FRANCHISE DISCLOSURE DOCUMENT

SHOOT 360 NATION, LLC
12403 NE 60TH Way, #D-1
Vancouver, Washington 98682
360-433-9841
Franchise@Shoot360.com
www.Shoot 360.com

We are ***SHOOT 360 NATION, LLC,*** a Washington limited liability company. We offer and support a franchise system of both name branded and also co-branded gyms that include use of our basketball shooting, passing and ball handling training equipment and related software. We offer franchises to own and operate Shoot 360 basketball skills development facilities. This is done under the "***Shoot 360®***" names and logos. Name branded gyms operate under the "***Shoot 360®***" names and logos and are called "Shoot 360 Gyms" in this document. Co-branded gyms operate in conjunction with your current or future athletic facility operating under your own names and "**Shoot 360® At [name of co-branded facility]**" and are called "Co-Branded Gyms."

The estimated initial investment required for a Shoot 360 Gym franchise ranges from **$430,000** to **$2,184,000**. This includes an Initial Franchise Fee of **$40,000**. The estimated initial investment required for a Co-Branded Gym franchise ranges from **$240,000** to **$1,129,000** this includes an Initial Franchise Fee of **$20,000**. The estimated initial investment also includes payments to approved suppliers to deliver to you a completely furnished and equipped Shoot 360 training facility ready for installation at your site (the "Shoot 360 Package"). The Shoot 360 Package price is typically **$200,000** to **$1,035,000**, depending upon the size and configuration of your gym, not including freight charges and installers travel expenses. Refer to Items 5, 6 and 7 of this disclosure document for more information.

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 President, Craig Moody, at 12403 NE 60th Way, #D-1, Vancouver, WA 98682, 360-433-9841.

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

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

This Franchise Disclosure Document is issued as of **November 23, 2020**.

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Shoot 360 business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Shoot 360 franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About This Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Oregon. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Oregon than in your own state.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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

We are *Shoot 360 Nation, LLC,* a Washington limited liability company formed on August 14, 2019. The address and telephone number of our franchise office is 12403 NE 60th Way, #D-1, Vancouver, Washington 98682, 360-433-9841. Information concerning our agents for service of process in various states that require the registration of franchise offering and a list of the relevant state franchise administrators may be found in Exhibit A to this Franchise Disclosure Document.

We have implemented advanced technologies for basketball shooting, passing, and ball handling measurement and development. Our goal is to help individual basketball players reach their maximum potential grounded in repetition and perfect practice standards. To do this, our technology instantly provides metrics about passing, ball handling and shooting performance. This information can be used to build personalized workout programs for each individual player. Players will be able to easily access their performance metrics and workout programs on our mobile application. This purely objective information will help improve their skills quickly and dramatically. Business and training and gaming software, is called "the Shoot 360 System."

We do business under the name "***Shoot 360***®" and related names and logos (the "Shoot 360 Marks" or the "Service Marks.") We do not do business under any other names. Our corporate and business office address is 12403 NE 60th Way, #D-1, Vancouver, Washington 98682. Our telephone number is (360) 433-9841. In this document we and our successors are called "we" or "us" and "Shoot 360." We have no parent or predecessor.

Our affiliate is Shoot 360, Inc. It is a Washington corporation that has operated basketball training gyms in the Pacific Northwest, California, and Indiana since April 2012. These facilities are of the same type as that to be operated by our Shoot 360 Gym franchises. They provide the testing ground for many of our processes and innovations and are the prototype for our franchise system. Our affiliate's principle address is 12403 NE 60th Way, #D-1, Vancouver, Washington 98682. Its telephone number is (360) 433-9841. We and our affiliate retain the right to own or operate additional Shoot 360 facilities and franchises. Our affiliate has not conducted business in any other line of business.

We have created a franchise program that includes, the common use and promotion of the Shoot 360 Marks, and gaming software and equipment, furnishings, business and operations software, and ongoing assistance. Shoot 360 Gym franchises also use our innovative basketball training facility with interior and exterior trade-dress, equipment, furnishings, training and business software, standards, specifications and procedures for quality, efficient training, service, products, procedures, and processes for basketball training, management control, sales and advertising, promotional programs.

The typical location for a Shoot 360 franchise is in a shopping area, high end warehouse area, or commuter district near an interstate highway or high volume state highway. A Shoot 360 Gym basketball training facility typically has approximately 5,000 to 20,000 square feet of floor space.

The market for basketball training facilities and related products and services is new and not well developed. The principal sources of direct competition for our franchise locations are athletic clubs, private basketball training coaches, YMCA and similar facilities, and basketball specific training programs such as Impact Basketball. Some of these are part of multiple location or franchise chains. Recreational basketball leagues and school basketball teams and their coaches will be sources of indirect competition. Shoot 360 services and products are sold primarily to youth and young adult athletes seeking to improve their basketball skills and increase their playing opportunities. There is seasonality to this business.

We produce and sell innovative training and gaming concepts and technology. We also provided advertising, and sales promotion materials and processes for our Shoot 360 Gym franchisees. We attempt to negotiate group discount rates for the benefit of all of our franchisees for wholesale supplies, merchandise, and services.

In this Franchise Disclosure Document, "you" means the person who buys a Shoot 360 Basketball Training franchise ("Franchise") and includes your owners, partners, and members when you are a business entity. As a ***Co-Branded Gym*** franchisee (you will be designated as such in Section 2.1 of the Franchise Agreement Exhibit C to this document), you select the name you will use to operate your athletic facility. You then are allowed to promote your use of the Shoot 360 System using your facility name(s) co-branded with "Shoot 360® At [name of co-branded facility]" and our Service Marks. As a ***Shoot 360 Gym*** franchisee (you will be designated as such in Section 2.1 of the Franchise Agreement in Exhibit C to this document), you use our Shoot 360 name as the name of your facility and are required to use our gym layout, design, and brand protection concepts and agreement provisions. You are prohibited from including "***Shoot 360®***" or any other of our marks or names as part of your corporate, partnership, business, or other entity name or in any website URL, e-mail address, domain name or website meta-tags.

We license our franchisees to offer and promote the Shoot 360 System under the Service Marks. If you are a Shoot 360 Gym franchisee, we grant you the right to establish and operate a basketball training gym pursuant to and in the Shoot 360 System, using the Shoot 360 Marks, and our business and training methods and record keeping software and payment systems, all of which are part of the Shoot 360 System. The Shoot 360 System is an organized system regulated by our business and training management, training operations, scheduling, monthly billing system, POS system, mobile app, record keeping, payment receipt, administrative, promotional, advertising, player tracking, and promotional rules and regulations, and operations software. Collectively these are all part of the Shoot 360 System.

We have offered franchises in the United States since August 2019. Our dissolved affiliate Shoot 360 Franchise, LLC, registered for but never offered or sold any franchises in 2017. Neither we nor our affiliates have offered franchises in any other line of business. We retain the right to market and provide services to any and all Shoot 360 trainees. We complement our network of franchised name-branded and co-branded training facilities with locations owned by our affiliate. Many of the locations owned by our affiliate are available for purchase by franchisees after an incubation period. We do not own or operate any training facilities as of the date of this Franchise Disclosure Document. We focus activities on supporting and empowering our franchisees and advancing the Shoot 360 System and retain the right to own and operate basketball training gyms including those of the type to be operated by our franchisees. We are not involved in any other business activities. We have not yet but do plan in the future to offer and sell licenses outside of the United States for independent entities to use the Shoot 360 Marks and to operate within the Shoot 360 System in various foreign countries.

Because we depend on a high rate of referral and repeat business, the quality of franchisee interactions with referral parties, such as coaches and schools, and with trainees is an important element of our business strategy. We develop strong, cooperative relationships with and for our franchisees by providing training, marketing materials and programs, internet and computer-related support, incentive programs, and investments in player relationship management technology.

We provide to potential and current trainees, coaches, and schools information about Shoot 360 products and services that are available locally, nationally and internationally. Franchisees are

responsible for training all trainees referred to them, following our policies and procedures and Shoot 360 System, facilitating player training and exercise regimens, and assuring payment for training and services.

You will be obligated to comply with all legal regulations that apply to all businesses generally. These may include:

Federal, state, and city, county, parish, borough, municipality or other local laws.

Federal. Examples of federal laws are wage and hour, occupational health and safety, equal employment opportunity, hazardous materials communication to employees, hazardous waste and environmental, and the Americans with Disabilities Act.

State. State laws may cover the same topics as federal laws. Examples of state laws include environmental, occupational health and safety, fire, health, and building and construction laws.

Local. Local laws may cover the same topics as federal and state laws. Examples of local laws include health and sanitation, building codes, fire codes, and waste disposal.

You must pay special attention to federal and state wage and hour laws with respect to your employees. You must comply with all such laws and pay your employees properly. You should investigate these and other laws applicable to your business with your own independent legal counsel before signing the Franchise Agreement and before opening for business. It is your responsibility to identify and comply with any and all laws applicable to your franchise, and we urge you to investigate these laws and regulations before becoming a franchisee. You must comply with all employment laws and regulations in respect to your employees and/or independent contractors.

This Franchise Disclosure Document contains a summary of some material provisions of the Franchise Agreement between you and us (the "Franchise Agreement"). However, the Franchise Agreement itself expresses and governs the actual legal relationship between you and us. We are willing to negotiate the terms of the Franchise Agreement with our existing franchisees, existing business locations, our employees and multiple franchise purchasers. The terms of the Franchise Agreements between us and our other franchisees may vary significantly from the terms of your Franchise Agreement.

2. BUSINESS EXPERIENCE

Craig Moody, President and LLC Manager:

Craig Moody has been our President and LLC Manager since our inception in August 2019. He was our CEO from April 2012 to February 2020. He has been President and a member of the board of directors of our affiliate Shoot 360, Inc. since its inception in April 2012. Since 2009 he has co-owned and operated Northwest Classic Homes in, Vancouver, Washington.

Terry Michaelson, Chief Executive Officer:

Terry Michaelson has been our CEO and CEO of our affiliate Shoot 360, Inc. since February 2020. From January 2014 to February 2020, he owned and operated Michaelson Consulting LLC in Lake Oswego, Oregon. From November 2016 to November 2019, Terry was CEO of Portland Bottling Company in Portland, Oregon.

Kirk Hendricks, Chief Operations Officer and Chief Technical Officer:

Kirk Hendricks has been our COO, CTO and LLC Manager since our inception in August 2019. He has been COO and a member of the board of directors of our affiliate Shoot 360, Inc. since its inception in April 2012 in Vancouver, Washington.

Joshua Hall, Vice-President of Business Development:

Josh Hall has been our Vice-President of Business Development since our inception in August 2019. He has been the Vice-President of Business Development for our affiliate Shoot 360, Inc. since January 2017. He was an assistant basketball coach at Concordia University in Portland Oregon from January 2013 through December 2016. He was an assistant basketball coach at Warner Pacific University in Portland Oregon from 2005 through 2012.

Frederick Jones, Vice-President of Business Development (NBA & WNBA):

Fred Jones has been our Vice-President of Business Development (NBA & WNBA) since our inception in August 2019. He has worked in various in-house public relations capacities for the Indiana Pacers NBA professional basketball team in Indianapolis, Indiana since April 1, 2009. Fred owned and operated The Luxury Sneakers Exchange in Indianapolis from March 2015 to November 2017.

Robert F. Beltrone, Vice-President of Success & Operations;

Robert Beltrone has been our Vice-President of Success & Operations and Vice-President of Success & Operations of our affiliate Shoot 360, Inc. since January 2020. He was Senior Director for Model N in San Mateo, California from May 2015 to January 2020.

Marcos Montas, Regional Operations Manager:

Marcos Montas has been our Regional Operations Manager since our inception in August 2019 and for of our affiliate Shoot 360, Inc. since September 2018. From September 2013 to September 2018, he was a coach and facility general manager for of our affiliate Shoot 360, Inc. in Vancouver, Washington.

Kenese Peneueta, Franchise Training Manager:

Kenese Peneueta has been our Franchise Training Manager since January 2020. From May 2019 to December 2019, he was Head Coach at the Oceanside California Shoot 360 Gym for our affiliate Shoot 360, Inc. From December 2015 to April 2019, he was a Floor Coach for of our affiliate Shoot 360, Inc. in Vancouver, Washington.

3. LITIGATION

No litigation is required to be disclosed in this Item.

4. BANKRUPTCY

Except as described below, no bankruptcy is required to be disclosed in this disclosure document.

In a case filed on July 16, 2012, our Vice President of Business Development Joshua Hall was discharged in Chapter 7 Bankruptcy on October 18, 2012 by the United States Bankruptcy Court for the District of Oregon, Case #12-35504.

