON YOUR USE OF MARKS.

You agree to use the Marks to identify the Franchised Business and to identify yourself as the independent owner of the Franchised Business in the manner we prescribe. You have no right to sublicense or assign your right to use the Marks. You may not use any Mark (1) as part of any corporate or legal business name; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); (3) in selling any unauthorized services or products; (4) as part of any domain name, homepage, electronic address, or otherwise in connection with a Website; (5) in any user name, screen name or profile in connection with any social networking sites except in accordance with our guidelines set forth in the Brand Standards Manual or otherwise in writing from time to time; and (6) in any other manner that we have not expressly authorized in writing. Except in conjunction with the Franchise System Website (as defined in Section 9E) or with our prior written consent, you may not use any Mark as part of any domain name, homepage, electronic address, or otherwise in connection with a Website and then only on the terms we specify.

You may not use any Mark in advertising the transfer, sale, or other disposition of the Franchised Business or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the Franchised Business and on forms, advertising, supplies, employee uniforms and other materials we designate. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

5C. NOTIFICATION OF INFRINGEMENTS AND CLAIMS.

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We and/or the Trademark Owner may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office ("**USPTO**") proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain our interests in the Marks. We will reimburse you for your reasonable costs of taking any action that we have asked you to take.

5D. DISCONTINUANCE OF USE OF MARKS.

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing the Franchised Business's Operating Assets or other products, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

Our rights in this Section 5D apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason, business or otherwise, that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

5E. **INDEMNIFICATION FOR USE OF MARKS.**

We agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you are in compliance with this Agreement, have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we and/or the Trademark Owner may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

5F. **NON-DISPARAGEMENT.**

You agree not to (and to use your best efforts to cause your current and former shareholders, members, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates' directors, officers, employees, representatives or affiliates, current and former franchisees of us or our affiliates, the ONE Sports Nation brand, the Franchise System, any ONE Sports Nation Business, any business using the Marks, any other brand or service-marked or trademarked concept of us or our affiliates, or which would subject the ONE Sports Nation brand or such other brands to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of us, the ONE Sports Nation brand or such other brands.

5G. **OWNERS BOUND.**

Unless otherwise specified, each and every one of your obligations to take or refrain from taking specific actions, or to engage or refrain from engaging in specific activities, set forth in this Section 5, shall also apply to each of your owners.

6. **CONFIDENTIAL INFORMATION.**

We and our affiliates possess (and may continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the "**Confidential Information**"), relating to developing and operating ONE Sports Nation Businesses, whether or not marked confidential, including (without limitation):

(1) training and operations materials and manuals, including the Brand Standards Manual;

(2) the System Standards and other methods, formats, specifications, standards, systems, procedures, techniques, sales and marketing techniques, knowledge, and experience used in developing, promoting and operating ONE Sports Nation Businesses, including the proprietary teaching techniques used by coaches and instructors of ONE Sports Nation Businesses;

(3) market research and promotional, marketing and advertising strategies and programs for ONE Sports Nation Businesses;

(4) strategic plans, including expansion strategies and targeted demographics;

(5) knowledge of, specifications for, suppliers of, and methods of ordering Operating Assets and other products and supplies;

(6) any computer software or similar technology which is proprietary to us, our affiliates, or the Franchise System, including, without limitation, the Computer System, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;

(7) knowledge of the operating results and financial performance of ONE Sports Nation Businesses other than the Franchised Business;

(8) information generated by, or used or developed in, the Franchised Business's operation, including customer information, buying habits, preferences, demographic information and related information and any other information contained from time to time in the Computer System or otherwise in the Franchise System; and

(9) any other information designated as confidential or proprietary by us.

All Confidential Information furnished to you by us or on our behalf, whether orally or by means of written material (i) shall be deemed proprietary, (ii) shall be held by you in strict confidence, (iii) shall not be copied, disclosed or revealed to or shared with any other person except to your employees or contractors who have a need to know such Confidential Information for purposes of this Agreement and who are under a duty of confidentiality no less restrictive than your obligations hereunder, or to individuals or entities specifically authorized by us in advance, and (iv) shall not be used in connection with any other business or capacity. You will not acquire any interest in Confidential Information other than the right to use it as we specify in operating the Franchised Business during this Agreement's term. You agree to protect the Confidential Information from unauthorized use, access or disclosure in the same manner as you protect your own confidential or proprietary information of a similar nature and with no less than reasonable care. Any Operating Principal and, if you are an entity, any officer that does not own equity in the Franchisee entity, must sign the confidentiality and non-competition System Protection Agreement, the form of which is attached to the Franchise Disclosure Document in Exhibit H. All of your employees, independent contractors, agents, or representatives that may have access to our Confidential Information must sign a Confidentiality Agreement (unless they already signed a System Protection Agreement), the current form of which is attached to the Franchise Disclosure Document in Exhibit H.

You acknowledge and agree that, as between us and you, we are the sole owner of all right, title, and interest in and to the Franchise System and any Confidential Information. All improvements, developments, derivative works, enhancements, or modifications to the Franchise System and any Confidential Information (collectively, "**Innovations**") made or created by you, your employees or your contractors, whether developed separately or in conjunction with us, shall be owned solely by us. You represent, warrant, and covenant that your employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to you. To the extent that you, your employees or your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to us. To that end, you shall execute, verify, and deliver such documents (including, without limitation, assignments) and perform such other acts (including appearances as a witness) as we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Your obligation to assist us with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. In the event we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this Section 6, you hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 6 with the same legal force and effect as if executed by you. The obligations of this Section 6 shall survive any expiration or termination of the Agreement.

Confidential Information does not include information, knowledge, or know-how which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; which, at the time that we disclosed it to you, already had lawfully become generally known through publication or communication by others (without violating an obligation to us or our affiliates); or which, after we disclose it to you, lawfully becomes generally known through publication or communication by others (without violating an obligation to us or our affiliates). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

From and after the Effective Date, we own the current and future lists of the Franchised Business's customers, including all information on participants, and their parents, if youth participants, such as addresses, e-mail addresses, telephone numbers, registration records and other data. At our request from time to time, you must send us the customer information we shall request, in the manner and form we designate. You acknowledge and agree that all such customer information comprises part of the Confidential Information, and that we may use such customer information in any way we wish and irrespective of, any transfer, termination, expiration, repurchase or otherwise.

7. <u>EXCLUSIVE RELATIONSHIP DURING TERM.</u>

7A. COVENANTS AGAINST COMPETITION.

You acknowledge that we have granted you a franchise in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during this Agreement's term, neither you, any of your owners, nor any of your or your owners' immediate family members will:

(a) have any direct or indirect controlling or non-controlling interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business (as defined below), wherever located or operating (except that equity ownership of less than five percent of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph); or

(b) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating.

The term "**Competitive Business**" means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by you in and/or from the Protected Territory (including, but not limited to, the products we authorize); or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Protected Territory (including, but not limited to, the services we authorize), but excludes a ONE Sports Nation Business operating pursuant to a franchise agreement with us.

7B. NON-SOLICITATION AND NON-INTERFERENCE.

You further agree that, during the term of this Agreement, neither you, any of your owners, nor any of your or your owners' immediate family members will:

(1) recruit or hire any person who is then or was, within the immediately preceding 24 months, employed by us, by any of our affiliates, or by a ONE Sports Nation Business owner as an officer, general manager, or other senior executive, without our consent or that of the relevant employer;

(2) solicit, interfere, or attempt to interfere with our or our affiliates' relationships with any ONE Sports Nation Business customers, vendors, or consultants; or

(3) engage in any other activity that might injure the goodwill of the Marks and/or the Franchise System.

8. **OPERATION OF THE FRANCHISED BUSINESS.**

8A. **CONDITION AND APPEARANCE OF VENUES.**

You agree that:

(1) you will maintain a clean and organized appearance at each Venue from which you operate the Franchised Business, including your Operating Assets and Trailer, in accordance with System Standards and consistent with the image of a ONE Sports Nation Business as an efficiently operated business offering high quality products and services and observing the highest standards of professionalism, cleanliness, sanitation, efficient, courteous service and pleasant ambiance, and, in that connection, will repair or replace damaged, worn out or obsolete Operating Assets;

(2) you will place or display at the Venue and on your Trailer those products, signs, emblems, designs, artwork, lettering, logos, and display and advertising materials that we from time to time approve;

(3) if at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of any of your Venues or the Franchised Business's Trailer, equipment, supplies, products or signs does not meet our standards, we have the right to notify you, specifying the action you must take to correct the deficiency. If you do not cure the deficiency, or cause the owner or operator of the Venue to initiate action to correct such deficiency, within the time period we specify, we may terminate this Agreement; and

(4) at our request, you will periodically improve and modify the Franchised Business to conform to the then-current System Standards.

8B. **SPECIFICATIONS, STANDARDS AND PROCEDURES.**

You agree that: (1) the Franchised Business will provide the sports programs and offer the products and services that we specify from time to time; (2) the Franchised Business will offer and sell approved products and services only in the manner we have prescribed and, except for sales methods designated by us, will not sell any products or services wholesale or through alternative channels of distribution (including, but not limited to, the Internet or retail stores); (3) you will not offer for sale or sell at the Franchised Business any products or services we have not approved; (4) you will discontinue selling and offering for sale at the Franchised Business any products or services that we at any time decide (in our sole discretion) to disapprove in writing; and (5) you will use certain equipment, supplies and products that we designate in connection with providing services to customers at the Franchised Business.

8C. APPROVED PRODUCTS, DISTRIBUTORS, AND SUPPLIERS.

We have developed or may develop standards and specifications for types, models and brands of required Operating Assets, other products, materials, supplies and services for the Franchised Business. We reserve the right from time to time to approve specifications or manufacturers, suppliers and distributors of the above items that meet our reasonable standards and requirements. You agree to purchase only such items meeting those specifications, and if we require it, only from distributors and other suppliers we have approved, including ourselves or our affiliates.

We may concentrate purchases with one or more manufacturers, distributors or suppliers to obtain lower prices and/or the best advertising support and/or services for any group of ONE Sports Nation Businesses franchised or operated by us or our affiliates. We may also designate a single manufacturer, distributor or supplier (collectively, "**supplier**") for any product, service, Operating Asset, or other material and may approve a supplier only as to certain products. If we or any of our affiliates designate such goods and services are to be purchased through approved and/or designated third-party suppliers, then you shall purchase such goods and services from such suppliers pursuant to the terms and in the manner approved by us and or our affiliates. The designated supplier may be us or an affiliate of ours. You acknowledge and agree that we and/or our affiliates may derive revenue based on your purchases (including, without limitation, from charging you for products and services we or our affiliates provide to you and from promotional allowances, rebates, volume discounts and other payments made to us by suppliers that we designate or approve for some or all of our franchise owners). We and/or any of our affiliates may use such revenue or profit without restriction.

If you would like to purchase or use any products, services, supplies or materials that we have not approved or from any unapproved supplier, you must submit to us a written request for approval of the proposed supplier prior to purchasing any such products, services, supplies or materials. Approval of a supplier may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency and speed of delivery, past experience with our affiliates, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier from time to time. We reserve the right to charge you our then-current new product/supplier application fee and require you to reimburse us for our expenses (not to exceed the reasonable cost of the research and inspection and the actual cost of the test) to make the evaluation. We have the right to inspect the proposed supplier's facilities, and to require product samples from the proposed supplier to be delivered at our option either directly to us or to a third party we designate for testing. We shall notify you in writing of the approval or rejection of the proposed supplier within a reasonable time after completion of the investigation of the proposed supplier. If we fail to respond within ten days, your request will be deemed denied. We may, in our sole discretion, elect to withhold approval of the supplier. You acknowledge that we are likely to reject your request for a new supplier without conducting any investigation if the proposed new supplier is for items bearing our proprietary Marks or if we already have designated an exclusive supplier for the items proposed to be offered by the new supplier. We reserve the right to periodically re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier does not continue to meet any of our criteria. We also reserve the right to charge suppliers a royalty for the right to manufacture products for use in ONE Sports Nation Businesses.

8D. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and must at all times operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations. You agree to comply and assist us in our compliance efforts, as applicable, with any and all laws, regulations (including, without limitation, anti-discrimination laws), Executive Orders or otherwise relating to anti-terrorist activities (including, without limitation, the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations). In connection with such compliance efforts, you agree not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to the Franchised Business as may be required by us or by law. You confirm that you are not listed in the Annex to Executive Order 13224 and agree not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at http://www.treasury.gov). You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders and/or regulations, and specifically acknowledge and agree that your indemnification responsibilities as provided in Section 16D pertain to your obligations hereunder.

The Franchised Business must in all dealings with its customers, suppliers, us and the public adhere to the highest 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 ONE Sports Nation Businesses. We may, in our sole discretion, remedy any issues with customers of the Franchised Business, including reimbursement to the customer of any fees paid to you, and you must reimburse us for any such costs. You must notify us in writing within 5 days of the threat of or commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect your operation or financial condition or that of the Franchised Business and of any notice of violation of any law, ordinance, or regulation relating to the Franchised Business.

You agree to comply with all applicable laws pertaining to the privacy of customer, employee, and transactional information ("**Privacy Laws**"). You also agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards and policies pertaining to Privacy Laws and actual applicable law, you will: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You agree not to publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to said policy.

8E. **MANAGEMENT OF THE FRANCHISED BUSINESS.**

You (or your Operating Principal, if you are an Entity) are responsible for the day-to-day management, direction and control of the Franchised Business, subject to the terms and conditions of this Agreement. You (or your Operating Principal) must supervise the day-to-day operations of the Franchised Business and continuously exert your (or the Operating Principal's) best efforts to promote and enhance the Franchised Business. The Franchised Business must always be under the direct, full-time supervision of you (or the Operating Principal).

8F. **INSURANCE.**

During the term of this Agreement, you must maintain in force at your sole expense comprehensive public liability, general liability, personal injury liability, product liability, workmen's compensation, commercial liability umbrella and other types of insurance we require. We reserve the right to require that you obtain all or a portion of your insurance policies from a designated vendor. The liability insurance must cover claims for bodily and personal injury, death, and property damage caused by or occurring in connection with the Franchised Business's operation or activities of your personnel in the course of their employment (within and outside the Franchised Business and each Venue). All of these policies must contain the minimum coverage we prescribe from time to time, apply to each Venue where you operate the Franchised Business and must have deductibles not to exceed the amounts we specify. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must be purchased from insurers licensed and authorized to do business in the state where your ONE Sports Nation Business is located and have a rating of "A" or higher by the then-current edition of Best Insurance Reports published by A.M. Best Company (or other similar publication or criteria we designate). Each insurance policy, except for employment liability insurance policies, must name us and any affiliates we designate as additional named insureds and provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. Each insurance policy must contain a waiver of all subrogation rights against us, our affiliates and their successors and assigns. You routinely must furnish us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies including without limitation termination, we may (but need not) obtain such insurance for you and the Franchised Business on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a fee of 20% of the premium for our time incurred in obtaining such insurance.

8G. **PRICING.**

Unless prohibited by applicable law, we may periodically set a maximum or minimum price that you may charge for products and services offered by the Franchised Business. If we impose such a maximum or minimum price for any product or service, you may charge any price for the product or service up to and including the maximum price we impose or down to and including the minimum price we impose, but may not charge any price in excess of the maximum price, or below the minimum price, set by us. For any products or services for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service. You must honor the terms of any promotional or discount program that we may offer to the public.

8H. **COMPLIANCE WITH SYSTEM STANDARDS.**

You acknowledge and agree that operating and maintaining the Franchised Business according to System Standards is essential to preserve the goodwill of the Marks and all ONE Sports Nation Businesses. Therefore, you agree at all times to operate and maintain the Franchised Business according to all of our System Standards, as we periodically modify and supplement them, even if you believe that a System Standard, as originally issued or subsequently modified, is not in the Franchise System's or your best interests. Although we retain the right to establish and periodically modify System Standards that you have agreed to maintain, you (or your Operating Principal) retain the right to and responsibility for the day-to-day management and operation of the Franchised Business and implementing and maintaining System Standards at the Franchised Business.

As examples, and without limitation, System Standards may regulate any one or more of the items described in Sections 4A and 8A above, as well as any other aspects of operating and maintaining the Franchised Business that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and ONE Sports Nation Businesses. You agree that System Standards we prescribe in the Brand Standards Manual, or otherwise communicate to you in writing or another tangible form (for example, via a Franchise System extranet or Website), are part of this Agreement as if fully set forth within its text. All references to this Agreement include all System Standards as periodically modified.

8I. **VARIATION AND MODIFICATION OF SYSTEM STANDARDS.**

We may permit variations in the System Standards as we deem advisable, including without limitation, variations to accommodate local or regional differences. We periodically may modify System Standards, and these modifications may obligate you to invest additional capital in the Franchised Business and/or incur higher operating costs. You agree to implement any changes in System Standards within the time period we request, whether they involve buying new Operating Assets, adding new products and services, updating your Computer System and adding personnel or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date.

9. **<u>MARKETING.</u>**

9A. **LOCAL ADVERTISING.**

You must order all sales and marketing material from us or our designated suppliers. Any advertising and promotion conducted by you with respect to the Franchised Business must follow our guidelines. All advertising and promotional materials that you develop for the Franchised Business must contain notices of the domain of our Franchise System Website (as defined in Section 9E below) in the manner we designate. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. All advertising, promotion and marketing must conform to our System Standards. At least thirty days before you intend to use them, you agree to send us for approval samples of all advertising, promotional and marketing materials that we have previously not approved. If we do not approve of the materials in writing within thirty days of our receipt of such materials, then they shall be deemed disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved. If you use unauthorized advertising, you must pay us $500.00 per occurrence.

9B. **ADVERTISING AND MARKETING FUND.**

Recognizing the value of advertising and marketing to the goodwill and public image of ONE Sports Nation Businesses, we have established a national advertising and marketing fund (the "**National Advertising Fund**") for the advertising, marketing, and public relations programs and materials we deem appropriate that will be used nationally, regionally, or locally in our franchise owners' markets. You agree to contribute to the National Advertising Fund in the amount of $100.00 monthly, due and payable at the same time as Player Royalty payment ("**National Advertising Fund Contribution**"). ONE Sports Nation Businesses owned by us or our affiliates may, but are not required to contribute to the National Advertising Fund on the same basis as our franchise owners. We reserve the right to increase this fee up to $250.00 per month.

We will direct all programs that the National Advertising Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The National Advertising Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining our Franchise System Website or related Websites that promote ONE Sports Nation Businesses and/or related strategies; administering regional and multi-regional marketing and advertising programs, including, without limitation, purchasing trade journal, direct mail, and other media advertising; using advertising, promotion, and marketing agencies and other advisors to provide assistance; administering online advertising and marketing campaigns (including search engine, social media, email, and display ad campaigns); developing and maintaining application software designed to run on computers and similar devices, including tablets, smartphones and other mobile devices, as well as any evolutions or "next generations" of any such devices; to implement a loyalty program or other marketing programs designed to encourage the use of ONE Sports Nation Businesses; and supporting public relations, market research, and other advertising, promotion, and marketing activities.

The National Advertising Fund periodically will give you samples of National Advertising, marketing, and promotional formats and materials that we may develop at no cost. The National Advertising Fund will sell you multiple copies of these materials at its direct cost of producing them, plus any related shipping, handling and storage charges.

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

The National Advertising Fund is not our asset. Although the National Advertising Fund is not a trust, we will hold all National Advertising Fund Contributions for the benefit of the contributors and use contributions only for the purposes described in this Section. We do not have any fiduciary obligation for administering the National Advertising Fund or for any other reason. The National Advertising Fund may spend in any fiscal year more or less than the total National Advertising Fund Contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on National Advertising Fund Contributions to pay costs before using the National Advertising Fund's other assets.

We will prepare an annual, unaudited statement of National Advertising Fund collections and expenses and give you the statement upon written request. We may have the National Advertising Fund audited annually, at the National Advertising Fund's expense, by an independent certified public accountant. We may incorporate the National Advertising Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section 9B.

The purpose of the National Advertising Fund is to maximize recognition of the Marks, patronage of ONE Sports Nation Businesses and the ONE Sports Nation brand generally. Although we will try to use the National Advertising Fund to develop advertising and marketing materials and programs, and to place such materials, that will benefit all ONE Sports Nation Businesses, we cannot ensure that National Advertising Fund expenditures in or affecting any geographic area are proportionate or equivalent to National Advertising Fund Contributions by contributors operating in that geographic area or that any contributor benefits directly or in proportion to its National Advertising Fund Contribution from the development of advertising and marketing materials or the placement of advertising and marketing. We will not use the National Advertising Fund contributions for advertising that is principally a solicitation for the sale of franchises, but we reserve the right to include a notation in any advertisement or website indicating "Franchises Available" or similar phrasing.

We have the right, but no obligation, to use collection agents and institute legal proceedings to collect National Advertising Fund Contributions at the National Advertising Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the National Advertising Fund. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the National Advertising Fund.

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

9C. **FRANCHISE SYSTEM WEBSITE.**

We may establish a Website to advertise, market, and promote ONE Sports Nation Businesses; the products and services that they offer and sell; and/or a ONE Sports Nation franchise opportunity (the "**Franchise System Website**"). We may, but are not obligated to, provide you with a webpage on the Franchise System Website that references the Franchised Business. If we provide you with a webpage on the Franchise System Website, you must: (i) provide us the information and materials we request to develop, update, and modify your webpage, including information on your Venue(s); (ii) notify us whenever any information on your webpage is not accurate; and (iii) if we give you the right to modify your webpage, notify us whenever you change the content of your webpage. We reserve the right to include a charge as part of the technology fee for our maintenance of your webpage. We will own all intellectual property and other rights in the Franchise System Website, including your webpage and all information it contains (including, without limitation, the domain name or URL for your webpage, the log of "hits" by visitors, and any personal or business data that visitors supply).

We will maintain the Franchise System Website and may use the National Advertising Fund's assets to develop, maintain, and update the Franchise System Website. We periodically may update and modify the Franchise System Website (including your webpage). You acknowledge that we have final approval rights over all information on the Franchise System Website (including your webpage). We may implement and periodically modify System Standards relating to the Franchise System Website.

Even if we provide you a webpage on our Franchise System Website, we will only maintain such webpage while you are in full compliance with this Agreement and all System Standards we implement (including, without limitation, those relating to the Franchise System Website). If you are in default of any obligation under this Agreement or the Franchise System, then we may, in addition to our other remedies, temporarily remove your webpage from the Franchise System Website until you fully cure the default. We will permanently remove your webpage from the Franchise System Website upon this Agreement's expiration or termination.

All advertising, marketing, and promotional materials that you develop for the Franchised Business must contain notices of the Franchise System Website's domain name in the manner we designate.

We reserve the sole right to sell the products sold by ONE Sports Nation Businesses on the Internet through the Franchise System Website. You agree that you will not sell any ONE Sports Nation Business products or services to customers on a Website through the Internet or through any alternative channels of distribution except as approved by us.

If you wish to advertise online, you must follow our online policy, which is contained in our Brand Standards Manual. Our online policy may change as technology and the Internet changes. Under our online policy, we may retain the sole right to market on the Internet, including all use of websites, domain names, advertising, and co-branding arrangements. We may restrict your use of social media. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Marks.

10. **RECORDS, REPORTS, AND FINANCIAL STATEMENTS.**

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe from time to time. You must use the Computer System to maintain certain sales data and other information. You agree that we shall have access to the Computer System of the Franchised Business at all times and that we shall have the right to collect and retain from the Computer System any and all data concerning the Franchised Business.

You agree to give us in the manner and format that we prescribe from time to time:

(a) on or before the end of each Calendar Quarter, a report on your Gross Sales during the preceding Calendar Quarter (or other accounting period we designate);

(b) within 15 days after the end of each calendar month, the operating statements, financial statements, statistical reports and other information we request regarding the Franchised Business covering that month;

(c) within the time limits specified in the Brand Standards Manual, such other periodic operating statements, financial statements, statistical reports and other information we request regarding you and the Franchised Business;

(d) by April 15th of each year, annual profit and loss and source and use of funds statements and a balance sheet for the Franchised Business as of the end of the prior calendar year; and

(e) within ten days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we may periodically require relating to you and the Franchised Business.