5. INITIAL FEE

If you purchase a Shoot 360 Gym franchise, the Initial Franchise Fee is **$40,000**. A "Shoot 360 Training Unit" or "Unit" consists of proprietary software (the "Software") that we have developed to assist in monitoring and reporting on your use of our high-tech basketball training equipment ("Basketball Training Equipment"). You have or intend to acquire Basketball Training Equipment and have it installed in your Gym and you want us to develop, maintain and make available the Software as a Service for use in connection with the equipment. We will provide the Software as a Service to you and will allow you to use our Shoot 360 training system and service marks in conjunction with each Shoot 360 Training Unit.

The Initial Franchise Fee for a Co-Branded Gym franchise is **$20,000**.

The Initial Franchise Fee is paid 50% at the time you sign the Franchise Agreement and 50% when you attend the initial mandatory training session described in Item 11, below. If you or your franchise managers do not successfully complete the mandatory training program to our satisfaction, we may terminate the Franchise Agreement by refunding the Initial Franchise Fee to you. You are encouraged to begin training before incurring any costs or expenses related to the planned opening of the Franchise. We will not be liable for any costs or expenses you incur if we terminate the Franchise Agreement because you fail to satisfactorily complete the mandatory training course, including legal fees.

The Initial Franchise Fee is not refundable in whole or in part under any circumstances other than those listed above.

In part, the Initial Franchise Fee is paid in consideration of our location and design services, sales and training expenses, administrative overhead, manufacturing and supply costs, equipment acquisition and installation costs, return on investment, and start-up costs related to the execution of the Franchise Agreement and the opening of your Franchise and for our lost or deferred opportunity to sell franchises in your franchise market area to others.

Once you have determined the number of Shoot 360 Training Units, Basketball Training Equipment, and additional equipment & furnishings for your franchise and you have signed the Franchise Agreement, you will purchase the Shoot 360 Training Units, Basketball Training Equipment, and furnishings from approved suppliers. Typically, the approved suppliers require you to pay 50% of the entire purchase price down, 25% 90 days before shipping date, 15% at the time of shipping, and the remaining 10% plus additions, freight charges, and installers' travel upon completion of delivery and installation. You will also be required to pay for travel expenses for our installation team and training team as well as the freight for equipment and fixtures to your facility.

We may offer franchises at a reduced rate to prospective franchisees who in our opinion possess the knowledge and experience to conduct business with minimal assistance from us or who are purchasing multiple franchises. Occasionally, we may permit existing franchisees to obtain additional Franchise Agreements with reduced or no initial fees as an award to a limited number of existing franchisees who have excelled in the Shoot 360 system. For example, at a franchise convention we may make such an award to the franchise with the highest volume, highest comparative sales increase, or similar achievements. We may offer franchises without any initial franchise fees to our shareholders and corporate officers and to other individuals identified in Item 2, above.

There are no other fees or payments made to us for goods or services prior to the opening of your Franchise.

6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Monthly Training Unit Fee[(1)]	From **$1,600** down to **$1,000** Per Shoot 360 Training Unit depending upon the number of Units.	Monthly	See the Tier 1 and Tier 2 Price Lists, below.[(1)]
Local Advertising Contribution	Up to **2%** of your Shoot 360 Gross Monthly Revenue[(2)] with **$500** minimum	As outlined in the Best Practices Manual, we may require you to spend these amounts on advertising in your local market area each month.	Your contributions to a local advertising cooperative (described below) will be credited toward this Local Advertising Contribution obligation.
Supplies and Advertising[(3)]	Reasonable rates as outlined in the Best Practices Manual. You are obligated to obtain these but you select the amount and timing.	Upon order or delivery	In the reasonable amounts you order from us.
Basketball Training Equipment and Supplies	Reasonable rates as outlined in the Best Practices Manual. You are obligated to obtain these but you select the amount and timing.	Upon order delivery	In the reasonable amounts you order from us.
Additional Training	$500 per person per day	Payable before training.	In addition to the cost of the training, you are also responsible for all costs and expenses of travel, lodging, meals and entertainment. Most of these expenses are paid to third parties.
Conventions	The fee to attend a convention varies from convention to convention and we set the fee at the time of the applicable	The fee to attend a convention is due prior to the start of the convention.	In addition to the cost of the convention (if any), you are also responsible for all costs and expenses of travel, lodging, meals and entertainment. Most of these expenses are paid to

Type of Fee	Amount	Due Date	Remarks
	convention.		third parties.
Additional Assistance	Provided at our discretion at our then-current rates (currently $500 per day). You are also responsible for the costs of travel, lodging and meals.	At your discretion based on the availability of our staff.	This assistance includes help that you request with the set-up and operation of your franchise beyond or in addition to our established training programs and franchise oversight and support processes.
Renewal Fee	There is no Renewal Fee.		You must reimburse us for our reasonable out-of-pocket costs concerning the renewal.
Transfer Fee	$10,000 to a new franchisee and $5,000 to an existing franchisee (add 10% commission on the gross sale price if we find the franchise buyer for you).	At the time the transferee signs the Franchise Agreement.	Payable to us. There is no transfer fee to change the form of ownership of an entity.
Step-In Right Costs (Shoot 360 Gym franchises)	Reasonable out-of-pocket expenses and costs we incur	As Incurred	You must reimburse us for our out of pocket expenses and costs we incur if we step-in to operate your Shoot 360 Gym franchise pursuant to Franchise Agreement.
Product Testing Costs and Vendor Review	Reasonable out-of-pocket expenses and costs we incur	As Incurred	You must reimburse us for our out of pocket expenses and costs we incur to test new products or sources you request for approval (See Item 8 and Franchise Agreement Section 6.1).
Late Fees	**$50**, or higher rates we establish in the Best Practices Manual, plus interest at the rate of the greater of 1.5% per month or Prime plus 10% as established by the Bank of America in Portland, Oregon.	As Incurred	If any report is not made or any fee or any other amount due under this Agreement is not delivered or paid to us on or before the date due, you must pay a late fee for each day such amount is past due.. Lower rates may be required by applicable law of the state where the Franchise Territory is located.

* This table shows all other fees applicable to a Shoot 360 Gym franchise, including all recurring and isolated fees, at their current rates. Except where otherwise specified, we or our affiliates impose all the fees in this table, you pay them to us or our affiliates, and we (or our affiliates) do not refund them. These fees are uniform to all Shoot 360 Gym franchisees.

1. Monthly Training Unit Fee:

Shoot 360 Franchise Equipment & Licensing Fee Price List (Tier 1)									
# of Training Units (Minimum 2)	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10+**
Monthly Licensing Fee per Training Unit *	$ 1,600	$ 1,550	$ 1,500	$ 1,450	$ 1,400	$ 1,350	$ 1,300	$ 1,250	$ 1,200
Total Monthly Licensing Fees for All Training Units	**$ 3,200**	**$ 4,650**	**$ 6,000**	**$ 7,250**	**$ 8,400**	**$ 9,450**	**$ 10,400**	**$ 11,250**	**TBD**
Purchase Price per Training Unit **	$ 47,500	$ 45,000	$ 45,000	$ 44,000	$ 44,000	$ 43,000	$ 43,000	$ 42,000	$ 42,000
Total Purchase Price of Training Units**	**$ 95,000**	**$ 135,000**	**$ 180,000**	**$ 220,000**	**$ 264,000**	**$ 301,000**	**$ 344,000**	**$ 378,000**	**TBD**

* *Training Unit is One Complete Shooting Cage Set-up and One Complete Ball Handling/Passing Station Set-up*

** *Add approximately $3 - $4K per training unit for freight and travel expenses*

Included & Optional Features									
	Included	**Included**	**Included**	**Included**	**Included**	**Included**	**Included**	**Included**	**Included**
Facility Design Consultation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equipment Installation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Training	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Point of Sale System	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Billing Software	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Scheduling Software	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Profile Software	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Management Dashboard & Report Server	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Member Login Portal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mobile App	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Premium Training & Gaming Software	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Premium Machine Firmware	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Tech Support	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Software Updates	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Standard Manufacturer Equipment Warranty	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lead Generation	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional
Advertising Platform	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional

Shoot 360 Franchise Equipment & Licensing Fee Price List (Tier 2)

# of Training Units (Minimum 2)	2	3	4	5	6	7	8	9	10+
Monthly Licensing Fee per Training Unit *	$ 1,400	$ 1,350	$ 1,300	$ 1,250	$ 1,200	$ 1,150	$ 1,100	$ 1,050	$ 1,000
Total Monthly Licensing Fees for All Training Units	**$ 2,800**	**$ 4,050**	**$ 5,200**	**$ 6,250**	**$ 7,200**	**$ 8,050**	**$ 8,800**	**$ 9,450**	**TBD**
Purchase Price per Training Unit **	$ 47,500	$ 45,000	$ 45,000	$ 44,000	$ 44,000	$ 43,000	$ 43,000	$ 42,000	$ 42,000
Total Purchase Price of Training Units **	**$ 95,000**	**$ 135,000**	**$ 180,000**	**$ 220,000**	**$ 264,000**	**$ 301,000**	**$ 344,000**	**$ 378,000**	**TBD**

** Training Unit is One Complete Shooting Cage Set-up and One Complete Ball Handling/Passing Station Set-up*

*** Add approximately $3 - $4K per training unit for freight and travel expenses*

Included & Optional Features									
	Included	Included	Included	Included	Included	Included	Included	Included	Included
Facility Design Consultation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equipment Installation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Training	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Point of Sale System	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Billing Software	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Scheduling Software	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Profile Software	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Management Dashboard & Report Server	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Member Login Portal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mobile App	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Premium Training & Gaming Software	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Premium Machine Firmware	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Tech Support	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Software Updates	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Standard Manufacturer Equipment Warranty	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lead Generation	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional
Advertising Platform	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional

2. "Revenue" means all receipts generated by your Shoot 360 franchise from any source, including, but not limited to, sales, exchanges, services, labor, service charges, service contracts, etc., and excludes discounts, refunds, and sales taxes. Credit transactions will be included in Revenue as of the date of the transaction without deduction for uncollected credit accounts. "Gross Revenue" means the total Revenue for any relevant period. You will furnish to us, as outlined in the Best Practices Manual, itemized reports of your Gross Revenue and your business activities. We may require you to prove that you have paid the required local advertising expenditures.

3. If we decide to establish a regional advertising fund, if at any meeting of the franchisees in an advertising region, **65%** of the franchisees vote to contribute to a regional advertising program all franchisees within that region will be obligated to make a contribution to a regional advertising fund in the amount established by the vote (the "Regional Advertising Fund"). No advertising region may require any franchisee in that region to make a contribution to a Regional Advertising Fund in excess of **1%** of that franchisee's Gross Revenue during the first year of operation of the franchise, or in excess of **2%** of that franchisee's Gross Revenue after the first year of operation. "Gross Revenue" means the total Revenue for any calendar period. These amounts will be credited towards your Local Advertising Contribution obligation.

   We may sell advertising space to our vendors and to third parties on our websites, printed materials, signage, and technology (such as interactive video displays, leader boards, on-site monitors, and mobile apps). We intend to use the revenue from this

advertising to benefit the Shoot 360 franchise system through development and maintenance of technology, financial support of franchise training and conventions, website development and maintenance, and the creation and support of various promotional and operational programs. At times we may directly share the revenue with you as the franchisee as outlined in the Best Practices Manual.

Collection Costs. You will cover all collection costs, including reasonable attorney fees, if we are required to retain an attorney or collection agency to collect delinquent payments you owe to us.

Cost of Required Modifications.

1. Routine maintenance. Franchisees will be required to maintain all fixtures, décor items, equipment and other construction elements on an as needed basis. Any maintenance deficiencies identified by the franchisor must be addressed immediately by the franchisee.

2. Equipment and technology upgrades. Franchisees will be required to make any upgrades to Shoot 360 equipment and any technology used in the business (including the point-of-sale, training technologies and back office systems) as required.

3. Trade dress updates. The franchisor may periodically require franchisees to renovate the trade dress within their Shoot 360 facility. Such updates may require the franchisee to install new color schemes, flooring, signage or other visual elements within the franchised facility. It is anticipated that such updates will be required no more frequently than every five years.