An officer must certify and sign each report and financial statement in the manner we prescribe. We reserve the right to disclose data derived from these reports. If you fail to submit any required report of financial statement when due or within five days of a request, you will be charged $100 per occurrence and $100 per week until the report is submitted.

Subject to applicable law, you agree to preserve and maintain all records in a secure location at the Franchised Business for at least three years (including, but not limited to, sales transaction records, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipt and disbursement journals, credit card processing reports, and general ledgers). We may require you to have audited financial statements prepared annually during the term of this Agreement.

Further, at our request, you will provide financial information of your owners and guarantors sufficient to demonstrate such owners' and guarantors' ability to satisfy their financial obligations under this Agreement and their individual guarantees.

11. INSPECTIONS AND AUDITS.

11A. OUR RIGHT TO INSPECT THE FRANCHISED BUSINESS.

To determine whether you and the Franchised Business are complying with this Agreement and all System Standards, we and our designated agents or representatives may at all times and without prior notice to you: (1) inspect the Franchised Business; (2) photograph the Franchised Business and observe and videotape the Franchised Business's operation for consecutive or intermittent periods we deem necessary; (3) continuously or periodically monitor the Franchised Business using electronic surveillance or other means; (4) remove samples of any products and supplies; (5) interview the Franchised Business's coaches, instructors, employees and customers; (6) utilize mystery shoppers or other marketing research techniques at your expense; and (7) inspect and copy any books, records, and documents relating to the Franchised Business's operation. You agree to cooperate with us fully. If we exercise any of these rights, we will not interfere unreasonably with the Franchised Business's operation.

11B. OUR RIGHT TO AUDIT.

We may, at any time and without prior notice to you, examine your and the Franchised Business's business, bookkeeping, and accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with our representatives and independent accountants in any examination. If any examination discloses an understatement of your Gross Sales, you agree to pay us, within 15 days after receiving the examination report, the Player Royalty, Participant Royalty and any other fees understated, plus interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals an understatement of Gross Sales exceeding two percent of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

12. TRANSFER.

12A. BY US.

You acknowledge that we maintain a staff to manage and operate the Franchise System and that staff members can change as employees come and go. You acknowledge that you did not sign this Agreement in reliance on the continued participation by or employment of any of our shareholders, directors, officers, or employees. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or the other obligations under this Agreement. This Agreement and any other agreement will inure to the benefit of any transferee or other legal successor to our interest in it.

12B. BY YOU.

You understand and acknowledge that the rights and duties this Agreement creates are personal to you and your owners and that we have granted you the franchise in reliance upon our perceptions of your and your owners' individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) the Franchised Business (or any right to receive all or a portion of the Franchised Business's profits or losses or capital appreciation related to the Franchised Business); (iii) substantially all of the assets of the Franchised Business; (iv) any ownership interest in you (regardless of its size); or (v) any ownership interest in any of your owners (if such owners are legal entities). A transfer of the Franchised Business's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect.

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

(a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;

(b) merger or consolidation or issuance of additional securities or other forms of ownership interest;

(c) any sale of a security convertible to an ownership interest;

(d) transfer of an interest in you, this Agreement, the Franchised Business or substantially all of its assets, or in your owners in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law;

(e) if one of your owners or an owner of one of your owners dies, a transfer of an interest in you or your owner by will, declaration of or transfer in trust, or under the laws of intestate succession; or

(f) foreclosure upon the Franchised Business, or your transfer, surrender, or loss of the Franchised Business's possession, control, or management.

Additionally, you may not pledge this Agreement, an ownership interest in you or your owners, or your assets as security for any loan or other financing (to someone other than us), unless (1) we grant our prior written consent and (2) the lender agrees that its claims will be subordinate to all amounts you owe at any time to us or our affiliates.

If you intend to list the Franchised Business for sale with any broker or agent, you shall do so only after obtaining our written approval of the broker or agent and of the listing agreement. You may not use or authorize the use of any Mark in advertising the transfer or other disposition of the Franchised Business or of any ownership in you without our prior written consent. You shall not use or authorize the use of, and no third party shall on your behalf use, any written materials to advertise or promote the transfer of the Franchised Business or of any ownership interest in you without our prior written approval of such materials.

12C. **CONDITIONS FOR APPROVAL OF TRANSFER.**

If you and your owners are fully complying with this Agreement, then, subject to the other provisions of this Section 12, we will approve a transfer that meets all of the requirements in this Section 12C.

For any proposed transfer (including a transfer of this Agreement, a transfer of a "controlling ownership interest" (as defined in Section 17K) in you or one of your owners, or a transfer which is one of a series of transfers, regardless of the time period over which these transfers take place, which in the aggregate transfer this Agreement or a controlling ownership interest in you or one of your owners) all of the following conditions must be met before or concurrently with the effective date of the transfer:

(1) the transferee has sufficient business experience, aptitude, integrity and financial resources to operate the Franchised Business;

(2) you have paid all Royalties, National Advertising Fund Contributions, and other amounts owed to us, our affiliates, and third-party vendors; have submitted all required reports and statements; and have not violated any provision of this Agreement or any other agreement with us or our affiliates;

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

(4) the transferee's representatives satisfactorily complete our then-current Initial Training Program;

(5) the owner of the Venue allows you to transfer the corresponding Venue Agreement to the transferee;

(6) the transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of a controlling ownership interest in you or one of your owners), sign our then-current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the Royalty payments and the National Advertising Fund Contributions; provided, however, that the term of the new franchise agreement signed will equal the remainder of the then-remaining term of this Agreement;

(7) you pay us a transfer fee of $7,500. You will pay us a nonrefundable deposit of $1,000 when you request approval of a transfer and pay, in certain funds, the remaining amount when you execute the transfer documents;

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

(9) all individuals and entities who will be direct or indirect owners must execute or have executed our then-current form of Owners Agreement or guaranty in the form we prescribe;

(10) we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of the Franchised Business;

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

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

(13) you and your transferring owners comply with the non-compete obligations under Section 15E of this Agreement.

We may review all information regarding the Franchised Business that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding the Franchised Business.

12D. **EFFECT OF CONSENT TO TRANSFER.**

Our consent to a transfer of this Agreement and the Franchised Business, or any interest in you or your owners, is not a representation of the fairness of the terms of any contract between you and the transferee, a guaranty of the Franchised Business's or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement.

12E. **TRANSFER TO A WHOLLY-OWNED CORPORATION OR LIMITED LIABILITY COMPANY.**

Notwithstanding Section 12C above, if you are in full compliance with this Agreement, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than the Franchised Business and, if applicable, other ONE Sports Nation Businesses, in which you maintain management control, and of which you own and control 100% of the equity and voting power of all issued and outstanding ownership interests, provided that all of the Franchised Business's assets are owned, and the Franchised Business is conducted, only by that single corporation or limited liability company. The corporation or limited liability company must expressly assume all of your obligations under this Agreement. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur and sign the form of consent to assignment and assignment to corporate entity satisfactory to us which may include a general release of any and all claims against us and our owners, officers, directors, employees and agents. You further agree to provide us with all organizational documents for the corporation or limited liability company that we require.

12F. **OUR RIGHT OF FIRST REFUSAL.**

If you (or any of your owners) at any time determine to sell or transfer for consideration an interest in this Agreement, and the Franchised Business, or an ownership interest in you (except to or among your current owners, which is not subject to this Section), in a transaction that otherwise would be allowed under Sections 12B and 12C above, you (or your owners) agree to obtain from a responsible and fully disclosed buyer, and send to us a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Agreement and the Franchised Business. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent or more of the offering price.

The right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Sections 12B and C above. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may, by written notice delivered to you or your selling owner(s) within 30 days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

(1) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);

(2) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);

(3) we will have an additional 30 days to prepare for closing after notifying you of our election to purchase; and

(4) we must receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in an Entity, as applicable, including, without limitation, representations and warranties regarding: (a) ownership and condition of and title to ownership interests and/or assets; (b) liens and encumbrances relating to ownership interests and/or assets; and (c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 12F.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with Sections 12B and C above, and if you (and your owners) and the transferee comply with the conditions in Sections 12B and C above.

If you do not complete the sale to the proposed buyer within 60 days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the 30 day period following either the expiration of the 60 day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

12G. **YOUR DEATH OR DISABILITY.**

Upon your or your Operating Principal's death or disability, your or the Operating Principal's executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the Operating Principal's ownership interest in you, to a third party (which may be your or the Operating Principal's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed six months from the date of death or disability, and is subject to all of the terms and conditions in this Section 12 (except that any transferee that is the spouse or immediate family member of you or your Operating Principal shall not have to pay the transfer fee described in Section 12C(7) if the transfer meets all the other conditions in Section 12C). A failure to transfer your interest in this Agreement or the Operating Principal's ownership interest in you within this time period is a breach of this Agreement. The term "**disability**" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent you or the Operating Principal from supervising the management and operation of the Franchised Business. If, upon your or the Operating Principal's death or disability, a manager approved by us is not managing the Franchised Business, your or the Operating Principal's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed 15 days from the date of death or disability, appoint a manager. The manager must complete our then-current Initial Training Program at your expense. A new Operating Principal acceptable to us also must be appointed for the Franchised Business within 60 days.

13. <u>EXPIRATION OF THIS AGREEMENT.</u>

13A. **YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.**

Upon expiration of this Agreement, if you meet certain conditions and subject to the terms and conditions of this Section 13 and subject to the terms and conditions of this Agreement, then you will have the option to acquire a successor franchise to operate the Franchised Business as a ONE Sports Nation Business for up to two consecutive additional terms of five years each. The qualifications and conditions for the successor franchise term are described below.

When this Agreement expires:

(1) if you (and each of your owners) have substantially complied with this Agreement during its term, including your Minimum Offerings;

(2) if you (and each of your owners) are, both on the date you give us written notice of your election to acquire a successor franchise (as provided in Section 13B below) and on the date on which the term of the successor franchise would commence, in full compliance with this Agreement and all System Standards; and

(3) if you add, update or replace Operating Assets (if necessary) at our request;

then you have the option to acquire a successor franchise commencing immediately upon the expiration of this Agreement. You agree to sign the franchise agreement we then use to grant franchises for ONE Sports Nation Businesses (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement. You also agree to complete any additional training programs to meet our then-current standards at your expense. You must pay us a renewal fee of $7,500, due 180 days prior to this Agreement's expiration.

If you (and each of your owners) are not, both on the date you give us written notice of your election to acquire a successor franchise and on the date on which the term of the successor franchise commences, in full compliance with this Agreement and all System Standards, you acknowledge that we need not grant you a successor franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement during its term under Section 14B.

13B. **GRANT OF A SUCCESSOR FRANCHISE.**

You agree to give us written notice ("**Your Notice**") of your election to acquire a successor franchise no more than 12 months and no less than six months before this Agreement expires. We agree to give you written notice ("**Our Notice**") not more than three months after we receive your notice, of our decision:

(1) to grant you a successor franchise;

(2) to grant you a successor franchise on the condition that you correct existing deficiencies of the Franchised Business or in your operation of the Franchised Business;

(3) not to grant you a successor franchise based on our determination that you and your owners have not substantially complied with this Agreement during its term or were not in full compliance with this Agreement and all System Standards on the date you gave us written notice of your election to acquire a successor franchise; or

(4) not to grant you a successor franchise if we are no longer offering franchises for ONE Sports Nation Businesses.

If applicable, Our Notice will:

(a) describe the improvements, technology upgrades, trade dress updates, and/or modifications required to bring the Operating Assets of the Franchised Business into compliance with then-applicable System Standards for new ONE Sports Nation Businesses; and

(b) state the actions you must take to correct operating deficiencies and the time period in which you must correct these deficiencies.

If we elect not to grant you a successor franchise, Our Notice will describe the reasons for our decision. If we elect to grant you a successor franchise, your right to acquire a successor franchise is subject to your full compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice.