7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
SHOOT 360 GYM

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee	$40,000	50% Down, 50% Upon Training	Upon Execution of the Franchise Agreement and When You Attend Training	Us
Shoot 360 Package[(A)]	$200,000 to $1,035,000	As Incurred	Four payments with first payment of 50% upon your submission of order, 25% 90 days before shipping, 15% at shipping, and the balance of 10% plus all additions and	Approved Suppliers

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
			freight charges and installers' travel upon installation at your Gym	
Freight and Travel for Equipment & Fixtures & Installation[(A)]	$15,000 to $55,000	As Incurred	Prior to Opening	Carriers and Suppliers
Licenses, Permits, and Bonds	$500 to $30,000	As Incurred	Prior to Opening	Local and State Administrators
Travel, Lodging and Meals for Training[(D)]	$5,000 to $15,000	As Incurred	During Training	Suppliers
Lease and Utilities Deposits and Payments[(B)]	$10,000 to $50,000	As Incurred	As Incurred	Landlord, Utility Companies and Suppliers
Facilities Rent (6 months)[(B)]	$30,000 to $180,000	As Incurred	Prior to Opening	Landlord
Design & Architect[(B)]	$10,000 to $40,000	As Incurred	Prior to Opening	Suppliers
Leasehold Improvement and Set-up	$50,000 to $500,000	As Incurred (depending on state regulations)	Before Opening and as Incurred thereafter	Suppliers
Office Supplies and Equipment [(C)]	$3,500 to $15,000	As Incurred	Before Opening and As Incurred thereafter	Suppliers
Employees[(D)]	$5,000 to $25,000	As Incurred	Before Opening and As Incurred thereafter	Employees, Taxes and Benefit Suppliers
Clothing and Uniforms	$2,000 to $4,000	As Incurred	After Starting Operations	Us or Suppliers
Inventory[(C)]	$2,000 to $10,000	As incurred	Prior to Opening	Suppliers
Stationery, Promotional Materials, Advertising[(E)]	$5,000 to $50,000	As Incurred	Prior to Opening	Suppliers

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Insurance[B,C] (including premises, casualty, accident and professional liability)[F]	$2,000 to $10,000	As Incurred	Prior to Opening	Insurance Carriers
Additional Funds – first 3 months[B,C]	$50,000 to $125,000	As Incurred	As Incurred	Employees, Suppliers, Utilities, etc.
TOTAL	**$430,000** to **$2,184,000**			

As a Shoot 360 gym franchisee, you should anticipate the preceding initial and ongoing expenditures in connection with the establishment of a Shoot 360 Gym franchised business and to operate the Franchise during the initial three months of operation.

A. You obtain from our authorized suppliers a complete and equipped basketball training facility, ready to install at your location (the "Shoot 360 Package"). The price for the Shoot 360 Package is determined by the design and layout of the facility and costs associated with building out the facility. It is typically $200,000 to $1,035,000. This price is called the "Shoot 360 Package Price." It includes the following components:

Training Unit and Related Software	$90,000 to $450,000
Furniture, Fixtures, Equipment & Finish (including floor installation)	$80,000 to $500,000
Branding and Signage Package	$30,000 to $85,000

You pay **50%** of your Shoot 360 Package Price when you order the Shoot 360 Package, **25%** is paid 90 days before the shipping date, **15%** is paid at shipping, and **10%** plus all additions and freight charges and installers' travel are paid upon complete installation of the Shoot 360 Package at your Gym. Except as provided below, it is generally not refundable.

If actual construction of the Gym has not commenced within **180** days from the date of the Franchise Agreement (through no fault of ours) then we may terminate the Agreement. If so, the approved supplier(s) may retain **15** percent of the Shoot 360 Package Price (conditioned upon return of the Shoot 360 Package without wear or damage). In addition, you must secure a satisfactory location for the franchise, complete all mandatory training to our satisfaction, and open the franchise within **365** days after the date of the Franchise Agreement. If the commencement of operations obligation is not fulfilled, we may terminate the Franchise Agreement. If so, the approved supplier(s) may retain up to **25** percent of the Shoot 360 Package Price (conditioned upon return of the Shoot 360 Package without wear or damage).

Generally, the Shoot 360 Package Price is not refunded by our approved suppliers in whole or in part under any circumstances other than those listed above.

B. The estimate of Additional Funds is based upon the experience of our affiliate's basketball training facilities in California, Indiana, Oregon, and Washington since 2012. You are solely responsible to obtain and pay for a location for the franchise. The cost of purchasing or leasing premises for the franchise varies with the location and size of the premises. Currently, we recommend a site with at approximately 5,000 to 20,000 square feet. In addition, as outlined in the Best Practices Manual, you must have access to a minimum of 1.5 parking spaces per 1,000 square feet of facility (Example: subject to city or county parking requirements, a 10,000 square foot facility would require (10 x 1.5) 15 parking spaces for employees and customers. After your architect has prepared plans and specifications for the placement of the Gym on the Gym and related lease hold improvements, these must be submitted to us for review and approval. Rent is based on a commercial location for the first 6 months of operation plus security deposits. Lease payments will be much lower that outright purchase costs.

C. Equipment, supplies and inventory are required as outlined in the Best Practices Manual. We or our affiliate are or may become an approved supplier of some inventory, equipment and supply items.

D. You may incur salary expenses for your staff and employees in conjunction with the initial training we provide. For this training program, we will provide instructors and instructional materials and will provide the training at our headquarters or a designated basketball training facility, resulting in travel and lodging expenses depending on the distance you and your employees must travel.

E. We will approve, direct, and participate in all advertising and promotional efforts related to your franchise. You may fully participate in all of our advertising and promotional programs and events, but you do not have the opportunity to approve or disapprove of our advertising and promotions, although we do welcome your thoughts, suggestions, and recommendations.

F. The Franchise Agreement requires that you have in force insurance policies prior to commencing business, acquired at your sole expense, protecting both you and your staff and us and our officers and employees, against losses and within the limits described. The figures in the table are estimated annual premiums for the minimum amount of insurance we require.

G. Additional Funds – **3** Months. This represents working capital and expenses needed to open and operate your franchise during your start-up phase. A minimum of **$50,000** to **$125,000** working capital is suggested depending on the size and location of your facility. You should plan on other sources of income to cover your living expenses. The estimate may not be adequate as the amount required will depend greatly upon the salary structure for your staff and employees, your variable costs, and other commitments made by you. Additional funds will be required to finance operations until a positive cash flow is produced. We have relied on our affiliate's experience operating basketball training facilities in California, Indiana, Oregon, and Washington since 2012 and the ongoing reports and communications we receive from our training facilities and franchisees in preparing these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

YOUR ESTIMATED INITIAL INVESTMENT
CO-BRANDED GYM

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee	$20,000	50% Down, 50% Upon Training	Upon Execution of the Franchise Agreement	Us
Shoot 360 Package[(A)]	$200,000 to $1,035,000	As Incurred	Four payments with first payment of 50% upon your submission of order, 25% 90 days before shipping, 15% at shipping, and the balance of 10% plus all additions and freight charges and installers' travel upon installation at your Gym	Approved Suppliers
Freight and Travel for Equipment & Fixtures & Installation[(A)]	$15,000 to $55,000	As Incurred	Prior to Opening	Carriers and Suppliers
Travel, Lodging and Meals for Training[(D)]	$5,000 to $15,000	As Incurred	During Training	Suppliers
Insurance[(B,C)]	$0 to $2,500	As Incurred	Prior to Opening	Insurance Carriers
Additional Funds – first 3 months[(B,C)]	$0 to $1,500			Suppliers
TOTAL	**$240,000** to **$1,129,000**			

You should anticipate the typical initial and ongoing expenditures in connection with the establishment and ongoing operation of your co-branded athletic training facility.

A. You obtain from our authorized suppliers a complete and equipped basketball training facility, ready to install at your location (the "Shoot 360 Package"). The price for the Shoot 360 Package is determined by the design and layout of the facility and costs associated with building out the facility and by the furniture, fixtures, branding, and signage you already have on hand and whether you elect to use any signage and branding associated with us. It is typically $200,000,000 to $1,035,000. This

price is called the “Shoot 360 Package Price.” It includes the following components:

Training Unit and Related Software	$90,000 to $450,000
Furniture, Fixtures, Equipment & Finish (including floor installation)	$80,000 to $500,000
Branding and Signage Package	$30,000 to $85,000

You pay **50%** of your Shoot 360 Package Price when you order the Shoot 360 Package, **25%** is paid 90 days before the shipping date, **15%** is paid at shipping and **10%** plus all additions and freight charges and installers’ travel are paid upon complete installation of the Shoot 360 Package at your Gym. Except as provided below, it is generally not refundable.

Generally, the Shoot 360 Package Price is not refunded by our approved suppliers in whole or in part under any circumstances other than those listed above.

B. The estimate of Additional Funds is based upon the experience of our affiliate’s basketball training facilities in California, Indiana, Oregon, and Washington since 2012 and the ongoing reports and communications we receive from our training facilities and franchisees. You are solely responsible to obtain and pay for a location for the franchise. The cost of purchasing or leasing premises for the franchise varies with the location and size of the premises. Typically the location will be in a warehouse or similar facility with from 5,000 to 20,000 square feet of space.

C. While we do not require, you should have in force insurance policies prior to commencing business, acquired at your sole expense. These could range from $500 to $2,500 per month depending upon your location and your business operations and practices.

We require no other payments. We do not finance any of these initial expenses. However, we anticipate that you will be able to obtain financing for some or all of the Shoot 360 Package and for most of the costs related to obtaining and setting up your franchise location.

Except as provided in Item 5 above, fees paid to us are not refundable. Amounts paid to any third parties may be refundable, depending upon the contracts between them and you.

These tables estimate your initial start-up expenses. These figures represent our estimates based upon our experience and the experience of our affiliate. We do not guarantee that you will not have additional and different expenses than those we have identified in this table. Your actual costs will depend upon many factors, including, how well you follow our directions and suggestions, your business skill and experience, local economic conditions, demographics of your community, local competition, and your sales levels during the initial period.

You must pay all taxes required by local, state or federal laws related to the services furnished or used in connection with the operation of your franchise. You must obtain all permits, certificates or licenses necessary to open the Franchise and for the full and proper conduct of the Franchise.

We do not finance any of these initial expenses. The availability and terms of financing will depend on various factors including the availability of financing generally, your credit worthiness, security available to you, lending institution policies concerning the type of businesses you operate, and other comparable elements. However, we anticipate that you will

be able to obtain financing for some or all of the Shoot 360 Package and for most of the costs related to obtaining and setting up your franchise location.

You should review these estimates with your business advisors before you decide to purchase the franchise or to make any expenditure.

8. RESTRICTIONS ON SOURCES OF PRODUCTS & SERVICES

We will lend to you access to our on-line Shoot 360 Best Practices Manual (the "Best Practices Manual") at the initial training session and after you have paid to us the Initial Franchise. We may amend the Best Practices Manual, including changes that may affect minimum requirements for your franchise operations. You will strictly follow the requirements of the Best Practices Manual as we amend it. You will carry out immediately all changes at your cost, unless we otherwise specify. We reasonably may designate minimum standards for your business operations and designate guidelines, as specified in the Best Practices Manual. The Best Practices Manual is confidential and our exclusive property. The Best Practices Manual contains the Shoot 360 System and related specifications, standards, basketball training and operating procedures, marketing programs and ideas, advertising layouts, advertising guidelines, operation requirements, public relations guidelines, service guidelines and other rules that we may prescribe.

You must purchase all Shoot 360 related advertising materials from us or our approved suppliers to ensure uniformity and quality of the advertising. Any equipment, products, inventory, or other items that bear the Shoot 360 logo or have the words "Shoot 360" in them must be bought from us or an approved supplier. You must purchase all products, devices, equipment, inventory, and all other items used in your franchised business from us or from suppliers we have approved to ensure the quality and uniformity of services in the Shoot 360 franchise system.

All specifications that we require of you and lists of suggested and approved suppliers will be included in the Best Practices Manual. We will upon request provide them to approved suppliers and suppliers seeking approval. We will use our best judgment to set and modify specifications to maintain the integrity and quality of our franchise system.

We and our affiliate and other approved suppliers are currently the only approved suppliers for Shoot 360 related advertising materials and for equipment, products, inventory, and any other items that bear the Shoot 360 Marks or that are part of the Shoot 360 Gym program. Our officers Craig Moody and Kirk Hendricks have an ownership interest in our affiliate.