If Our Notice states that you must cure certain deficiencies of the Franchised Business or its operation as a condition to our granting you a successor franchise, we will give you written notice of our decision not to grant a successor franchise, based upon your failure to cure those deficiencies, not less than 90 days before this Agreement expires; provided, however, that we need not give you 90 days' notice if we decide not to grant you a successor franchise due to your breach of this Agreement during the 90 day period before it expires. We may extend this Agreement's term for the time period necessary to give you either reasonable time to correct deficiencies or the 90 days' notice of our refusal to grant a successor franchise. If you fail to notify us of your election to acquire a successor franchise within the prescribed time period, we need not grant you a successor franchise.

13C. **AGREEMENTS/RELEASES.**

If you satisfy all of the other conditions for a successor franchise, you and your owners agree to execute the form of franchise agreement and any ancillary agreements we then customarily use in granting franchises for ONE Sports Nation Businesses (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement, including the financial terms and the territorial description. You and your owners further agree to sign, in a form satisfactory to us, guaranties and general releases of any and all claims against us and our shareholders, officers, directors, employees, agents, successors, and assigns. We will consider your or your owners' failure to sign these agreements and releases and to deliver them to us for acceptance and execution within 30 days after their delivery to you to be an election not to acquire a successor franchise.

13D. **MODIFICATION OF PROTECTED TERRITORY.**

Notwithstanding anything to the contrary contained herein, we reserve the right to modify your Protected Territory based on demographic changes as a condition of granting you a successor franchise; provided that if you do not consent to our modifications to your Protected Territory, you may revoke your election to acquire a successor franchise.

14. **TERMINATION OF AGREEMENT.**

14A. **TERMINATION BY YOU.**

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

Your termination of this Agreement other than according to this Section 14A will be deemed a termination without cause and a breach of this Agreement.

14B. **TERMINATION BY US.**

This Franchise Agreement shall automatically terminate without notice or an opportunity to cure if: (i) you make an assignment for the benefit of creditors, file a voluntary petition for bankruptcy, are adjudicated bankrupt or insolvent; (ii) proceedings are commenced to have you adjudicated bankrupt and such proceedings are not dismissed in 60 days; or (iii) you purport to sell or transfer your or any interest in the ONE Sports Nation Business without our written approval.

We may terminate this Agreement, effective upon delivery of written notice of termination to you, if:

(1) you (or any of your owners) have made or make any material misrepresentation or omission in acquiring the franchise or operating the Franchised Business;

(2) you (or your Operating Principal) do not complete the Initial Training Program in accordance with Section 4A of this Agreement;

(3) you do not open the Franchised Business for business in accordance with Section 2E and operate your first sports program within nine months after the Effective Date of this Agreement;

(4) you fail to meet the Minimum Offerings;

(5) you fail to supervise operations or employ sufficient personnel to operate the Franchised Business and do not correct the failure within 15 days after we deliver written notice of that failure to you;

(6) you perform services outside of your Protected Territory without our prior written consent;

(7) you fail to maintain sufficient Operating Assets and do not correct the failure within 15 days after we deliver written notice of that failure to you;

(8) you abandon the Franchised Business,

(9) you fail to maintain prescribed hours of operation, or fail to provide programs and services for more than 14 consecutive days, unless you have obtained our prior written approval of the suspension, and you do not correct the failure within 15 days after we deliver written notice of that failure to you;

(10) you (or your owners) make or attempt to make any transfer in violation of Section 12;

(11) you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest to, a felony;

(12) you fail to maintain the insurance we require and do not correct the failure within (15) days after we deliver written notice of that failure to you;

(13) you (or any of your owners) engage in any dishonest or unethical conduct which, in our opinion, adversely affects the Franchised Business's reputation or the goodwill associated with the Marks;

(14) you (or any of your owners) knowingly make any unauthorized use or disclosure of any part of the Brand Standards Manual or any other Confidential Information;

(15) you violate any health, safety, or sanitation law, ordinance, or regulation, or operate the Franchised Business in an unsafe manner, and do not begin to cure the violation immediately, and correct the violation within 72 hours after you receive notice from us or any other party;

(16) you violate any other applicable law, regulation, ordinance or consent decree, or fail to maintain any bond, license or permit, and do not cure such violation or failure within ten days after we or any applicable government agency deliver notice to you of that violation or failure;

(17) you fail to pay us (or our affiliates) any amounts due and do not correct the failure within 30 days after we deliver written notice of that failure to you;

(18) you fail to pay when due any federal or state income, service, sales, or other taxes due on the Franchised Business's operation, unless you are in good faith contesting your liability for these taxes;

(19) you have insufficient funds in your designated account to cover your payments owed for the Royalty payments, National Advertising Fund Contributions and other amounts due on three separate occasions within a 12 month period;

(20) you understate your Gross Sales three times or more during this Agreement's term or by more than five percent on any one occasion;

(21) you (or any of your owners) (a) fail on two or more separate occasions within any 12 consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two or more separate occasions within any 12 consecutive month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(22) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; the Franchised Business is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of you or the Franchised Business is not vacated within 30 days following the order's entry;

(23) you fail to pay any Venue operator or any other third-party supplier the fees due within 30 days after the due date;

(24) you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within 15 days after we deliver written notice of the failure to you; or

(25) there is a termination of any other agreement between you or your affiliates and us (or any of our affiliates).

15. <u>OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.</u>

15A. **PAYMENT OF AMOUNTS OWED TO US.**

You agree to pay us within 15 days after this Agreement expires or is terminated, or on any later date that we determine the amounts due to us (or our affiliates), the Royalties, National Advertising Fund Contributions, interest, and all other amounts owed to us (and our affiliates) which then are unpaid. We have the right to set off any amount you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You acknowledge and agree that, upon the termination or expiration of this Agreement, we shall not become responsible for paying any other third-party amounts you may owe to such third party.

Upon termination of this Agreement under Section 14B above, or if you terminate this Agreement other than as provided for in Section 14A above, you agree to pay to us within 15 days after this Agreement is terminated, in addition to the amounts owed hereunder, liquidated damages equal to the average monthly Royalty Fees and National Advertising Fund Contributions (without regard to any fee waivers or other reductions) during the period beginning with the Opening Date through the date of early termination, multiplied by the lessor of: (i) 36, or (ii) the number of full months remaining in the term of the Agreement, except that liquidated damages will not, under any circumstances, be less than $30,000.

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 payments and National Advertising Fund Contributions due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty payments and National Advertising Fund Contributions 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 payments and National Advertising Fund Contributions. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty payments and National Advertising Fund sections. Franchisee and each of Franchisee's 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 and National Advertising Fund sections.

15B. **MARKS.**

(1) Removal of Signs and Marks. In the case of expiration, you must deliver to us all Operating Assets and other products and materials containing any Mark or otherwise identifying or relating to a ONE Sports Nation Business on or before the date on which this Agreement expires. In the case of a termination, you must deliver to us all Operating Assets and other products and materials containing any Mark or otherwise identifying or relating to a ONE Sports Nation Business within seven days after the date this Agreement is terminated.

(2) Additional De-Identification Requirements. When this Agreement expires or is terminated:

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

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

(c) if you fail to do so in the required time period, you agree to allow us, without liability to you or third parties for trespass or any other claim, to remove any signs or other materials containing any Marks from Venues or any other locations used by the Franchised Business;

(d) you acknowledge that all telephone numbers, facsimile numbers, social media websites, Internet addresses and e-mail addresses (collectively, the "**Identifiers**") used in the operation of the Franchised Business constitutes our assets, and upon termination or expiration of this Agreement, you will take such action within five days to cancel or assign to us or our designee as determined by us, all of your right, title and interest in and to such Identifiers and will notify the telephone company and all listing agencies of the termination or expiration of your right to use any Identifiers, and any regular, classified or other telephone directory listing associated with the Identifiers and to authorize a transfer of the same to, or at our direction. You agree to take all action required cancel all assumed name or equivalent registrations related to your use of the Marks. You acknowledge that, we have the sole rights to, and interest in, all Identifiers used by you to promote your Franchised Business and/or associated with the Marks. You hereby irrevocably appoint us, with full power of substitution, as your true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. You further appoint us to direct the telephone company, postal service, registrar, Internet service provider, listing agency, website operator, or any other third party to transfer such Identifiers to us or our designee. The telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party may accept such direction by us pursuant to this Agreement as conclusive evidence of our right to the Identifiers and our authority to direct their transfer;

(e) if applicable, immediately (i) cease using or operating any Website or other online presences or electronic mediums, including, but not limited to, social networking Websites (such as LinkedIn, Instagram, Twitter, Facebook, or YouTube), related to the Franchised Business or the Marks, (ii) take any action as may be required to disable such Websites or social networking Website accounts, and (iii) cancel all rights in and to any accounts for such Websites;

(f) you must follow any reasonable procedures established by us to ensure the expiration of this Agreement creates the least disruption possible to the System, including those procedures set forth in the Brand Standards Manual; and

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

15C. **CONFIDENTIAL INFORMATION.**

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

15D. **COVENANT NOT TO COMPETE.**

Upon termination or expiration of this Agreement, you and your owners agree that, for two years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section 15D begin to comply with this Section 15D, whichever is later, neither you nor any of your owners (or their immediate family members) will have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, or agent in any Competitive Business located or operating:

(1) within the Protected Territory (including the premises of the Franchised Business); and

(2) within a 25 mile radius of the Protected Territory; and

(3) within a 25 mile radius of the Protected Territory of any other ONE Sports Nation Business either opened or under development as of the date of termination or expiration of this Agreement.

These restrictions also apply after transfers, as provided in Section 12C(13) above. If any person restricted by this Section 15D refuses voluntarily to comply with these obligations, the two year period for that person will commence with the entry of a court order enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section 15D will not deprive you of your personal goodwill or ability to earn a living.

If a court of competent jurisdiction determines that the two year post-term restrictive period set forth above is too long to be enforceable, then the post-term restrictive period above shall be for a period of one year from the termination, expiration or transfer of this Franchise Agreement.

15E. **NON-SOLICITATION AND NON-INTERFERENCE.**

Upon termination or expiration of this Agreement, you and your owners agree that, for two years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section 15E begin to comply with this Section 15E, whichever is later, neither you nor any of your owners (or their immediate family members) will:

(a) recruit or hire any person who is then or was, within the immediately preceding 24 months, employed by us, any of our affiliates, or one of our franchise owners as an officer, general manager, or other senior executive without our consent or that of the relevant employer;

(b) solicit, interfere, or attempt to interfere with our or our affiliates' relationships with any ONE Sports Nation Business customers, vendors, independent contractors or consultants; or

(c) engage in any other activity that might injure the goodwill of the Marks and/or the Franchise System.

15F. **CONTINUING OBLIGATIONS.**

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

15G. **RIGHT TO PURCHASE**.

Under no circumstances will you sell proprietary information or Operating Assets (e.g. signage, inventory, or supplies bearing the Marks) to a competing or similar business. Upon the expiration or termination of this Agreement by any means or for any reason, we will have the right, but not the obligation, to purchase some or all of the assets of the Franchised Business, including any Trailer, equipment, signs, items, inventory, supplies and marketing materials, as well as all items bearing any Mark, at the lesser of your cost or fair market value. Before exercising any rights under this Section 15G, we will have the right during reasonable hours to inspect the assets. If we elect to exercise our purchase rights, we will give you written notice of intent to do so within 30 days after termination or expiration of this Agreement. If the parties cannot agree on fair market value within 15 days after we provide notice of intent to purchase, then each party will select an independent appraiser. The two appraisers will then have up to 15 business days to agree on a fair market value for the relevant assets. If they cannot agree during that period, then the final fair market value will be determined by averaging the amounts determined by the two appraisers. If we elect to exercise our purchase rights, closing will take place within 45 days after we provide notice of intent to purchase, to the extent reasonably possible. We will have the right to offset all amounts you owe to us or our affiliates against any payment due to you under this Section 15G. This provision will also apply in the event of death, divorce or incapacity under Section 12G.

16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

16A. INDEPENDENT CONTRACTORS.