> Other than for the components of the Gym, with advance written notice, you may request our approval to obtain products, equipment, supplies, materials or services from sources that we have not previously approved. We may require you to give us sufficient information, photographs, drawings, samples, and other data to allow us to determine whether the items from these other sources meet our specifications and standards. These specifications and standards will relate to quality, durability, value, cleanliness, texture, composition, strength, finish and appearance, and the suppliers' capacity and facility to supply your needs in the quantities, at the times, and with the reliability necessary for efficient operation. We may require that samples from any supplier be delivered to a designated independent testing laboratory for testing before approval and use. You will reimburse us for the actual cost of the tests. We may license any supplier that can meet or exceed our quality control requirements and standards, for a reasonable license fee, to produce and deliver our products to you but to no other person. If the supplier fails to pay the license fee, it will disqualify the supplier and you

must immediately, upon written notice from us, cease purchasing products from that supplier. Our confidential standards, requirements, designs, systems and formulas will be revealed to potential suppliers only after we have received reasonable evidence that the proposed supplier is trustworthy and reputable; has the capacity to consistently follow our standards, requirements and testing procedures; will maintain the confidentiality of the designs, systems and formulas; and will adequately supply your reasonable needs. We will not unreasonably withhold approval of a supplier you propose. We will notify you in writing of the approval or disapproval of any supplier you propose within **30** days after we receive all necessary information.

We or our agents may inspect any approved manufacturer's, supplier's or distributor's facilities and products to assure proper production, processing, packaging, storing, and transportation. Permission for inspection will be a condition to our continued approval of any manufacturer, supplier or distributor. If we find from any inspection that a manufacturer, supplier or distributor fails to meet our specifications and standards, we will give written notice describing this failure to you and to the manufacturer, supplier or distributor, with a notice that unless the failure or deficiency is corrected within 30 days, the manufacturer, supplier or distributor will no longer be approved. Currently, we are not an approved supplier or the only approved supplier for any product or service. We, or an affiliate, may, however, become an approved supplier in the future. If we do so, we could derive income from providing Shoot 360 products to you. Our officers currently do not own a material, direct interest in any supplier.

We estimate that approximately 80% to 100% of your expenses for leases and purchases in establishing your franchise will be for goods and services which are subject to sourcing restrictions (that is, for which suppliers must be approved by us, or which must meet our specifications).

Approved suppliers are currently the only source for equipment, products, inventory, and most other items that are part of the Shoot 360 Package.

We and our affiliate may derive revenue from providing products and services to you. This revenue results from the difference in the amount we pay for such products and services and the amount we charge you for them. As of our most recent fiscal year-end of October 31, 2020, we received revenues of $826,450 from the sale of products to our franchisees, which was approximately 92% of our total revenues. We estimate that approximately 20 to 50 percent of our affiliate's total revenues will be from products and services purchased by our franchisees. We estimate that purchases from us, our affiliate, or approved suppliers will be from 20 to 50 percent of the total purchases you make to establish your franchise, averaging about $200,000 to $1,035,000 to us, to our affiliate, and to approved or suggested suppliers. We estimate that purchases from us, our affiliate, approved suppliers will be from 30 to 70 percent of the total purchases you make to operate your franchise.

We may receive rebates, price adjustments, or discounts on products or services sold to you by recommended or approved suppliers. Generally, use them to cover expenses for advertising, training, seminars, conventions, and other purposes that benefit our franchisees and our franchise system. The Best Practices Manual contains our approved list of suppliers, products, and brand names.

We attempt to negotiate purchase arrangements with suppliers for the benefit of all of our franchisees. We provide material benefits to a franchisee based on that franchisee's use of designated or approved sources.

We have established basketball training and gaming software, management, billing, point of sale, scheduling and player practice management systems based upon our technology and software. You are required to use our technology and software unless we specify or otherwise approve in writing. (Franchise Agreement, Section 6.1)

There are currently no other obligations for you to purchase or lease according to specifications or from approved suppliers. Except as explained above, we have no required specifications, designated suppliers or approved suppliers for goods, services, or real estate related to your franchise business. Except as explained above, we will not derive revenue from your purchases or leases.

We currently provide material benefits to franchisees based on use of designated or approved sources including the right to renew your franchise rights and to obtain additional franchises.

We do not now have, though we may in the future provide purchasing and distribution cooperatives related to our franchise system. Through these cooperatives, our franchisees could receive discounts on products, equipment, and services. In the future, we hope to create and augment the effectiveness of cooperatives for the purchase of materials and the provision of advertising, for the benefit of the Shoot 360 franchise system.

If you are a Shoot 360 Gym franchisee, you may not sell any products, devises, services or activities other than those specifically recognized and approved by us as part of the Shoot 360 franchise system without our prior written approval. You must follow our current warranty and player training requirements and training protocols. We use manufacturer warrantees where possible.

You are required to obtain and keep in force by advance payment of premium appropriate liability insurance. You must provide us a current annual copy of your insurance certificates and binders naming Shoot 360 Nation, LLC as an additional named insured (except for property damage, workers compensation, and employer liability). The insurance will include, at a minimum, the following:

Comprehensive general liability insurance, including products liability, completed operations, property damage, contractual liability, independent contractors liability, owned and non-owned and hired automobile coverage, and personal injury coverage with a combined single limit of at least **$1,000,000** per occurrence and **$2,000,000** aggregate, including umbrella coverage.

Workers' compensation and employer's liability insurance, and other insurance required by statute or rule of the state in which the franchise is located and operated.

Business interruption and lost profit insurance.

Employer Practice liability insurance

Abuse and Sexual Misconduct liability

The insurance will not be limited in any way because of any insurance we maintain. Maintenance of the required insurance will not diminish your liability to us under the indemnities contained in this Agreement. The policy or policies will insure against our vicarious liability for actual and, unless prohibited by applicable law, punitive damages assessed against you.

We may require you to increase the minimum limits of and types of coverage to keep pace with regular business practice and prudent insurance custom. Current insurance requirements are updated and maintained in the Best Practices Manual.

The insurance will insure us, you, and our respective subsidiaries, owners, officers, directors, partners, members, employees, servants, and agents against any loss, liability, products liability, personal injury, death, or property damage that may accrue due to your operation of the Franchise. Your policies of insurance will contain a separate endorsement naming us as an additional named insured.

9. FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition or lease	Sections 2.1, 2.2, 2.3, 2.4 & 2.5	Items 11 & 12
b. Pre-opening purchases and leases	Sections 2.4, 3, & 5	Items 7, 8 & 11
c. Site development and other pre-opening requirements	Sections 2.4, 3, 4, 5, 6.1 & 6.8	Items 7, 11 & 12
d. Initial and ongoing training	Section 4 & 5.1	Items 6, 7 & 11
e. Opening	Sections 3, 4, 5.1 & 6.1	Item 11
f. Fees	Sections 3, 6.1 & 8.1	Items 5 & 6
g. Compliance with standards & policies/ Best Practices Manual	Sections 6 & 7.5	Items 8, 11 & 16
h. Trademarks and proprietary information	Recitals & Sections 2.1, 2.6, 3.2, 3.3, 4.3, 6.1, 6.3, 6.4, 6.5, 6.6, 7.5, 10.2 & 10.7; Abandonment of Name form	Items 13 & 14
i. Restrictions on products and services offered	Sections 2.2, 2.6, 2.9, 3.3, 6.1, 6.2, 6.5, 6.6, 6.7, 6.8, 7.3 & 7.5	Items 8, 12, 13, 16 & 17
j. Warranty and customer service requirements	Sections 6.1 & 6.2	Item 11
k. Territorial development and sales quotas	Sections 2, 6 & 7.3	Item 12
l. Ongoing product & service purchases	Sections 6.1, 6.2, 6.8 & 9.2	Items 7 & 8
m. Maintenance, appearance and remodeling requirements	Sections 2.4, 2.5, 6.2, 6.5 & 7.5	Item 11
n. Insurance	Section 6.2 & 9.2	Item 7
o. Advertising	Sections 2.6, 3.2, 3.3, 6.2, 6.3, 6.4, 6.5 & 7.5	Items 11 & 13
p. Indemnification	Section 7.5, 7.6, 8.1 & 9.1	Item 6, 13 & 14
q. Owner's participation/	Sections 4, 5.1, 6.2, 6.7, 8.2,	Items 11 12 and 15

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
management/ staffing	10.10, 10.11, 10.13, 10.14 & 10.16	
r. Records and reports	Sections 3.6, 6.1 & 6.2	Items 6 & 11
s. Inspections and audits	Sections 6.1 & 6.2	Items 6 & 11
t. Transfer	Section 8	Item 17
u. Renewal	Section 7.1	Item 17
v. Post-termination obligations	Sections 6.6, 6.7, 7.5, 10.7 & 10.9	Item 17
w. Non-competition covenants	Sections 6.6, 6.7, 7.5 & 10.7	Item 17
x. Dispute resolution	Sections 10.9	Item 17

10. FINANCING

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

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

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

Before You Open Your Franchise:

We will designate your franchise location in your Franchise Agreement (the "Gym"). We will analyze your market area, to help determine site feasibility and to help in selection of the franchise location. In analyzing a proposed site, we examine its general location, traffic patterns, parking, size, physical characteristics, proximity to competing businesses, lease terms, sign visibility, neighborhood economic profile, population density and accessibility. The exact determination of the location for each Gym will depend upon our acceptance and your market analysis, market penetration plans and franchise placement strategies and prior franchise commitments. You must obtain our prior written approval for the site of the Gym and your lease related to it. We will work with you in seeking out a local architect who understands local codes and can get the space plan ready for our installation of the Gym and related designs and permitting.

We will designate the location for your franchise in your Franchise Agreement before the franchise agreement is signed, which is the time limit for location and approval of the site. If you and we cannot agree on the site you have selected for the franchise, then we will not enter into a franchise agreement with you. We bear no liability for any consequences of any franchise site you chose. We do not guarantee success for any location you select. We will not be liable for any consequences of your choice of any franchise site. Any site recommendation or approval we make is not a representation that any particular site is available or legally appropriate for use as a franchise site. It is your responsibility to investigate all applicable zoning, licensing, leasing and other requirements for any proposed site and you must ensure that the site you select complies with these requirements. You will pay all out of pocket expenses for travel, meals, and lodging we incur to help you locate sites and to help you negotiate a lease. You will bear all other site selection and negotiation expenses. We do not own and lease franchises premises to you or to any other franchisee.

If you are a Shoot 360 Gym franchisee, before you enter a lease or purchase agreement for the Gym, you will submit the lease or purchase documents to us for review. Lease documents must include an assignment of the lease in a form we approve, under which we may assume the lease as provided in Sections 2 and 5 of the Franchise Agreement.

We also will:

1. Provide and install the Shoot 360 Package as described in an agreed-upon quote and statement of work). We assist with, provide, and help you install equipment, signs, fixtures, opening inventory, and supplies. This is done both directly to you and through a list of approved suppliers. The Best Practices Manual includes written specifications for these items and related delivery and installation provisions.

2. Provide an initial training course for you and your franchise managers as more fully described in this Item, below. (Franchise Agreement Section 4.1(b)(vi))

3. Provide a Best Practices Manual with mandatory and suggested specifications, processing and standards, basketball training programs, requirements, maintenance standards. (Franchise Agreement Section 6.1). The Table of Contents of the Best Practices Manual is attached as Exhibit H. We also provide minimum specifications and guidelines for the build out and equipping of Shoot 360 Gym basketball training facilities. (Franchise Agreement, Section 6.1)

Except as described above, we do not assist you to construct, remodel, or decorate the Gym nor do we assist you to hire or train your employees.

Franchise Location:

The location for your business operations is selected by you and accepted by us. Generally we require high end warehouse or commercial space with approximately 5,000 to 20,000 square feet and adequate parking. You will generally lease your office space from a third-party lessor and your lease must be approved by us in advance. (Franchise Agreement, Section 5.3). Our location and lease approval criteria may be contained in the Best Practices Manual. See generally Item 12, below.

You must commence construction of the Shoot 360 Gym and installation of the Shoot 360 Package within **180** days from the date of your Franchise Agreement. If not, we may terminate your Franchise Agreement and retain at least one-half of the Initial Franchise Fee and we will instruct our approved suppliers to return to you all but **15** percent of the Shoot 360 Package Price (conditioned upon you returning the Shoot 360 Package without wear or damage). You must return to us all proprietary material and comply with the post-termination non-competition and confidentiality provisions of this Agreement.

We do not guarantee success for your Shoot 360 Gym or Co-Branded Gym franchise operations. Any recommendation or approval we make is not a representation that any particular location will be productive, profitable or legally appropriate for your franchise. It is your responsibility to investigate all applicable zoning, licensing, leasing and other requirements for any proposed sites for your business operations.

Time to Open:

The typical length of time between the signing of a Co-Branded Gym Franchise Agreement or first payment of consideration for that Co-Branded Gym franchise and the opening of that franchise for business is about **90** to **180** days. The principle factors influencing this will be the time frame for us to manufacture or otherwise obtain the equipment and materials for the Shoot 360 Package and the time frame for you to prepare your facility for installation of the package.

The typical length of time between the signing of a Shoot 360 Gym Franchise Agreement or first payment of consideration for that franchise and the opening of the franchise for business is about **180** days. If building permit or lease execution for the Gym has not commenced within **180** days from the date of the Shoot 360 Gym Franchise Agreement (through no fault of ours) then we may terminate the Shoot 360 Gym Franchise Agreement and retain the Initial Franchise Fee, and instruct our approved suppliers to refund all but **15** percent of the Shoot 360 Package Price. In this event, you will return the Shoot 360 Package without wear or damage, return to us all proprietary material, and comply with the post-termination non-competition and confidentiality provisions of the Franchise Agreement.

You are expected to complete the mandatory training and commence your franchise business operations within **365** days after you sign the Franchise Agreement. Factors that may affect this time are finding and negotiating for the Gym, arranging for the training session, preparing and equipping the Gym, obtaining initial inventory, financing, business permit and license requirements, your personal operational needs, and our installation of the Gym (including equipment, products, and devices). Any failure caused by a war or civil disturbance, a natural disaster, a labor dispute, shortages or other events beyond your reasonable control will be excused for a time that is reasonable under the circumstances. If this start of operation obligation is not fulfilled, we may terminate the Franchise Agreement and retain the Initial Franchise Fee, and instruct our approved suppliers to refund all but **25** percent of the Shoot 360 Package Price. (Franchise Agreement, Section 4.1). In this event, you will return the Shoot 360 Package without wear or damage, return to us all proprietary material, and comply with the post-termination non-competition and confidentiality provisions of the Franchise Agreement.

After Opening and During the Operation of Your Franchise:

After you open your Franchise for business, we will:

1. Administer our advertising program and formulate and conduct national and regional promotion programs and review and approve or disapprove all Shoot 360 related promotional material and advertising to be used by you in the operation of your franchise. (Franchise Agreement, Section 3.4).

2. At your option and upon not less than thirty-five days' prior written notice to us, give you additional training at our training center or at other agreed upon locations. All expenses of this training will be borne by you, including but not limited to your travel, lodging, meals, compensation, and our reasonable costs and expenses including a reasonable training fee at our then current rates. This additional training consists of visits to our franchises, work experience and observation of franchise operations. The duration of training is negotiable depending upon your needs. You will not receive any compensation for services rendered by the trainee during this or any other training. (Franchise Agreement, Section 4.4).

3. Provide refresher training programs or seminars and may require that you or your managers attend and complete them to our satisfaction. These programs and seminars will be held at locations we designate and will be provided without charge to you. You will be exclusively responsible for paying all travel, living and other expenses and compensation of attending these programs and seminars. Each year, you or the designated managers of your Franchise will be required to attend up to 40 hours of programs and seminars, depending upon program and seminar availability. In addition, we may deem it appropriate or necessary to provide additional training and supervision to you and your managers and employees at your franchise location. If so, you will fully participate in and complete this additional training and supervision, including additional or revised training programs and processes that may be added to the Best Practices Manual in the future. We may charge a reasonable training fee for these additional training sessions. (Franchise Agreement, Section 4.5)

4. Provide ongoing assistance, by telephone, email, Internet, videotape, CD, DVD or any other means appropriate for your employee training, player training and retention, records, program development, advertising, operational assistance, and use of the Best Practices Manual and the Shoot 360 System. We will bear our expenses for this assistance. (Franchise Agreement, Section 6.1).

5. Inspect the Franchise and conduct activities to ensure compliance with the terms of the Franchise Agreement and Best Practices Manual to assure consistent quality and service throughout our franchise system. (Franchise Agreement, Section 6).

6. Periodically develop new products and programs and provide ongoing supervision for the Shoot 360 System. (Franchise Agreement, Section 6.5).

7. Record, track and account for all training and transactions of Shoot 360 trainees through our computerized system of training analysis and record keeping. (Franchise Agreement, Section 3.7and 6.8).

8. Use commercially reasonable efforts to enforce the Shoot 360 System throughout our franchise system and to defend the Shoot 360 Marks. (Franchise Agreement, Sections 6.1 and 6.3).

9. Periodically update the Best Practices Manual and will specify changes and improvements in our technology and training and gaming software. (Franchise Agreement, Sections 6.1, 6.5 and 6.8).

10. Inspect your Gym and conduct activities to ensure compliance with the terms of the Franchise Agreement and Best Practices Manual to assure consistent quality and service throughout our franchise system. (Franchise Agreement, Section 6.2).

11. Inspect the facilities of your manufacturers, suppliers, and distributors from time to time and notify you and the manufacturers, suppliers, and distributors in writing of any failure to meet our specifications and standards. (Franchise Agreement, Section 6.1).

12. Provide other supervision, assistance, or services although we are not bound by

the Franchise Agreement or any related agreement to do so. These may include, among other things, advertising materials, literature, additional assistance in training, secret shopper programs, promotional materials, bulletins on new technologies and products, merchandise, and new sales and marketing developments and techniques.

Best Practices Manual:

The Best Practices Manual is confidential and remains our property. It contains mandatory and suggested specifications and operating procedures. We may modify the Best Practices Manual, but the modifications will not alter your basic status and rights under the Franchise Agreement. The revisions may include advancements and developments in technology, software, supplies, products, equipment, sales, marketing, operational techniques, and other items and procedures used for the operation of the franchise. The Table of Contents of the Best Practices Manual is attached as Exhibit H. There are approximately **300** total printed pages in the current version of the Best Practices Manual. The manual itself is provided on-line in secured digital format.

Initial Training:

We will provide a two-part training course for you and your franchise managers. This training usually will last 3 to 5 days for the first phase (finding and obtaining location, initial franchise establishment processes, and equipment and software operations). The first phase is held at our corporate training facilities in Vancouver, Washington or at other locations we will designate. The second phase of training is from 3 to 5 days . The second phase is held onsite at your Gym (training management, accounting, staffing, and ongoing operations). You must complete this mandatory course to our reasonable satisfaction before the Shoot 360 Package is delivered and before you open your franchise for business, unless you qualify for a franchise under one of the following scenarios:

- You have been employed by a Shoot 360 location for at least 6 months and you have successfully completed our one to two week “franchise transition” training program.
- You own an operating independent basketball training facility not affiliated with Shoot 360 and your trainees are converting to the Shoot 360 System, and you have, in our opinion, the knowledge and experience to conduct business with minimal initial training and assistance from us.

You must complete our training programs satisfactorily in our sole discretion or we may terminate the Franchise Agreement. (Franchise Agreement, Section 4.1). Our trainers use the Best Practices Manual for instructional material. The training will consist of:

TRAINING PROGRAM
Shoot 360 Gym Franchises

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Qualification and Management Assessment	16 Hours	16 Hours	Our corporate training facilities in Vancouver, WA or other

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
			locations we designate
Leadership Training	24 Hours	24 Hours	Our corporate training facilities in Vancouver, WA or other locations we designate
Go-Live Training	8 Hours	16 Hours	Franchisee location

* The Training Schedule may be amended.

Co-Branded Gym Franchises

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Equipment Training	8 Hours	16 Hours	Our corporate training facilities in Vancouver, WA or other locations we designate
Leadership Training	24Hours	24 Hours	Our corporate training facilities in Vancouver, WA or other locations we designate
Go-Live Training	16 Hours	16 Hours	Franchisee location

* The Training Schedule may be amended.

Currently, our training instructors are:

Kenese Peneueta, who has been our Franchise Training Manager since January 2020. From May 2019 to December 2019, he was Head Coach at the Oceanside California Shoot 360 Gym for our affiliate Shoot 360, Inc. From December 2015 to April 2019, he was a Floor Coach for of our affiliate Shoot 360, Inc. in Vancouver, Washington.

Marcos Montas who has been our Regional Operations Manager since our inception in August 2019 and for of our affiliate Shoot 360, Inc. since September 2018. From September 2013 to September 2018, he was a coach and facility general manager for of our affiliate Shoot 360, Inc. in Vancouver, Washington.

They may use Shoot 360 franchisees and other members of the Shoot 360 corporate staff to provide information for areas over which they are responsible.

The training program consists of the described training materials, training programs, and professional consultation. Training will cover the Shoot 360 System and related programs, basketball training facility management, and relationships with trainees. The training program is included in the Initial Franchise. The training program must be completed by all franchisees unless, at our reasonable discretion, based upon a franchisee's experience, it is deemed unnecessary. You will pay the transportation, board and lodging expenses you and your employees incur related to this training. (Franchise Agreement, Section 4.1).

Training is scheduled and held on an “as needed” basis depending on the number of franchisees requesting training in a particular time frame and the franchisor’s training personnel’s availability. The training session must be completed before the scheduled date of the opening of the franchise.

You or any designated full-time manager must complete the initial phase of the mandatory training program to our satisfaction or we may terminate the Franchise Agreement, refund the Initial Franchise Fee, and instruct our approved suppliers to refund all but 15% of the Shoot 360 Package Price (conditioned upon return of the Shoot 360 Package without wear or damage). You are encouraged to attend the training session as soon as possible after executing the Franchise Agreement and before incurring any costs or expenses related to the opening of the Franchise. (Franchise Agreement, Section 4.1).

> We will not be liable for your costs or expenses if we terminate the Franchise Agreement because you fail to complete the mandatory training to our satisfaction. If you are a corporation, a partnership or a limited liability company, at least one trainee must be one of your principal owners. If you or your principal owners will not be directly involved in the supervision of the franchise business, you must employ a designated manager who also has completed the training program to our satisfaction.
>
> At the time the Franchise opens for business and upon not less than thirty days prior written notice to us, we will provide the full-time services of a trainer at your Gym for up to two work days to assist with employee training, form use, merchandise display, sales assistance, and use of the Best Practices Manual. We will bear the trainer's expenses for this assistance.
>
> At your option and upon not less than thirty days' prior written notice to us, you or your managers and employees may receive additional training at our training center or at other agreed upon locations. All expenses of this training will be borne by you, including but not limited to your or our travel, lodging, meals, compensation, and our reasonable costs and expenses including a reasonable training fee at our then current rates. You will not receive any compensation for services rendered by the trainee during this or any other training. (Franchise Agreement, Section 4.2).

You are responsible for all expenses you and your employees incur to attend the initial training, including transportation, meals, accommodations and entertainment.

If you desire to have more than three individuals receive initial training, these additional individuals will be accommodated at our convenience and we reserve the right to charge a reasonable fee for the provision of this additional training regardless of when and where the added individuals participate in initial training.

We may at any time during initial training inform you that an individual attending training on your behalf is not suitable due to criminal activities, disruptive behavior, poor attendance or other

reasons. Upon that notice, our obligations to train that individual will be deemed to have been discharged.

If your franchise is managed by any persons other than you, you must notify us of the identity of the managers. Each manager as hired must successfully complete the mandatory training program within one month after being hired. You will pay for this training at our then current fee.

Although not required by agreement, we may, at our discretion or upon your request, provide other supervision, assistance, and services before the opening of your business; such as literature, advertising materials, displays, flyers, additional training assistance and a selection of inventory and supplies.

Attendance at Conventions:

We may periodically hold national and regional conventions that include programs on sales and marketing techniques, performance specifications, advertising programs, training suggestions, and committee elections, among other things. Your attendance at each convention is strongly encouraged. You will bear all expenses of attending, including travel, lodging, meals and entertainment. For any annual convention that you do not attend, we may deliver to you and you will pay us for video or any other deliverable electronic form of recordings of the activities of convention. The price for the recordings for each convention will be established by us from time to time but will not be less than $500.

Supplemental Training:

We may require that you or your managers attend and complete to our satisfaction refresher training programs or seminars. These programs and seminars will be held at locations we designate and will be provided without charge to you. You will be exclusively responsible for paying all travel, living and other expenses and compensation for attending these programs and seminars. Each year, you or the designated managers of your Franchise may be required to attend up to **40** hours of programs and seminars, depending upon program and seminar availability. (Franchise Agreement, Section 4.5). Convention attendance is credited toward this 40 hour requirement.

If you are a Co-Branded Gym franchisee, after the initial training, we will provide training on an as-needed basis at mutually agreeable time and places for the price then expressed in the Best Practices Manual plus pre-approved travel and per diem expenses.