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all public records, on letterhead and business forms, and in all dealings with customers, suppliers, public officials, ONE Sports Nation Business personnel, and others as the Franchised Business's owner under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time.

16B. NO LIABILITY FOR ACTS OF OTHER PARTY.

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Franchised Business's operation or the business you conduct under this Agreement.

16C. TAXES.

We will have no liability for any sales, use, service, occupation, excise, gross revenue, income, property, or other taxes, whether levied upon you or the Franchised Business, due to the business you conduct (except for income taxes due in our home state). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.

16D. INDEMNIFICATION.

You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective shareholders, directors, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties, to the fullest extent permitted by law, for, all claims, obligations, and damages directly or indirectly arising out of the Franchised Business's operation, the business you conduct under this Agreement, the infringement, alleged infringement or any other violation by you, your owners or principals, of:

(i) any patent, mark, copyright, or other proprietary right owned or controlled by third parties due to your unauthorized use of all or any portion of the Marks and/or Franchise System;

(ii) violation, breach or asserted violation or breach of any federal state, or local law, regulation, ruling or industry standard;

(iii) libel, slander or any other form of defamation

(iv) your employment or other contractual relationship with your employees, workers, managers, or independent contractors, including but not limited to any allegation, claim, finding or ruling that we are an employer or joint employer of your employees;

(v) any loss of data, including but not limited to customer information, resulting from a breach of such data caused in whole or in part by you or your negligence; or

(vi) your breach of this Agreement, including, without limitation, those alleged to be or found to have been caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction.

For purposes of this indemnification, "**claims**" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim for indemnity under this Section. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover under this Section.

17. ENFORCEMENT.

17A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to enter into a successor franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

17B. **WAIVER OF OBLIGATIONS.**

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten days' prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other ONE Sports Nation Businesses; the existence of franchise agreements for other ONE Sports Nation Businesses which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) acts of God; (3) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalties or National Advertising Fund Contributions due afterward.

17C. **COSTS AND ATTORNEYS' FEES.**

The prevailing party in any arbitration or litigation arising out of or relating to this Agreement shall be entitled to recover from the other party all damages, costs and expenses, including court costs and reasonable attorney's fees, incurred by the prevailing party in successfully enforcing any provision of this Agreement.

17D. **RIGHTS OF PARTIES ARE CUMULATIVE.**

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

17E. **MEDIATION AND ARBITRATION.**

(1) Except as otherwise provided in this Agreement, any claim or controversy arising out of or related to this Agreement, or the making, performance, breach, interpretation, or termination thereof, except for any actions brought with respect to: (i) the Marks; (ii) issues concerning the alleged violations of federal or state antitrust laws; (iii) securing injunctive relief or specific performance; or (iv) the right to indemnification or the manner in which it is exercised, shall first be subject to non-binding mediation in the county of our principal business address, which is currently in Maricopa County, Arizona. Mediation shall not defer or suspend our exercise of any termination right under Section 14.

(2) Non-binding mediation hereunder shall be concluded within 60 days of the issuance of the request, or such longer period as may be agreed upon by the parties in writing ("**Mediation Termination Date**"). All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatsoever. The parties shall bear their own costs of mediation, and shall share equally in the cost of the mediator or mediation service.

(3) No arbitration or litigation may be commenced on any claim subject to mediation under this Section prior to the Mediation Termination Date, as defined hereafter, whether or not the mediation has been commenced. Mediation under this Section is not intended to alter or suspend the rights or obligations of the parties under this Agreement or to determine the validity or effect of any provision of this Agreement, but is intended to furnish the parties an opportunity to resolve disputes amicably, expeditiously and in a cost-effective manner on mutually acceptable terms.

(4) The non-binding mediation provided for hereunder shall be commenced by the party requesting mediation giving written notice of the request for mediation to the party with whom mediation is sought. The request shall specify with reasonable particularity the matters for which non-binding mediation is sought.

(5) Non-binding mediation hereunder shall be conducted by a mediator or mediation program designated by us in writing. We shall make the designation within a reasonable time after issuance of the request.

(6) Except for any actions brought with respect to: (i) the Marks; (ii) issues concerning the alleged violations of federal or state antitrust laws; (iii) securing injunctive relief or specific performance; or (iv) the right to indemnification or the manner in which it is exercised, any claim or controversy arising out of or related to this Agreement, or the making, performance, breach, interpretation, or termination thereof, shall be finally settled by arbitration under the then-prevailing Commercial Arbitration Rules of the American Arbitration Association or any successor thereto, by one arbitrator appointed under such rules. If the American Arbitration Association or any successor is no longer in existence at the time arbitration is commenced, the parties shall agree on another arbitration organization to conduct the arbitration proceeding. We and you waive, to the fullest extent permitted by law, any right or claim to any punitive or exemplary damages against the other, and agree that any award shall be limited to the recovery of any actual damages sustained by them. The prevailing party also shall be entitled to recover its expenses, including reasonable attorney fees and accounting fees, in addition to any other relief to which it is found entitled. All arbitration proceedings shall take place in the county and state of our principal business address, which is currently in Maricopa County, Arizona. The arbitration award shall be binding upon the parties and may be entered and enforced in any court

of competent jurisdiction. Any arbitration or mediation proceeding shall be limited to controversies between us and you and shall not be expanded to include any other ONE Sports Nation franchisee as a party, or include the adjudication of class action claims.

(7) No right or remedy conferred upon or reserved to either party is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

(8) Nothing in this Agreement shall bar either party's right to seek injunctive relief without the posting of any bond or security to obtain the entry of temporary and permanent injunctions and orders of specific performance enforcing this Agreement. Either party also shall be able to seek injunctive relief to prohibit any act or omission by the other party or its employees that constitutes a violation of any applicable law, is dishonest or misleading to your customers or to the public, or which may impair the goodwill associated with the Marks. The prevailing party shall be entitled to recover its costs and reasonable attorney fees incurred by it in obtaining such relief.

(9) You and we agree that the provisions of this Section 17E shall apply during the term of this Agreement and following the termination, expiration, or non-renewal of this Agreement.

17F. **GOVERNING LAW.**

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF ARIZONA, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY STATE LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISE OWNER WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION. IF THE COVENANTS AGAINST COMPETITION ARE NOT ENFORCEABLE UNDER ARIZONA LAW, THEN THE LAWS OF THE STATE IN WHICH THE FRANCHISED BUSINESS IS LOCATED WILL APPLY TO THE ENFORCEABILITY OF SUCH COVENANTS.

17G. **CONSENT TO JURISDICTION.**

SUBJECT TO SECTION 17E ABOVE AND THE PROVISIONS BELOW, WE AND YOU (AND YOUR OWNERS) AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION CLOSEST TO OUR THEN-CURRENT PRINCIPAL PLACE OF BUSINESS (CURRENTLY, PHOENIX, ARIZONA), AND WE AND YOU (AND EACH OWNER) IRREVOCABLY CONSENT TO THE EXCLUSIVE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, WE AND YOU (AND YOUR OWNERS) AGREE THAT ANY OF US MAY ENFORCE ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE FRANCHISED BUSINESS IS LOCATED.

17H. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.**

EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD-PARTY CLAIMS UNDER SECTION 16D, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, OR MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US.

17I. **BINDING EFFECT.**

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Brand Standards Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers.

17J. **CLASS ACTION BAR AND LIMITATIONS OF CLAIMS.**

ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE, BASIS, AND A PROCEEDING BETWEEN US AND YOU OR YOUR OWNERS MAY NOT BE CONSOLIDATED WITH ANOTHER PROCEEDING BETWEEN US AND ANY OTHER PERSON OR ENTITY, NOR MAY ANY CLAIMS OF ANOTHER PARTY OR PARTIES BE JOINED WITH ANY CLAIMS ASSERTED IN ANY ACTION OR PROCEEDING BETWEEN YOU AND US. EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED WITHIN ONE YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS. HOWEVER, THE PARTIES AGREE THAT, IN ORDER TO COMPLY WITH THIS PROVISION, EITHER PARTY MAY COMMENCE A JUDICIAL OR ARBITRATION PROCEEDING BEFORE A RELATED MEDIATION PROCEEDING IS DECLARED COMPLETED.

17K. **COVENANT OF GOOD FAITH**

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

17L. **CONSTRUCTION.**

The preambles, exhibits and attachments are a part of this Agreement which, together with the System Standards contained in the Brand Standards Manual (which may be periodically modified, as provided in this Agreement) and the related documents, constitutes our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or the Franchised Business. Any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement. Nothing in this or any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished you.

Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change and are not a part of this Agreement.

Except as expressly provided in this Agreement, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to "we," "us," and "our," with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term "**affiliate**" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. The term "**control**" means the power to direct or cause the direction of management and policies.

If two or more persons are at any time the owners of the Franchised Business, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to "**owner**" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and the Franchised Business or an ownership interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement or the Franchised Business and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

References to a "**controlling ownership interest**" in you or one of your owners (if an Entity) mean the percent of the voting shares or other voting rights that results from dividing 100% of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, the determination of whether a "controlling ownership interest" is involved must be made as of both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer).

The term "**person**" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

The term "**Franchised Business**" includes all of the assets of the ONE Sports Nation Business you operate under this Agreement, including its revenue.

This Agreement may be executed in multiple copies, each of which will be deemed an original.

18. **NOTICES AND PAYMENTS.**

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Brand Standards Manual will be deemed to be delivered:

(a) at the time delivered by hand;

(b) at the time delivered via computer transmission and, in the case of the Royalty payments, National Advertising Fund Contributions, and other amounts due, at the time we actually receive payment via the EFT Authorization;

(c) one business day after transmission by facsimile or other electronic system if the sender has confirmation of successful transmission;

(d) one business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or

(e) three business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

Any notice must be sent to the party to be notified at its most current principal business address of which the notifying party has notice.

Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two days before then) will be deemed delinquent.

19. **ELECTRONIC MAIL.**

You acknowledge and agree that exchanging information with us by e-mail is efficient and desirable for day-to-day communications and that we and you may utilize e-mail for such communications. You authorize the transmission of e-mail by us and our employees, vendors, and affiliates (the "**Official Senders**") to you during the term of this Agreement.

You further agree that: (a) Official Senders are authorized to send e-mails to those of your employees as you may occasionally authorize for the purpose of communicating with us; (b) you will cause your officers, directors, and employees to give their consent to Official Senders' transmission of e-mails to them; (c) you will require such persons not to opt out or otherwise ask to no longer receive e-mails from Official Senders during the time that such person works for or is affiliated with you; and

(d) you will not opt out or otherwise ask to no longer receive e-mails from Official Senders during the term of this Agreement.

The consent given in this Section 19 shall not apply to the provision of notices by either party under this Agreement pursuant to Section 18 using e-mail unless the parties otherwise agree in a written document manually signed by both parties.

20. **COUNTERPARTS.**

This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. The parties agree that faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

21. **BUSINESS JUDGMENT.**

We retain the right to operate, develop and change the Franchise System and the products and services offered by ONE Sports Nation Businesses in any manner that is not specifically prohibited in this Agreement. Whenever we have reserved the right in this Agreement to take or refrain from taking any action, or to prohibit you from taking or refraining from any action, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on the information then readily available to us and on our judgment of what is in our best interests, the best interests of our affiliates and/or the best interests of ONE Sports Nation Businesses as a whole at the time the decision is made, regardless of whether we could have made other reasonable, or even arguably preferable, alternative decisions and regardless of whether our decision or action promotes our interests, those of our affiliates or any other person or entity.

(Signatures on following page)

ONE SPORTS NATION, LLC,
an Arizona limited liability company

By: ___________________________________

Name: Bonnie McMahon

Title: CEO

DATED:_______________________________

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

____
(Entity Name)

____
(Signature)

____
(Print Name)

Title: ___________________________________

DATED: ______________________________

FRANCHISE OWNER

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

____
(Signature)

____
(Print Name)

DATED:_______________________________

EXHIBIT A

TO THE FRANCHISE AGREEMENT

Effective Date: This Exhibit A is current and complete as of ___________________, 20___

Initial Franchise Fee. The Initial Franchise Fee you shall pay us pursuant to Section 3A of the Franchise Agreement $19,900 for a single franchise.