Computer Systems:

You must exclusively use our computer systems with basketball training and reporting, and business control capacities that fully conform to our computer system requirements. (Franchise Agreement, Section 6.8). In addition to the computer systems contained in the Shoot 360 Package, you may be required to lease, purchase, or otherwise acquire, at your expense, other software and hardware we designate that strictly conforms to our specifications. The Best Practice Manual describes the hardware, software, and upgrading requirements of the system recommended to purchase, lease, or otherwise acquire, at your expense apart from the computer systems that are provided in the Shoot 360 Package. The Shoot 360 Package computer systems include our proprietary player and training management and operating systems that are available on line at our Internet web site and linked computer terminals. The hardware and software is used for communications, basketball training and gaming, operations, customer/player transactions, records, and player profiles accessible through our mobile application. All of your computer hardware and software should be compatible with the

recommended requirements, standards and specifications we set now and in the future for the Shoot 360 Package. The cost of the computer components of the Shoot 360 Package are included in the price of the Shoot 360 Package as described in Item 7, note A, above, which ranges from $125,000 to $975,000. Included as part of your franchise licensing fee, we will perform necessary updates to our computer software to keep it current to our standards.

The Shoot 360 systems provide comprehensive player gaming, training and analysis, management, and processing systems. This software solution provides trainees, franchisees and our management team with enhanced information and management systems. We continue to upgrade and enhance our gaming, training, analysis, payment and operating systems that provide efficient internet access to Shoot 360 trainees, to our franchisees, to interested third parties such as parents, coaches, and school officials.

We have independent access to your computer systems. We may require independent access to and use of the information and data on your computer systems. There are no contractual limits on such access and use.

You are required to upgrade the computer systems to keep pace with technological advances, as expressed in updates to the Best Practices Manual. There are no contractual limits on the frequency or cost of these upgrades. We estimate that the annual cost for the obligation will be from $0 to $20,000. (Franchise Agreement, Section 6.8).

Currently, in addition to the hardware and software provided without additional cost in the Shoot 360 Package, you are required to have (at an estimated cost of $0 to $1,000):

Hardware

- Commercial Grade – Source Panel Electricity Surge Protectors and Filters of at least 400 amps but requirement is subject to actual power requirements
- High speed internet access such as DSL, Cable, Fiber Optics or other commercially available technology

Computer hardware and software will be used to integrate trainee accounts by using the Shoot 360 System software and procedures we provide and establish. You will communicate with us and with other franchisees and trainees within The Shoot 360 System using our established communication guidelines and forms. (Franchise Agreement, Section 6.8).

We may at our discretion change our standards and requirements at any time to provide effective technology for the entire system. We will have full ability to poll your data, system, and related information by means of direct access whether in person or by telephone/modem or on the internet. We will have access to all of your data and there will be no contractual limitation on our right to access your information or data.

The annual costs required for maintenance, updating, upgrading, and support for the required Shoot 360 Package computer systems are covered in by the monthly per unit fee expressed in the Software as Service component of the Franchise Agreement. You are exclusively responsible to select, pay for, and maintain any other cash register and computer systems you elect for your business operations. We do not require or recommend any such optional systems.

We take a number of measures to ensure the security of our hardware and software systems and all player information. We may continue to enhance our systems for data management and protection, intrusion detection and prevention, our network architecture, and to expand our disaster recovery processing capacity. We perform full database and software deployment back-ups daily. We may continue to improve the speed and reliability of our information systems

and transaction tools for all users by continually updating hardware and enhancing our software with new, internally developed programs and functionalities.

E-Problem Disclaimer: Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date related problems, and attacks by hackers and other unauthorized intruders ("E-Problems"). We have taken reasonable steps so that E-Problems will not materially affect our business. We do not guarantee that information or communication systems that we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify that your suppliers, lenders, landlords, trainees, and governmental agencies on which you rely have reasonable protection from E-problems. This may include taking reasonable steps to secure your systems including firewalls, password protection, and anti-virus systems, and to provide backup systems.

Advertising:

We control and monitor all local, regional, national, Internet and international advertising. We have sole discretion over the creative ideas, materials, endorsements, placement, and allocation of overhead expenses. We have not established a separate or independent advertising fund. We may fund advertising and promotions as we deem appropriate and at our discretion. This may include website development, mobile application development, public relations, social media, photography, development of advertising campaigns, costs of outside agencies, internal salaries and other overhead costs. We may pay for and place advertising in geographic areas, in media, at times and using products and services as we deem appropriate in our discretion. (Franchise Agreement, Section 3.4).

Summary of Advertising Fund Contributions and Expenses for FY2020

Expenses:	Corporate overhead	$0	0%
	Production of commercials and market research	$0	0%
	Market level advertising	$0	100%
Total expenses:		**$0**	**100%**
Advertising fund contributions:		$0	100%
Excess of expenses over contributions:		$0	0%

We may receive payment for providing advertising goods or services to our franchisees, we are not required to do so and currently we do not have any established advertising programs. We do not charge any franchise fees related to advertising. Any advertising we might provide will be through in-house sources and through regional and national providers.

We are not required to spend any amount on advertising, including advertising in the area or territory where a franchisee is located.

We may create, but currently do not have an Advertising Council composed of franchisees. Franchises are required to participate in local, regional, and national advertising cooperatives and are required to use our approved types of advertising, promotion and public relations. We will use recommendations that we feel are appropriate when drafting an advertising budget and program each year. We will have sole discretion over all creative concepts, materials and media used in programs. Advertisements generally will be in both print and broadcast media, initially with local and regional coverage. We may use an outside agency to create advertising. We may make available to our franchisees, from time to time, approved advertising and

promotional plans and materials at our cost. You may be required to accept or purchase any advertising and promotional plans and materials offered to you by us. (Franchise Agreement, Section 3). Each month you may be required to spend up to the greater of **$500** or **2%** of your Shoot 360 Gross Revenue on local advertising (the "Local Advertising Assessment"). (Franchise Agreement, Section 3). All advertising by you in any medium must be conducted in a professional manner, must conform to the standards and requirements in the Best Practices Manual. From time to time, we will supply to you samples of local advertisements we approve. You may use those advertisements at any time. You will submit to us all advertising copy and other advertising and promotional materials before you use them in your local advertising program. You will not use or place any advertising copy or other promotional material unless and until we approve it. (Franchise Agreement, Section 3.4)

At any time, we may create or modify advertising regions for the purpose of establishing regional advertising, marketing and promotional programs. Any cooperative, if organized or approved by us, will consist of one or more Shoot 360 Gym franchise owners that are located in the same geographic area, newspaper circulation area, or radio and television broadcasting area. We will promptly notify you and our other franchisees, of the establishment, modification, geographical boundaries and written governing rules for regional advertising regions. We may require all franchisees located within each geographic region to meet periodically for the purpose of creating and establishing regional advertising programs. Each franchise facility and each facility we or our affiliate own and operate will be entitled to one vote at these meetings. For the purpose of this subsection, each facility we or our affiliate own will be deemed to be a franchise.

If at any meeting of the franchisees in an advertising region, **65** percent of the franchisees vote to contribute to a regional advertising program, all franchisees within that region will be obligated to make a contribution to a regional advertising fund in the amount established by the vote (the "Regional Advertising Fund"). No advertising region may require any franchisee in that region to make a contribution to a Regional Advertising Fund in excess of **2%** percent of that franchisee's Gross Revenue.

We will administer each Regional Advertising Fund or we may decide to have each Regional Advertising Fund administered by representatives elected by each region, at a meeting we call for this purpose. (Franchise Agreement Section 3).

You specifically acknowledge and agree that any web site related to your Franchise will be considered advertising material, subject to our control and approval. (Franchise Agreement, Section 3.4). In connection to any web site, you agree to the following:

We will establish web pages for you as part of our web site.

You will not establish or use any other web site that contains Shoot 360 related content without our prior written approval.

If you want to independently advertise or promote in any media (including the Internet), you must obtain our prior written approval, except when using materials and media and programs previously approved by us in writing. (Franchise Agreement, Section 3.4).

You are not required to participate in any other local, regional, or national advertising cooperatives nor are they required to other types of advertising, promotion and public relations. Co-Branded Gym franchisees are permitted to use their own advertising materials subject to

any restrictions or prior approval requirements we might establish in the future in the Best Practices Manual, including advertising, website, and social media content and placement criteria, approved forms of advertising and media, and similar standards and restrictions related to use of “Shoot 360 At” and our other names and marks.

12. TERRITORY

The location for your franchised basketball training facility (the “Gym”) is identified in Section 2.1 of the Franchise Agreement. The exact determination of the Gym will depend upon your approval and our market analysis, market penetration plans and franchise placement strategies and prior franchise commitments. Among the factors we consider to determine the feasibility of possible franchise sites are population demographics, traffic, parking, and other businesses in the area. You must obtain our prior written approval for the site of the Gym and your lease related to it. When the exact location for the franchise is decided, the Franchise Agreement will be updated to identify the Gym.

So long as the Franchise Agreement is in force, and you are not in default in any material provision, we will not establish or allow others to establish a Shoot 360 basketball training facility within a designated area (typically ten driving miles - this may be significantly smaller in densely populated urban areas) surrounding your Gym (the “Franchise Territory”). Your Franchise Territory will be identified in your Franchise Agreement using current zip code, political or geographical boundaries. The exact conformation of the Franchise Territory will depend upon your approval and our market analysis, market penetration plans and franchise placement strategies and prior franchise commitments. We will use reliable governmental, chamber of commerce and business statistical information to determine both the population and boundaries for your Franchise Territory.

We will help analyze your market area, help determine site feasibility, and assist in the selection of the franchise location, subject to your approval. While we agree to use our experience and expertise to assist in the selection of locations, we do not guarantee success for the location selected by you or accept any responsibility for any consequences of your choice of the franchise site.

Except with our prior written permission, you may not do business, operate or place advertisements using our trade names or service marks in or originating from any area other than the Franchise Territory. All issues related to local customers who deal with several of our franchisees and local opportunities that could involve more than one franchise will be addressed and resolved by our franchisees in the involved local area, subject to our right to give reasonable direction and oversight.

Our affiliate owns and operates training facilities of the type we are franchising. They may sign Franchise Agreements with us although the precise terms of those agreements may differ from yours. We have not but may in the future own and operate company-owned training facilities (as disclosed in Item 20). We may purchase or be purchased by, or merge or combine with, competing businesses, wherever located.

We or our affiliate may place Shoot 360 systems in schools, colleges, recreation centers, and professional teams’ practice facilities regardless of the distance to your or other Shoot 360 locations.

We may place Shoot 360 equipment in entertainment venues that do not include the entire Shoot 360 System package and is primarily intended for entertainment regardless of the distance to your or other Shoot 360 locations.

We or our affiliate may place temporary promotional Shoot 360 establishments in airport and mall food courts, stadiums, office complexes, schools and colleges, and similar limited access environments regardless of the driving distance to your or other Shoot 360 locations. We reserve the right to offer our technologies, products, logo merchandise, and other present or future Shoot 360 merchandise through distribution methods other than those specifically reserved to you in the Franchise Agreement such as the Internet, other forms of media now or in the future developed, wholesale, and mail order channels ("alternative distribution channels"). We may use alternative distribution channels at any location, regardless of proximity to your or any other Shoot 360 franchise location. We may, but are not obligated to, use some of the revenue we receive from these products to promote sales for all Shoot 360 franchise operations.

We or our affiliate may establish company-owned or franchised operations using our methods of operation, trade names, or service marks. We have not established, but may in the future establish, other franchises or company-owned outlets selling similar products or services under a different method of operation, trade name or service mark; for example for baseball or golf training. These new systems may use Shoot 360 service marks or newly created service marks appropriate to the relevant purposes and player bases. Neither we nor our affiliates are contractually restricted from doing so. We and our affiliate reserve the right to use alternative distribution channels to make sales within your Franchise Territory of products or services under trademarks or service marks different from the ones you will use under the Franchise Agreement, but we and our affiliates have not yet made any sales of this type. You may not use alternative distribution channels to make sales outside or inside your Franchise Territory except as otherwise allowed by us in the Best Practices Manual.

We are not obligated to pay you any form of compensation for soliciting or accepting orders within your territory. There are no restrictions on you soliciting or accepting orders from customers outside your territory.

You will not receive an exclusive territory. You may face competition from other franchisees, from facilities that we or our affiliate own, or from other channels of distribution or competitive brands that we control. However, as stated above, we will not place or authorize anyone else to place a Shoot 360 basketball training facility within your Franchise Territory as outlined in your Franchise Agreement.

All issues that relate to more than one franchisee and joint programs and promotional efforts will be addressed and resolved by the Shoot 360 franchisees in the involved local areas, subject to our right to give reasonable direction and oversight.

If you are a Shoot 360 Gym franchisee, you or a fully trained designated manager will devote full time and talent to the management, supervision and operation of your Franchise.