ONE SPORTS NATION, LLC,
an Arizona limited liability company

By: ___________________________________

Name: Bonnie McMahon

Title: CEO

DATED:_______________________________

FRANCHISE OWNER	**FRANCHISE OWNER**
(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):	**(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):**
______________________________________ (Entity Name)	
______________________________________ (Signature)	______________________________________ (Signature)
______________________________________ (Print Name)	______________________________________ (Print Name)
Title: __________________________________	
DATED: ______________________________	**DATED:**______________________________

EXHIBIT B

TO THE FRANCHISE AGREEMENT

PROTECTED TERRITORY

1. **Territory Fee**. The Territory Fee pursuant to Section 3A of the Franchise Agreement is: _ **$**___________________.

2. **Protected Territory**. The Protected Territory consists of these zip codes or geographic boundaries:
____
____

IN WITNESS WHEREOF, the parties have executed and delivered this on the dates noted below, to be effective as of the effective date of the Franchise Agreement.

ONE SPORTS NATION, LLC,
an Arizona limited liability company

By: ___________________________________

Name: Bonnie McMahon

Title: CEO

DATED:______________________________

FRANCHISE OWNER	**FRANCHISE OWNER**
(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):	**(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):**
______________________________________ (Entity Name)	
______________________________________ (Signature)	______________________________________ (Signature)
______________________________________ (Print Name)	______________________________________ (Print Name)
Title: __________________________________	
DATED: ______________________________	**DATED:**______________________________

EXHIBIT C

TO THE FRANCHISE AGREEMENT

Franchisee: ____

Form of Ownership
(Check One)

____ Individual ____ Partnership ____ Corporation ____ Limited Liability Company

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

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

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

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

Name	Title

Members, Stockholders, Partners:

Name	Address	Percentage Owned

Identification of Operating Principal. Your Operating Principal as of the Effective Date is _______ ____. You may not change the Operating Principal without prior written approval.

(Signatures on following page)

FRANCHISE OWNER	**FRANCHISE OWNER**
(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):	**(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):**
______________________________ (Entity Name)	
______________________________ (Signature)	______________________________ (Signature)
______________________________ (Print Name)	______________________________ (Print Name)
Title: ___________________________	
DATED: ________________________	**DATED:**________________________

EXHIBIT D

TO THE FRANCHISE AGREEMENT

OWNERS AGREEMENT

As a condition to the granting by ONE Sports Nation, LLC ("we" or "us"), of a Franchise Agreement with ___________________________________ ("Franchisee"), each of the undersigned individuals ("Owners"), who constitute all of the owners of a beneficial interest in Franchisee, as well as their respective spouses, covenant and agree to be bound by this Owners Agreement ("Owners Agreement").

1. Acknowledgments.

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

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

2. Non-Disclosure and Protection of Confidential Information.

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

3. Covenant Not To Compete and Not to Solicit.

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

3.2 Construction of Covenants. The parties agree that each such covenant related to non-competition and non-solicitation will be construed as independent of any other covenant or provision of this Owners Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 3.

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

4. Guarantee.

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

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

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

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

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

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

5. Transfers.

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

6. Notices.

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

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

26716 N. 10th Lane
Phoenix, Arizona 85085

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

7. Enforcement of This Owners Agreement.

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

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

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

8. Miscellaneous.

8.1 No Other Agreements. This Owners Agreement constitutes the entire, full and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Owners Agreement, other than those in this Owners Agreement. No other obligations, restrictions or duties that contradict or are inconsistent with the express terms of this Owners Agreement may be implied into this Owners Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Owners Agreement), no amendment, change or variance from this Owners Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

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

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

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

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

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

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

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

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

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

OWNERS:

______________________________	______________________________
Name of Owner: __________________	Name of Spouse: __________________
Address: ________________________	Address: ________________________
______________________________	______________________________
______________________________	______________________________
Name of Owner: __________________	Name of Spouse: __________________
Address: ________________________	Address: ________________________
______________________________	______________________________
______________________________	______________________________
Name of Owner: __________________	Name of Spouse: __________________
Address: ________________________	Address: ________________________
______________________________	______________________________
______________________________	______________________________
Name of Owner: __________________	Name of Spouse: __________________
Address: ________________________	Address: ________________________
______________________________	______________________________

One Sports Nation, LLC hereby accepts the Owner(s)' agreements hereunder.

By: ______________________________

Title: ____________________________

EXHIBIT C

BRAND STANDARDS MANUAL
TABLE OF CONTENTS

Total Number of Pages: 105

One Sports Nation, LLC
Brand Standards Manual

Vision

Provide the industry's best youth sports experience in the programs we offer and provide the industry's preferred business opportunity for individual league owners.

Mission

To develop our players and prepare them for the next level of competition while keeping them excited about playing sports.

Quality

Continually improve the youth sports experience for our customers and the business support and operations for our franchise owners.

<u>Disclaimer regarding this Manual and its contents</u>

The contents of this Manual are subject to change from time to time in the sole discretion of ONE Sports Nation, LLC. Consult your Franchise Development Manager or contact the ONE Sports Nation corporate office to request or verify the currency of programming documents.

Revised April 14, 2017

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<u>**Section 3 – Field Day Baseball Activity Standards**</u>

<u>**Section 4 – ONE Cup Soccer Activity Standards**</u>

Section 6 – VolleyUp Activity Standards

EXHIBIT D

LIST OF CURRENT AND FORMER FRANCHISEES

Current Franchisees as of December 31, 2016:

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	E-mail
Runnels	Doyle	Runnels, Runnels & Huff	4004 S. Summer Ct.	Gilbert	AZ	85297	480-744-6235	doyle@ onesportsnation.com
Tolliver	Monica	Tolliver Youth Sports, LLC	16264 W Moreland St	Goodyear	AZ	85228	602-551-7191	tolliver@ onesportsnation.com
Goodenough	Scott	Sandlot Sports, LLC	2458 W Keating Ave	Mesa	AZ	85202	480-648-3414	scottg@ onesportsnation.com
Harper	Brad	Harper Valley Youth Sports, LLC	10707 E. Deawalter Ave.	Mesa	AZ	85212	602-341-5771	brad@ onesportsnation.com
Caruso	Chris	Rising Stars Youth Sports, LLC	9608 W. Mariposa St.	Phoenix	AZ	85037	623-738-5888	caruso@ onesportsnation.com
Partridge*	Scott	Glory Days Sports, LLC	4426 E. Monte Cristo	Phoenix	AZ	85032	480-269-0708	scott11@ onesportsnation.com
Alfaro	Katrina	DJ Sport Enterprises, LLC	351 E. Taylor St.	Tempe	AZ	85251	480-553-4822	katrina@ onesportsnatiopn.com
Gray	Hakeem	H Grey Spots, LLC	355 K St Suite L	Chula Vista	CA	91911	619-343-3409	hakeem@ onsportsnation.com
Buenrostro	Jonathan	Rogue Colony Sports, LLC	475 East 9th St	Upland	CA	91786	909-451-9751	buenrostro@ onesportsnation.com
Murdock	Norm	Spartan Sports, LLC	701 Briar Dale Dr.	Castle Pines	CO	80108	719-203-7183	norm@ onesportsnation.com
Surry	Jeff	Surry Sports, LLC	2006 Foxfield Dr.	Castle Rock	CO	80104	303-688-8011	surry@ onesportsnation.com
Gonzales	Branden	Gonzo 3 Sports, LLC	10411 Startrial Ct	Highlands Ranch	CO	80126	303-335-0756	branden@ onesportsnation.com
Sayatovic	Niko	Parker One Sports, LLC	23833 Eagle Bend Ln.	Parker	CO	80138	720-583-5767	niko@ onesportsnation.com
Hough	Matt	Jax Central Youth Sports, LLC	350 Arlington Rd N	Jackson-ville	FL	32211	904-203-8588	matt@ onesportsnation.com

*Franchisee owns two outlets

Franchisees with Unopened Outlets as of the Issuance Date:

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	E-mail
Blancas	Dickson	904 Sports Marketing Group, LLC	5783 Mining Terrace #8	Jackson-ville	FL	32257	904-274-9388	jaxwest@ onesportsnation.com
Vaglenti	Daryl	Playball Marketing, LLC	3035 Aaron Cove Ct	Jackson-ville	FL	32224	904-395-7333	daryl@ onesportsnation.com
Cobine*	Jeff	Rainmaker Mgmt	12319 Laneview Dr	Houston	TX	77070	832-827-3524	cobine@ onesportsnation.com

*Franchisee moved to Texas in 2016 and will open its outlet in Texas in fall of 2017.

Former Franchisees:

The name and last known address of every franchisee who had a ONE Sports Nation Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2016 to December 31, 2016, or who has not communicated with us within ten (10) weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

None

EXHIBIT E

FINANCIAL STATEMENTS

ONE SPORTS NATION, LLC

Financial Report

Years Ended December 31, 2016, 2015 and 2014

KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

ONE SPORTS NATION, LLC

Table of Contents

KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Member of
ONE Sports Nation, LLC
Phoenix, AZ

We have audited the accompanying financial statements of ONE Sports Nation, LLC which comprise the balance sheets as of December 31, 2016, 2015 and 2014, and the related statements of operations, changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ONE Sports Nation, LLC as of December 31, 2016, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 5 of the financial statements (restated), the 2015 and 2014 financial statements have been restated to correct errors.

Kezos & Dunlavy

St. George, Utah
March 13, 2017

ONE SPORTS NATION, LLC
Balances Sheets
As of December 31, 2016, 2015 and 2014

Assets	2016	2015*	2014*
Current assets:			
Cash	$ 7,402	$ 8,779	$ 18
Accounts receivable	2,738	-	-
Inventory	16,382	17,312	9,311
Deferred commissions	-	12,000	4,000
Total current assets	26,522	38,091	13,329
Intangible assets, net	41,288	46,449	51,610
Total assets	$ 67,810	$ 84,540	$ 64,939
Liabilities and Member's Equity			
Current liabilities:			
Accrued liabilities	$ -	$ -	$ 2,461
Accrued commissions	-	7,250	4,000
Deferred revenue	36,300	49,000	8,060
Total liabilities	36,300	56,250	14,521
Members' equity:			
Members' interests	75,230	64,830	51,610
Accumulated members equity	(43,720)	(36,540)	(1,192)
Total members' equity	31,510	28,290	50,418
Total liabilities and members' equity	$ 67,810	$ 84,540	$ 64,939

The accompanying notes are an integral part of the financial statements.

* Certain amounts shown here do not correspond to the 2015 financial statements and reflect adjustments made. Refer to Note 6.

ONE SPORTS NATION, LLC
Statements of Operations
For the years ended December 31, 2016, 2015 and 2014

	2016	2015*	2014*
Operating revenue			
Franchise fees	$ 61,500	$ 56,460	$ -
Royalties	62,149	23,373	-
Equipment sales	189,717	134,402	8,090
Operations fees	13,131	2,025	-
Other revenue	2,351	756	426
Total revenue	328,848	217,016	8,516
Cost of sales	152,834	118,558	7,035
Gross profit (loss)	176,014	98,458	1,481
Operating expenses			
Advertising	2,072	1,717	-
Legal and professional	10,955	17,100	-
Travel and meals	11,037	4,051	-
Commissions	12,000	4,000	-
Website	20,673	5,193	-
Office expenses	2,656	8,150	-
General and administration expense	5,293	740	273
Amortization	5,161	5,161	-
Total expenses	69,847	46,112	273
Income (loss) from operations	106,167	52,346	1,208
Non-operating income			
Interest	300	3,150	-
Net income	$ 106,467	$ 55,496	$ 1,208

The accompanying notes are an integral part of the financial statements.

* Certain amounts shown here do not correspond to the 2015 financial statements and reflect adjustments made. Refer to Note 6.