The internet is a channel of distribution reserved exclusively to us, and you may not independently market the name "Shoot 360" or any of our other names or marks on the Internet or conduct e-commerce except as otherwise allowed by us in the Best Practices Manual. You may not independently market using any digital, electronic or computerized form or any form of media now or in the future developed (e.g. materials to be made available through the internet,

inactive electronic transmissions, etc.). For the purposes of this Franchise Disclosure Document, "Internet" means any of one or more local or global interactive communications media, that is flow available, or that may become available, and includes Web sites and domain names and social media. Unless the context otherwise indicates, Internet includes methods of accessing limited access electronic networks, such as Intranets, Extranets, and WANs. We retain the sole right to market on the Internet, including all use of web sites, domain names, URL's, social media, linking, meta-tags, advertising, auction sites, e-commerce, and co-branding arrangements. You will provide us content for our Internet marketing, and follow our Intranet and Internet usage requirements. We also retain the sole right to use the Shoot 360 Marks on the Internet, including on web sites, as domain names, directory addresses, meta-tags, and in connection with linking, advertising, co-branding, and other arrangements. We retain the right to approve any linking or other use of our web site. You may not establish a presence on or market using the Internet and social media except as we may specify, and only with our prior written consent. We intend that any franchisee web site be accessed only through our home page. Subject to the terms of use on our web site and social media, we may gather, develop and use in any lawful manner information about any visitor to the web site and social media, including but not limited to your trainees, franchisees, or prospective franchisees regardless of whether they were referred to you via the web site or were otherwise in contact with you.

Only we control and place international, national, regional, and local advertising and promotions and public relations information.

We generally do not grant and you generally will not receive the option, right, right of first refusal, or similar opportunity to acquire additional franchises. On those occasions when we do offer such an option, right, right of first refusal, or similar opportunity, it is done pursuant to an addendum such as that attached as Schedule 9 to the Franchise Agreement. You will not receive the option, right, right of first refusal, or similar opportunity to grant sub-franchises. You may not establish or operate any other Shoot 360 operation or office location without executing a separate Franchise Agreement for that operation.

You have no right to relocate your Franchise for any reason. If you desire to relocate or open another Franchise in an available location, you must receive our prior written permission.

13. TRADEMARKS

If you are a Co-Branded Gym franchisee, we give you the right to operate your Franchise under the name "***Shoot 360®* At** *[name of co-branded facility]* and related names, logos, service marks and trademarks (the "Shoot 360 Marks" or the "Service Marks").

If you are a Shoot 360 Gym franchisee, we give you the right to operate your franchise under the "***Shoot 360®*"** and to display all of our related names, logos, service marks and trademarks (the "Shoot 360 Marks" or the "Service Marks") on checks, letterhead, envelopes, signs and other forms we approve in advance. The Shoot 360 Marks include all other trade names, trademarks, service marks, and logos we now own or may in the future develop for the Shoot 360 System.

Our founder Craig Moody obtained registration of the following mark on the Principal Register of the United States Patent and Trademark Office which was renewed on May 21, 2019:

Service Mark:	**Shoot 360**
Registration Number:	**4223199**
Registration Date:	**October 9, 2012**
Renewal Date:	**May 21, 2019**

He is in the process of assigning that registration to us. It is for "training services in the field of basketball" and disclaims the exclusive right to used "shoot" apart from the mark.

Our affiliate has registered the following service mark logo on the Principle Register of the United States Patent and Trademark Office. It is in the process of assigning that registration to us. It is for "training services in the field of basketball" and disclaims the exclusive right to used "shoot" apart from the mark.

Service Mark:	**Shoot 360 Logo**
Registration Number:	**6156589**
Registration Date:	**September 22, 2020**

We have no state service mark registrations for these or any other marks. We claim common law rights to the Shoot 360 Marks and logos and any other marks used by us and our affiliates in interstate commerce in the United States. This claim is based upon our widespread use of the names in interstate commerce.

There are presently no currently effective material determinations of the United States Patent and Trademark Office, trademark trial and appeal board, the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceeding nor any pending material litigation involving the Shoot 360 Marks or other commercial symbols which are relevant to their use in your state or in any other state.

There are currently no superior prior rights or infringing uses actually known to us that could materially affect your use of the Shoot 360 Marks in the United States. To use the Shoot 360 Marks, you must follow our corporate identity standards. You are prohibited from including "***Shoot 360***®" or any other of our marks or names in your business or other entity name or in any website URL, e-mail address, domain name or website meta-tags. You may not alter any of our names or marks, indicia or trade dress as to form, color, size, proportion, or in any other way. The name you select to operate your Franchise must be approved by us in writing and in advance. You must always indicate that you are operating an independently owned franchise by using an identification tag line such as "an independent franchisee of Shoot 360 Nation, LLC" on all advertising materials, signs, business cards, financial and contractual documents and business letterhead.

We know of no agreements currently in effect that significantly limit our right to use or license the use of the Shoot 360 Marks listed in this section in a manner material to the Franchise.

We will, but are not obligated by the Franchise Agreement or otherwise to, take reasonable efforts to protect your rights to use the Shoot 360 Marks. If any infringement of, or challenge to, your use of the Shoot 360 Marks should occur, you are obligated to immediately provide us with written notice. We will then have the sole discretion to take such action as we deem appropriate, but we are not obligated by the Franchise Agreement or otherwise to take any action or to indemnify you. You agree to indemnify us for any expenses or damages relating to your Franchise business activities, which includes any improper or unauthorized use of any Shoot 360 Marks.

You must follow our rules when you use our Service Marks. You may not use the Service Marks in a manner not authorized in writing by us. You can only use the Shoot 360 Marks as authorized in the Franchise Agreement or as we otherwise authorize in writing. Among other restrictions, you may not use the Shoot 360 Marks:

1. As part of your corporate, partnership or other entity name
2. With modifying words or designs.
3. On any papers, vehicles, clothing, etc. except as we authorize.
4. In connection with the sale or rendering of any unauthorized products or services.
5. In any way that is unethical or may be injurious to our franchise system or to the goodwill associated with the Shoot 360 Marks.
6. Without using the designation ®, $^{TM, SM}$ or other trademark registration notice.

The Shoot 360 Marks are our sole and exclusive property. We have the right to control any administrative proceedings or litigation involving the Shoot 360 Marks. You will immediately notify us of any apparent infringement of, or challenge to your use of, any of our service marks, or any claim by any person of any rights in any of our service marks. You must not communicate with any person other than us and our legal counsel in connection with any such infringement, challenge or claim. We have the sole discretion to take such action as we may deem appropriate to protect the Service Marks and to exclusively control any litigation, USPTO proceeding, or other proceeding arising out any such infringement, challenge, claim, or action. You must execute such comments, render such assistance, and do such acts and things that may in the opinion of our counsel be necessary or advisable to protect and maintain our interests in connection with any such litigation or proceeding, to otherwise protect and maintain our interests in our Service Marks.

Any goodwill associated with the Shoot 360 Marks, including any goodwill that might be deemed to have arisen through your activities, will accrue directly and exclusively to our and our affiliate's benefit, except as otherwise provided by applicable law.

You may not use or give others permission to use the Shoot 360 Marks, or any colorable imitation of them, combined with any other words or phrases.

Pursuant to the Franchise Agreement we may change or modify any part of the Shoot 360 Marks at our sole discretion. You will accept, use and protect, for the purposes of the Franchise, all changes and modifications as if they were a part of the Shoot 360 Marks at the time the Franchise Agreement is signed. You will bear all costs and expenses that may be reasonably necessary as a result of these changes or modifications. Under no circumstances will we be liable to you for any damages, costs, losses, or detriments related to any of these changes or modifications.

14. PATENTS, COPYRIGHT & PROPRIETARY INFORMATION

We claim copyrights in the Best Practices Manual, printed advertising and promotional materials, training materials, and similar items used in operating a Shoot 360 franchise. We have not registered these copyrights with the United States Registrar of Copyrights. We intend to affix a statutory notice of copyright to the Best Practices Manual, to most of our advertising products, and to our forms, and service products, and training materials, and to all modifications and additions to them. There are no determinations, agreements, infringements or obligations currently affecting these notices or copyrights. You have no rights to the copyrighted material. You are granted the right and are required to use the copyrighted items only with your operation of the franchise during the term of your Franchise Agreement.

The Best Practices Manual is described in Item 11. Although we have not filed applications for copyright registration, all copyrighted materials are our property. Item 11 describes limits on use of the copyrighted materials and other proprietary information by you and your employees. You must contact us immediately if you learn of any unauthorized use of our proprietary information. You must also agree to not contest our rights to and interest in our copyrights and other proprietary information.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of our copyrighted materials. There are no agreements currently in effect which significantly limit our right to use or authorize our franchisees to use the copyrighted materials. Furthermore, we do not actually know of any infringing uses which could materially affect a franchisee's use of the copyrighted materials in any state. We need not protect or defend copyrights or confidential information, or indemnify you for expenses or damages in a proceeding involving any licensed copyright, although we intend to do so when this action is in our best interests or the best interests of the Shoot 360 System.

Except as described below and as provided in the Franchise Agreement, you have no rights to any of our copyrighted material. You are granted the right and are required to use the copyrighted items in your franchise business operations.

Our right to use and license the copyrighted items is not materially limited by any agreement or known infringing use. The Best Practices Manual and other materials contain our confidential information. This information includes The Shoot 360 System, a description of the Shoot 360 System, site selection criteria, training materials, as well as other programs, systems and guidelines for franchisees. You cannot use our confidential information in an unauthorized manner and must take reasonable steps to prevent its disclosure to others. However, these restrictions do not apply to information which you can demonstrate came to your attention before disclosure by us, or which is or has become a part of the public domain through publication or communication by others.

We own no rights in, or licenses to patents that are relevant to the franchise. We have no pending patent applications that are relevant to the franchise. We have not obligation to protect any patent or patent application or to protect you against claims arising from your use of patented items.

We have exclusive rights to the commercial use of several patents owned by Pillar Vision, Inc that serve to help protect our technology from being copied.

You have no rights, including rights to compensation, under the Franchise Agreement if we require you to modify or discontinue using any items or subject matter covered by any patent or copyright.

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

If you are a Co-Branded Gym franchisee, we recommend, but do not require, that you, or one of your owners if you are a corporation or partnership or if you own more than one franchise, or a qualified approved and trained general manager participate fully in the actual day-to-day operation of the franchise. Managers you employ to help you to operate the Franchise should successfully complete the mandatory training program described in Item 11. They are not required to have an equity ownership interest in the business. The managers and all of your owners/partners must agree to be bound by the confidentiality and non-compete provisions of the Franchise Agreement.

If you are a Shoot 360 Gym franchisee, we require, that you, or one of your owners if you are a corporation or partnership or if you own more than one franchise, or a qualified approved and trained general manager must participate fully in the actual day-to-day operation of the franchise. Managers you employ to help you to operate the Franchise must successfully complete the mandatory training program described in Item 11. They are not required to have an equity ownership interest in the business. The managers and all of your owners/partners must agree to be bound by the confidentiality and non-compete provisions of the Franchise Agreement.

If you are a Shoot 360 Gym franchisee, your rights and obligations under the Franchise Agreement are exclusive to you. We will have specifically approved each entity and individual franchisee and each owner of a franchisee entity and will have found each appropriate and necessary for operation and promotion of the franchise – therefore no owner we have previously approved for a Shoot 360 Gym franchise may lose or relinquish or transfer ownership without our prior written approval, which will to be unreasonably withheld.

You and each of your owners/partners must assume and agree to discharge all of your obligations under your Franchise Agreement. Spouses also may be required to do so.

You are expected to participate in franchisee meetings, seminars, conferences, and supplemental training that we might from time to time sponsor. We generally suggest that you participate directly and with your full time manage your franchise operations. If you own multiple locations, we impose no limitation as to who may manage your franchise; except that all managers must meet our prior reasonable approval expressed in writing, must successfully complete our initial training program. You must ensure that your business managers comply fully with all applicable terms of the Franchise Agreement including maintaining all confidential information, not competing with us and safeguarding all relevant documents, manuals, etc.

Our Step-In Rights for Shoot 360 Gym Franchises. As outlined in Section 7.6 of the Franchise Agreement, to prevent any interruption of the franchised business that would cause harm to the franchise and to our franchise system and lessen their value, we may step in to operate your Shoot 360 Gym franchise when we deem necessary. Reasons may include our determination that: you are incapable of operating the franchise; you are absent or incapacitated because of illness or death; you have failed to pay when due any taxes or assessments against the franchise or property used in connection with the franchise; you have failed to pay when due

any liens or encumbrances of every kind placed upon or against your business property; you have failed to pay all relevant fees and assessments, or we decide that operational problems require us to operate the franchise for a time.