ONE SPORTS NATION, LLC
Statements of Member's Equity
For the years ended December 31, 2016, 2015 and 2014

	Member's Interests	Accumulated Member's Earnings *	Total
Balances at December 31, 2013	$ -	$ -	$ -
Member's contribution	51,610	-	51,610
Net income	-	1,208	1,208
Member's draws	-	(2,400)	(2,400)
Balances at December 31, 2014	51,610	(1,192)	50,418
Member's contribution	13,220	-	13,220
Net income	-	55,496	55,496
Member's draws	-	(90,844)	(90,844)
Balances at December 31, 2015	64,830	(36,540)	28,290
Member's contribution	10,400	-	10,400
Net income	-	106,467	106,467
Member's draws	-	(113,647)	(113,647)
Balances at December 31, 2016	$ 75,230	$ (43,720)	$ 31,510

The accompanying notes are an integral part of the financial statements.

* Certain amounts shown here do not correspond to the 2015 financial statements and reflect adjustments made. Refer to Not

ONE SPORTS NATION, LLC

Statements of Cash Flows

For the years ended December 31, 2016, 2015 and 2014

	2016	2015*	2014*
Cash flows from operating activities			
Net income (loss)	$ 106,467	$ 55,496	$ 1,208
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Amortization	5,161	5,161	-
Change in operating assets and liabilities:			
Accounts receivable	(2,738)	-	-
Inventory	930	(8,001)	(9,311)
Deferred commissions	12,000	(8,000)	(4,000)
Accrued liabilities	-	(2,461)	2,461
Accrued commissions	(7,250)	3,250	4,000
Deferred revenue	(12,700)	40,940	8,060
Net cash provided by operating activities	101,870	86,385	2,418
Cash flows from financing activities			
Members' contributions	10,400	13,220	-
Members' distributions	(113,647)	(90,844)	(2,400)
Net cash used financing activities	(103,247)	(77,624)	(2,400)
Net change in cash and cash equivalents	(1,377)	8,761	18
Cash and cash equivalents at beginning of period	8,779	18	-
Cash and cash equivalents at end of period	$ 7,402	$ 8,779	$ 18
Supplemental disclosures of cash flow:			
Cash paid for interest	$ -	$ -	$ -
Intangible assets contributed by member	-	-	51,610

The accompanying notes are an integral part of the financial statements.

* Certain amounts shown here do not correspond to the 2015 financial statements and reflect adjustments made. Refer to Note 6.

ONE SPORTS NATION, LLC

Notes to the financial statements
December 31, 2016, 2015 and 2014

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

One Sports Nation, LLC ("the Company"), was originally organized as a limited liability company under the laws of the Arizona on March 23, 2012 under the name MVP Sports 365, LLC. The Company changed its name to One Sports Nation, LLC in October 2014, and commenced operations in November 2014. One Sports Nation, LLC is a franchise system based on the establishment, operation and promotion of adult and youth sports leagues, skills camps, clinics, tournaments, and related services. The Company has developed a proprietary system for establishing, operating, managing, and marketing the above services.

For the years ending December 31, 2016, 2015, and 2014, there were four, nine and two franchises sold during the period, respectively. At December 31, 2016 there were sixteen franchises operating, of which one, Grid Iron Flag Football, LLC, is franchisor-owned.

(b) Basis of Accounting

The accounts are maintained and the financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company's accounting period is the 12-month period ending December 31 of each year.

(c) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(d) Use of Estimates

Management of the Company will make a number of estimates and assumptions relating to the reporting of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with GAAP. Significant items subject to such estimates and assumptions include the carrying amount of property and equipment; valuation allowances for receivables, and estimated recoverability of intangible assets. Actual results could differ from those estimates.

(e) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. Also included within cash equivalents are deposits in-transit from banks for payments related to third-party credit card and debit card transactions. As of December 31, 2016, 2015 and 2014, the Company had cash and cash equivalents of $7,402, $8,779 and $18, respectively.

(f) Inventories

Inventories are values at the lower of cost or market using the FIFO (First-in, First-out) basis. As of December 31, 2016, 2015 and 2014, the Company had inventory of $16,382, $17,312 and $9,311, respectively. Inventory is sold to franchisees at cost plus a 15% markup.

(g) Revenue Recognition

The Company's revenues consist of fees from franchisees such as initial franchise fees, royalties, management fees, and transfer fees. The franchise agreement offered under the Company's Uniform Franchise Disclosure Document has a term of seven years. The franchise may be renewed for two additional five-year terms for fee of $7,500. The initial franchise fee is $12,000 and is recognized as revenue when the Company has performed substantially all initial services required by the franchise agreement. Those initial services are generally considered substantially performed when the franchisee has completed the initial and on-site training, and the franchisee is open for business. For franchises that have not yet reached these milestones, the franchise license fee received plus direct costs recognized related to commissions and fees paid are deferred until the milestones are met.

Continuing monthly royalty fees are recognized as revenue upon receipt. These monthly royalty fees are based on the franchise agreement and are generally $8 per player seasonal registration and 8% of non-seasonal event fees. In addition, the franchisor may collect brand fund contributions from the franchises. The ad fund is generally $1 per player, and is recorded as revenue when received. The technology fee is $50 per month plus an additional $40 per month for the second and all additional sports offered. Revenue from materials and services such as training is recognized upon provisioning/shipment and invoicing.

(h) Income Taxes

The entity is structured as a limited liability company (LLC) under the laws of the State of Arizona. A limited liability company is classified as a partnership for federal and state income tax purposes and, accordingly, the income or loss of the Company will be included in the income tax returns of the members. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under Accounting Standards Codification ("ASC") Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the shareholders rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company has Federal and Arizona state tax reporting requirements. The company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. The Company began operations during 2014. As of December 31, 2016, tax years 2015 and 2014 are subject to Federal and Arizona state examination.

(i) Advertising Costs

The Company expenses advertising costs as incurred. Advertising expenses for years ended December 31, 2016. 2015 and 2014 was $2072, $1,717 and $0, respectively.

(j) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, pre-paid expenses, and accounts payable, the carrying amounts may approximate fair value due to their short maturities.

(k) Concentration of Risk

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Deferred Revenue and Commissions Expense

During the year ended December 31, 2014, the Company sold one franchise unit totaling of $8,000. Although the full cash proceeds from these sales had been received, the Company determined that, as of year-end, it had not performed all initial services related to these sales and, in accordance with the Company's revenue recognition policies, elected to defer the franchise fee revenue and related commission expenses of $4,000. The net impact of deferring the sales and related commission expense was to reduce net income for the year by $4,000. The Company will recognize the proceeds from the sales as revenue when the initial services required by the Company have been performed. The Company meet the revenue recognition criteria during the year ending December 31, 2015 and recognized the revenue and expense in that same year.

During the year ended December 31, 2015 the Company sold nine franchise units totaling $97,400, of those units, the Company determined that, as of year-end, it had not performed all initial services related the sales of four units and, in accordance with the Company's revenue recognition policies, elected to defer the franchise fee revenue of $49,000 and related commission expenses of $12,000. The Company recognized the proceeds from the sales as revenue and the related commission expenses for three of those franchises during the year ended December 31, 2016 and has continued to defer recognition of one unit for $12,500. The Company expects to recognize revenue for that franchise when the initial services required by the Company have been performed.

During the year ended December 31, 2016 the Company sold four franchise units totaling $48,800, of those units, the Company determined that, as of year-end, it had not performed all initial services related the sales of two units and, in accordance with the Company's revenue recognition policies, elected to defer the franchise fee revenue of $23,800. The Company will recognize the proceeds from the sales as revenue when the initial services required by the Company have been performed.

(3) Intangible Assets

The Company has recorded intangible assets for franchise agreements. In November 2014, the sole member of the Company assigned all rights and privileges of three existing franchise agreements to the Company. The Company has valued these contracts based on a discounted cash flow model and has elected to amortize the asset over useful life of ten years. As of year-end, the Company determined there was no impairment of the assets. Identifiable intangibles assets consist of the following as of December 31, 2016, 2015 and 2014:

	2106	**2015**	**2014**
Franchise agreements	$ 51,610	$ 51,610	$ 51,610
Less accumulated	(10,322)	(5,161)	-
Intangible assets, net	$ 41,288	$ 46,449	$ 51,610

(4) Affiliated Businesses

As a result of common ownership, the Company is affiliated with Grid Iron Flag Football, LLC which operates one franchise under the ONE Nation brand name. ONE Sports Nation, LLC does not operate a ONE Sports Nation franchise.

The Company has never offered franchises in other lines of business.

(5) Commitments and Contingencies

(a) Litigation

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is “probable” and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is “probable” but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is “reasonably possible,” disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are “remote” are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(6) Prior Period Restatement

The Company has restated its previously issued financial statements for 2014 and 2015, primarily to reflect the correction of errors related to inventory and cost of sales expenses. GAAP requires that inventory on hand be reported at lower of cost or market. The Company's restated financial statements reflect each of these items in the period in which actually arose. The effect of correction of these errors on results of operations for the above mentioned financial statements is as follows:

	2015	2014
Net income (loss):		
As previously reported	47,495	(8,103)
As restated	55,496	1,208

The effect of correction of these errors on member's equity and significant asset accounts is as follows:

	2015	2014
Member's equity		
As previously reported	10,978	41,107
As restated	28,290	50,418
Inventory		
As previously reported	-	-
As restated	16,382	17,312

(7) Date of Management's Evaluation

Management has reviewed and evaluated subsequent events through the date on which the financial statements were issued.

EXHIBIT F

FRANCHISE DISCLOSURE QUESTIONNAIRE

FRANCHISE DISCLOSURE QUESTIONNAIRE

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

l. Yes__ No__ Have you received and personally reviewed the Franchise Agreement and each attachment or exhibit attached to it that we provided?

2. Yes__ No__ Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?

3. Yes__ No__ Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

4. Yes__ No__ Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?

5. Yes__ No__ Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?

6. Yes__ No__ Have you had the opportunity to discuss the benefits and risks of developing and operating a ONE Sports Nation Franchise with an existing ONE Sports Nation franchisee?

7. Yes__ No__ Do you understand the risks of developing and operating a ONE Sports Nation Franchise?

8. Yes__ No__ Do you understand the success or failure of your ONE Sports Nation Franchise will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?

9. Yes__ No__ Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated in Arizona, if not resolved informally or by mediation?

10. Yes__ No__ Do you understand that you must satisfactorily complete the initial training program before we will allow your ONE Sports Nation Franchise to open or consent to a transfer of the ONE Sports Nation Franchise to you?

11. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a ONE Sports Nation Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

12. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

13. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a ONE Sports Nation Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

14. Yes__ No__ Do you understand that the Franchise Agreement, including each attachment or exhibit to the Franchise Agreement, contains the entire agreement between us and you concerning the ONE Sports Nation Franchise, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments or exhibits to the Franchise Agreement will not be binding?

15. Yes__ No__ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

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

______________________________	______________________________
Signature of Franchise Applicant	Signature of Franchise Applicant
______________________________	______________________________
Name (please print)	Name (please print)
Date ___________________________	Date ___________________________

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

Question Number	Explanation of Negative Response

<u>EXHIBIT G</u>

STATE ADDENDA
AND AGREEMENT RIDERS

STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR ONE SPORTS NATION, LLC

The following modifications are made to the ONE Sports Nation, LLC ("**Franchisor**," "**us**," "**we**," or "**our**") Franchise Disclosure Document ("**FDD**") given to franchisee ("**Franchisee**," "**you**," or "**your**") and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated _________________________, 20___ ("**Franchise Agreement**"). When the term "**Franchisor's Choice of Law State**" is used, it means Arizona. When the term "Supplemental Agreements" is used, it means: none.

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

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

CALIFORNIA

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

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

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Franchisor's Choice of Law State. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement or Supplemental Agreements restricting venue to a forum outside the State of California. The Franchise Agreement may contain a mediation provision. If so, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator's fees.

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

Neither Franchisor nor any other person listed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

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

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

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

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

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

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

Item 6 of the FDD is amended to state the highest interest rate allowed by law in California is 10% annually.

HAWAII

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE

AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

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

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

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

1. States in which this proposed registration is effective are listed on the third page of the FDD on the page entitled, "State Effective Dates."

2. States which have refused, by order or otherwise, to register these Franchises are:

   None

3. States which have revoked or suspended the right to offer the Franchises are:

   None

4. States in which the proposed registration of these Franchises has been withdrawn are:

   None

ILLINOIS

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

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

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

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

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

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

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

Surety Bond

Item 5 of the FDD is amended to state The Illinois Attorney General's Office has imposed a bond requirement because of our financial condition. The Surety Bond has been filed with the Illinois Attorney General's Office.

INDIANA

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

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

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

> Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
>
> Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

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

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

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

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

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

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

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

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

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

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor’s Choice of Law State law, if such provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.

3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

5. The following provision will be added to the Franchise Agreement:

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

IOWA

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

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_______________ (enter date of transaction)

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

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

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

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to ONE Sports Nation, LLC, 26716 N. 10th Lane, Phoenix, AZ 85085 not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: ___________________________

By: _________________________________

Print Name: __________________________

Its: __________________________________

Date: _______________________________

MARYLAND

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENTS AND SUPPLEMENTAL AGREEMENTS

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

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

Item 17 of the FDD and sections of the Franchise Agreement and Supplemental Agreements are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise

Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

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

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

MICHIGAN

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

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

(a) A prohibition on your right to join an association of franchisees.

(b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.

(c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the Franchise business are not subject to compensation. This subsection applies only if: (i) the term of the Franchise is less than five (5) years; and (ii) you are prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the Franchise or you do not receive at least six (6) months' advance notice of our intent not to renew the Franchise.

(e) A provision that permits us to refuse to renew a Franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to:

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

MINNESOTA

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

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.

2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.

3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement relating to arbitration.

4. With respect to Franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and that consent to the transfer of the Franchise will not be unreasonably withheld.

5. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.

6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement, to the extent required by Minnesota law.

7. The following language will appear as a new paragraph of the Franchise Agreement:

> No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.

8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three (3) years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.

9. Item 6 of the FDD and Section 3H of the Franchise Agreement is hereby amended to limit the Insufficient Funds Charge to $30 per occurrence pursuant to Minnesota Statute 604.113.

NEW YORK

The following information is added to the cover page of the Franchise Disclosure Document:

> **INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR**

SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

The following is added at the end of Item 3:

Except as provided above, with regard to Franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party 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. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the Franchise System or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge, or within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunction or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including without limitation, actions affecting a license as a real estate broker or sales agent.

The following is added to the end of Item 4:

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

The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for Franchisee to renew or extend," and Item 17(m), entitled "Conditions for Franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

The following language replaces the "Summary" section of Item 17(d), titled "Termination by Franchisee":

You may terminate the agreement on any grounds available by law.

The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by Franchisor":

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

The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of Forum," and Item 17(w), titled "Choice of Law":

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

NORTH DAKOTA

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

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

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

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

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

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

Item 17(r) of the FDD and Section 7 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statue, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

OHIO

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

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

Initials________________ Date___________

NOTICE OF CANCELLATION

________________ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five (5) business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten (10) business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to ONE Sports Nation, LLC, 26716 N. 10th Lane, Phoenix, AZ 85085 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

Date: ______________________________

By: ______________________________
Print Name: ______________________________
Its: ______________________________

RHODE ISLAND

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

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

SOUTH DAKOTA

Intentionally left blank.

VIRGINIA

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

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

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for ONE Sports Nation, LLC for use in the Commonwealth of Virginia shall be amended as follows:

> Additional Disclosure. The following statements are added to Item 8 and Item 17.h.
>
> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

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

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

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

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

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

WISCONSIN

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

(Signatures on following page)

APPLICABLE ADDENDA

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

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

Dated: ____________________, 20____

FRANCHISOR:

ONE SPORTS NATION, LLC

By: ____

Title: ____

FRANCHISEE:

____

____

By: ____

Title: ____

Rev. 031516

EXHIBIT H

CONTRACTS FOR USE WITH THE ONE SPORTS NATION FRANCHISE

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

EXHIBIT H-1

ONE SPORTS NATION FRANCHISE

SAMPLE GENERAL RELEASE AGREEMENT

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims ("Release") is made as of ____________________, 20___ by ______________________________________, a(n) ____________________________ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of ONE Sports Nation, LLC, an Arizona limited liability company ("Franchisor," and together with Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a ONE Sports Nation business;

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

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

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

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

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

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

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

5. Miscellaneous.

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

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

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

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

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

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

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

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

(Signatures on following page)

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

FRANCHISEE:

____, a

____

By: ____

Name: ______________________________________

Its: ____

FRANCHISEE'S OWNERS:

Date _________________________

____

Signature

____

Typed or Printed Name

EXHIBIT H-2

ONE SPORTS NATION FRANCHISE

SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement ("Agreement") is entered into by the undersigned ("you" or "your") in favor of ONE Sports Nation, LLC, an Arizona limited liability company, and its successors and assigns ("us," "we" or "our"), upon the terms and conditions set forth in this Agreement.

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

"Competitive Business" means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by you in and/or from the Franchisee Territory (including, but not limited to, the products we authorize); or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Franchisee Territory (including, but not limited to, the services we authorize), but excludes a ONE Sports Nation business operating pursuant to a franchise agreement with us.

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

"Franchisee" means the ONE Sports Nation franchisee for which you are a manager or officer.

"Franchisee Territory" means the territory granted to you pursuant to a franchise agreement with us.

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

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

"Manual" means our confidential Brand Standards Manual for the operation of a ONE Sports Nation business, which may be periodically modified by us.

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

"Prohibited Activities" means any or all of the following: (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly-traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing or attempting to induce: (a) any of our employees or managers (or those of our affiliates or franchisees) to leave their position; or (b) any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

"Restricted Period" means the two (2)-year period after you cease to be a manager or officer of Franchisee's ONE Sports Nation business; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the "Restricted Period" means the nine (9) month period after you cease to be a manager or officer of Franchisee's ONE Sports Nation business.

"Restricted Territory" means the geographic area within: (i) a 25-mile radius from Franchisee's ONE Sports Nation business (and including the premises of the approved location of Franchisee); and (ii) a 25-mile radius from all other ONE Sports Nation businesses that are operating or under development as of the beginning of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the "Restricted Territory" means the geographic area within a 15-mile radius from Franchisee's ONE Sports Nation business (and including the premises of the approved location of Franchisee).

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

2. Background. You are a manager or officer of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire System if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Know-How and Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the ONE Sports Nation business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a manager or officer of Franchisee's ONE Sports Nation business. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

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

5. Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

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

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

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

9. **Miscellaneous**.

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

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

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

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory, and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

(Signatures on following page)

EXECUTED on the date stated below.

Date___________________________________ ____

Signature

____

Typed or Printed Name

EXHIBIT H-3

ONE SPORTS NATION FRANCHISE

SAMPLE CONFIDENTIALITY AGREEMENT

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

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

"Copyrights" means all works and materials for which we or our affiliate(s) have secured common law or registered copyright protection and that we allow ONE Sports Nation franchisees to use, sell, or display in connection with the marketing and/or operation of a ONE Sports Nation Business, whether now in existence or created in the future.

"Franchisee" means the ONE Sports Nation franchisee for which you are an employee, independent contractor, agent, representative, or supplier.

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

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

"Manual" means our confidential Brand Standards Manual for the operation of a ONE Sports Nation Business.

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

"ONE Sports Nation Business" means a business that provides various programs in adult and/or youth sports leagues, associated merchandise (branded and non-branded) and equipment, skills camps, clinics, tournaments, and other related products and services using our Intellectual Property.

"System" means our system for the establishment, development, operation, and management of a ONE Sports Nation Business, including Know-how, proprietary programs and products, confidential Brand Standards Manuals, and operating system.

2. Background. You are an employee, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our Intellectual Property. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees, and that you could seriously jeopardize our entire Franchise System if you were to use such Intellectual Property in any way other than as described in this Agreement. In order to avoid such damage, you agree to comply with this Agreement.

3. Know-How and Intellectual Property: Nondisclosure and Ownership. You agree: (i) you will not use the Intellectual Property in any business or capacity other than for the benefit of the ONE Sports Nation Business operated by Franchisee or in any way detrimental to us or to the Franchisee; (ii) you will maintain the confidentiality of the Intellectual Property at all times; (iii) you will not make unauthorized copies of documents containing any Intellectual Property; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Intellectual Property; and (v) you will stop using the Intellectual Property immediately if you are no longer an employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

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

4. Immediate Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual Property to the family member.

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

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

7. Miscellaneous.

a. Although this Agreement is entered into in favor of ONE Sports Nation, LLC, you understand and acknowledge that your employer/employee, independent contractor, agent, representative, or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.

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

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

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

EXECUTED on the date stated below.

Date_________________________________ ____

Signature

____

Typed or Printed Name

EXHIBIT H-4

SAMPLE AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

____

Franchisee Name | Business No.

____

Franchisee Mailing Address (street) | Franchisee Phone No.

____

Franchisee Mailing Address (city, state, zip)

____

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

____

Franchisee Fax No. | Franchisee E-mail Address

Bank Account Information:

____

Bank Name

____

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

☐ Checking ☐ Savings

____

Bank Account No. | (check one) | Bank Routing No. (9 digits)

____

Bank Mailing Address (city, state, zip) | Bank Phone No.

Authorization:

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

Signature: ___________________________________ Date: ___________________________________

Name: ______________________________________

Its: ____

Federal Tax ID Number: _________________________

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

EXHIBIT H-5

ONE SPORTS NATION FRANCHISE

SAMPLE APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment ("**Agreement**") is entered into this _____ day of ___________________________, 20_____, between ONE Sports Nation, LLC ("**Franchisor**"), __________________________ ("**Former Franchisee**") and _________________________________ ("**New Franchisee**").

RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated ___________________________, 20______ ("**Franchise Agreement**"), in which Franchisor granted Former Franchisee the right to operate a ONE Sports Nation franchise located at _____________________________________ ("**Franchised Business**"); and

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

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

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement ("**Franchisor's Assignment Fee**").

2. Assignment and Assumption. Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Agreement, and conditioned upon New Franchisee's signing of a franchise agreement pursuant to Section 5 of this Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor's Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Franchise Agreement and waives any obligation for Former Franchisee to enter into a subordination agreement pursuant to the Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that all of Former Franchisee's rights to operate the Franchised Business and rights under the Franchise Agreement are hereby relinquished and that from the date of this Agreement only New Franchisee shall have the sole right to operate the Franchised Business. Former Franchisee and its owners agree to comply with all of the covenants in the Franchise Agreement that expressly or by implication survive the

termination, expiration, or transfer of the Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute Franchisor's current form of Franchise Agreement and attachments for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a ONE Sports Nation franchise as stated in Franchisor's Franchise Disclosure Document.

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

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

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

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

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

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

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

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Arizona.

(Signatures on following page)

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

FRANCHISOR:

ONE SPORTS NATION, LLC

By: ____

Title: ____

FORMER FRANCHISEE:

____

By: ____

Title: ____

NEW FRANCHISEE:

____

By: ____

Title: ____

Rev. 040516

<u>EXHIBIT I</u>

RECEIPT

RECEIPT
(Retain This Copy)

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

If ONE Sports Nation, 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.

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

If ONE Sports Nation, 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 identified on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Bonnie McMahon, 27617 N. 10th Lane, Phoenix, AZ 85085; (480) 359-4859

Issuance Date: April 19, 2017

I received a disclosure document issued April 19, 2017 which included the following exhibits:

Exhibit A	State Administrators/Agents for Service of Process
Exhibit B	Franchise Agreement
Exhibit C	Brand Standards Manual Table of Contents
Exhibit D	List of Current and Former Franchisees
Exhibit E	Financial Statements
Exhibit F	Franchise Disclosure Questionnaire
Exhibit G	State Addenda and Agreement Riders
Exhibit H	Contracts for use with the ONE Sports Nation Franchise
Exhibit I	Receipts

Date	Signature	Printed Name
Date	Signature	Printed Name

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

RECEIPT
(Our Copy)

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

If ONE Sports Nation, 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.

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

If ONE Sports Nation, 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 identified on Exhibit A.

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Exhibit H	Contracts for use with the ONE Sports Nation Franchise
Exhibit I	Receipts

Date	Signature	Printed Name
Date	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and return it to ONE Sports Nation, LLC, 26716 N. 10th Lane, Phoenix, AZ 85085.