All revenue derived from our operation of the franchise will be for your account and handled pursuant to the franchise agreement. We may pay from that revenue all expenses, debts, and liabilities we incur during our operation of your franchise. We will keep in a separate account all revenue generated by the operation of your business, less the expenses of the business, including reasonable compensation and expenses for us and our representatives.

16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only those training programs, technology, products, goods, and services that we approve in writing. You must offer all products, goods and services that we designate as required by our franchisees. We reserve the right, without limitation, to change, modify, delete, and add to the authorized programs, products, goods and services. You are not permitted to sell any products (e.g., balls, nets, clothing, etc.) at wholesale. There are no other limits regarding customers to whom you may sell goods and services.

You must assist trainees assigned to other Shoot 360 franchisees per the guidelines outlined in the Best Practices Manual. You cannot solicit trainees assigned to other Shoot 360 Franchises to transfer their account to you or open a second account with you excepts as outlined in the Best Practices Manual.

17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements if you are a Shoot 360 Gym franchisee. You should read these provisions in the agreements attached to this Franchise Disclosure Document.

Provision	Section in Franchise Agreement	Summary
a. Length of the Franchise Term	Section 2.1	**5** years
b. Renewal or Extension of Term	Section 7.1	If you are in good standing, you may renew for periods of **5** years under the terms of our then-current franchise agreement forms. “Renewal” means that you, upon the expiration of the original term of the franchise agreement, have the right to enter into a new agreement according to our then-current franchise agreement forms that may have materially different terms and conditions than your original contract. You

Provision	Section in Franchise Agreement	Summary
		must give notice at least **6** months of your request to renew before expiration of the initial term.
c. Requirements for You to Renew or Extend	Section 7.1	You must: a. Be in full compliance. b. Have satisfied all monetary obligations. c. Give notice at least **6** months before expiration of the initial term. d. Sign a General Release. e. Sign a new franchise agreement. You may be asked to sign a contract with materially different terms and conditions than your original contract. f. Reimburse us for our reasonable out-of-pocket costs concerning the renewal. g. Attend (or your designated manager must attend) at your expense and successfully complete any retraining program we require.
d. Termination by You	Section 7.2	Subject to applicable state law, you can terminate at any time upon **30** days prior written notice.
e. Termination by Us Without Cause	None	Not Applicable
f. Termination by Us With Cause	Section 7.3	We can terminate if you default. Any material violation or breach of any franchise agreement between the parties or of any other agreement between the parties related to the our franchise system will be deemed a material violation of the Franchise Agreement and of all such other franchise agreements, and of all such other agreements. The non-breaching party

Provision	Section in Franchise Agreement	Summary
		then will be entitled to enforce the penalties of or to terminate the Franchise Agreement and any or all of such other franchise agreements and such other agreements as provided in the Franchise Agreement for enforcement or termination.
g. "Cause" Defined – Curable Defaults	Section 7.3(A)	You have 30 days to cure any default not listed in Section 7.3(B). We may terminate you if you fail to meet initial or ongoing performance standards outlined in Section 6.3(A) upon 3 months opportunity to cure respectively.
h. "Cause" Defined – Non-curable Defaults	Section 7.3(B)	Bankruptcy and insolvency; abandonment; repeated default; misrepresentations; levy of execution; conviction of felony; noncompliance with laws; operate in a manner that creates imminent danger; fraudulently post transactions; attempt to unilaterally repudiate the Franchise Agreement.
i. Your Obligations on Termination/Non-renewal.	Section 7.4	De-identification, transfer to us or de-identification of your franchise equipment and business premises, return of manuals, release of phone numbers, payment of sums owed, confidentiality, and non-competition.
j. Assignment of Contract by Us	Section 8.1 C	There are no restrictions on our right to transfer.
k. "Transfer" by You - Definition	Section 8.1	Restrictions apply if you sell, transfer, assign, encumber, give, lease, or sublease (collectively called "transfer") the whole or any part of: the Franchise Agreement, substantial assets of the franchise, or ownership or

Provision	Section in Franchise Agreement	Summary
		control of you.
l. Our Approval of Transfer by You	Section 8.1	We may approve or disapprove all transfers.
m. Conditions for Our Approval of Transfer	Section 8.1	The transferee must qualify as a franchisee, assume your obligations, you may not be in default, the transferee must pay for and successfully complete the mandatory training, the current transfer fee is **$10,000** ($5,000 if transferring to a current Shoot 360 franchisee), the transferee must sign a new franchise agreement on our then current terms, and you must release us. In addition, you will pay us 10% of the transfer price if we find the transferee for you.
n. Our Right of First Refusal to Acquire Your Business	Section 8.4	We may purchase on the same terms that are acceptable to you. We have **30** days to decide whether to purchase after you notify us of the proposed sale.
o. Our Option to Purchase Your Business	Section 8.3	You must give us the right of first purchase before soliciting offers from a third party if you choose to sell your franchise business. You agree to notify us in writing if you desire to sell or transfer any interest in you or in your franchised business. We will elect to exercise our option to purchase within **60** business days after our receipt of your written notification. If we offer you an amount that you do not agree to, you may try to sell to a third party. You are obligated before any transfer to a third party to comply with all criteria outlined in the paragraphs related to First Right of Refusal.

Provision	**Section in Franchise Agreement**	**Summary**
p. Your Death or Disability	Section 8.2	Within 180 days, your heirs, beneficiaries, devisees or legal representatives may apply to continue to operate the franchise if they meet our requirements for a new or renewing franchisee, or transfer your franchise interest.
q. Non-Competition Covenants During the Term of the Franchise	Sections 6.6 and 6.7	Subject to applicable state law, you may not disclose confidential information or compete.
r. Non-Competition Covenants After the Franchise is Terminated or Expires	Section 6.7	Subject to applicable state law, you will assure that you and your owners, directors, officers, partners, shareholders, employees, consultants, and agents, for a period of two years after expiration or termination of the Agreement, will not divert or directly or indirectly attempt to divert any of our business or any of our trainees to any competing system. For **720** days after termination, expiration or transfer of the Franchise Agreement. You will assure that you and your owners, shareholders, partners, directors, officers, employees, and agents, and the members of their immediate families or households (who have actual knowledge of or access to the Best Practices Manual or Shoot 360 System), will not directly or indirectly participate as an owner, shareholder, director, partner, officer, employee, consultant, franchisor, franchisee, distributor, advisor or agent, or serve in

Provision	Section in Franchise Agreement	Summary
		any other capacity in any business engaged directly or indirectly in the offer, sale, rental, Internet dissemination, or promotion of any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the Shoot 360 System. You will not undertake or attempt to solicit or otherwise agree privately with trainees other than through the Shoot 360 System or otherwise attempt to circumvent the Shoot 360 System. These covenants apply within **150** miles of your franchise office and within **150** miles of any other Shoot 360 and within the United States of America, and within North America.
s. Modification of the Agreement	Sections 6.5 and 10.8	Modifications to the Franchise Agreement require the signed written agreement of the parties. We may modify the Best Practices Manual.
t. Integration/Merger Clause	Sections 6.1, 6.5 and 10.8	Subject to applicable state law, only the terms of the Franchise Agreement, and Best Practices Manual, and other related written agreements are binding. No other representations or promises will be binding. However, nothing in the Franchise Agreement or any related written agreement is intended to disclaim the representations made in this franchise disclosure document.
u. Dispute Resolution by Arbitration or Mediation	Section 10.9	Subject to applicable state law, all disputes are required

Provision	Section in Franchise Agreement	Summary
		to be arbitrated and all disputes are subject to at least **6** hours of mediation at shared expense in **Multnomah County, Oregon**.
v. Choice of Forum	Section 10.9	Subject to applicable state law, arbitration must be in **Multnomah County, Oregon**, except in those states whose franchise laws require exclusive application of state choice of forum rules. Litigation is permitted for certain kinds of harm and may or may not be restricted to **Multnomah County, Oregon**. See Franchise Agreement and State Law Addendum.
w. Choice of Law	Section 10.9	Subject to applicable state law, **Oregon** law applies except to the extent governed by the United States Trademark Act and except in those states whose franchise laws require exclusive application of state choice of law rules. See the State Law Addendum.

This table lists certain important provisions of the Franchise Agreement and related agreements if you are a Co-Branded Gym franchisee. You should read these provisions in the agreements attached to this Franchise Disclosure Document.

Provision	Section in Franchise Agreement	Summary
a. Length of the Franchise Term	Section 2.1	**5** years
b. Renewal or Extension of Term	Section 7.1	Automatic extension for additional consecutive periods of time equal to the initial 5 year term, unless either party notifies the other at least **6** months prior to the end of the then scheduled expiration of the term that it does not desire for the term

Provision	Section in Franchise Agreement	Summary
		to be extended.
c. Requirements for You to Renew or Extend	None. Apart from the notice requirements in Section 7.1 there are no provisions that require you to sign a contract with materially different terms and conditions than your original contract.	Renewal means automatic extension of the Franchise Agreement you have signed for additional consecutive periods of time equal to the initial 5 year term, unless either party notifies the other at least **6** months prior to the end of the then scheduled expiration of the term that it does not desire for the term to be extended.
d. Termination by You	Section 7.2	Subject to applicable state law, you can terminate at any time upon **30** days prior written notice.
e. Termination by Us Without Cause	None	Not Applicable
f. Termination by Us With Cause	Section 7.3	We can terminate if you default.
g. "Cause" Defined – Curable Defaults	Section 7.3(A)	You have 30 days to cure any default not listed in Section 7.3(B). We may terminate you if you fail to meet initial or ongoing performance standards outlined in Section 6.3(A) upon 3 months opportunity to cure respectively.
h. "Cause" Defined – Non-curable Defaults	Section 7.3(B)	Bankruptcy and insolvency; abandonment; repeated default; misrepresentations; levy of execution; conviction of felony; noncompliance with laws; operate in a manner that creates imminent danger; fraudulently post transactions; attempt to unilaterally repudiate the Franchise Agreement.
i. Your Obligations on Termination/Non-renewal.	Section 7.4	De-identification, return of manuals, payment of sums owed, confidentiality.
j. Assignment of Contract by Us	Section 8.1 C	There are no restrictions on our right to transfer.
k. "Transfer" by You -	Section 8.1	Restrictions apply if you sell,

Provision	Section in Franchise Agreement	Summary
Definition		transfer, assign, encumber, give, lease, or sublease (collectively called "transfer") the whole or any part of: the Franchise Agreement, substantial assets of the franchise, or ownership or control of you.
l. Our Approval of Transfer by You	Section 8.1	We may approve or disapprove all transfers.
m. Conditions for Our Approval of Transfer	Section 8.1	Our prior written consent will not be unreasonably withheld, delayed or conditioned.
n. Our Right of First Refusal to Acquire Your Business	Section 8.4	Not Applicable
o. Our Option to Purchase Your Business	Section 8.3	Not Applicable
p. Your Death or Disability	Section 8.2	Not Applicable
q. Non-Competition Covenants During the Term of the Franchise	Sections 6.6 and 6.7	Subject to applicable state law, you may not disclose confidential information or compete.
r. Non-Competition Covenants After the Franchise is Terminated or Expires	Section 6.7	Subject to applicable state law, you will assure that you and your owners, directors, officers, partners, shareholders, employees, consultants, and agents, for a period of two years after expiration or termination of the Agreement, will not divert or directly or indirectly attempt to divert any of our business or any of our trainees to any competing system. For **720** days after termination, expiration or transfer of the Franchise Agreement. You will assure that you and your owners, shareholders, partners, directors, officers, employees, and agents, and the members of their immediate families or

Provision	Section in Franchise Agreement	Summary
		households (who have actual knowledge of or access to the Best Practices Manual or Shoot 360 System), will not directly or indirectly participate as an owner, shareholder, director, partner, officer, employee, consultant, franchisor, franchisee, distributor, advisor or agent, or serve in any other capacity in any business engaged directly or indirectly in the offer, sale, rental, Internet dissemination, or promotion of any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the Shoot 360 System. You will not undertake or attempt to solicit or otherwise agree privately with trainees other than through the Shoot 360 System or otherwise attempt to circumvent the Shoot 360 System. These covenants apply within **150** miles of your franchise office and within **150** miles of any other Shoot 360 and within the United States of America, and within North America.
s. Modification of the Agreement	Sections 6.5 and 10.8	Modifications to the Franchise Agreement require the signed written agreement of the parties. We may modify the Best Practices Manual.
t. Integration/Merger Clause	Sections 6.1, 6.5 and 10.8	Subject to applicable state law, only the terms of the Franchise Agreement, Best Practices Manual, and other related written agreements are binding. No other representations or promises

Provision	Section in Franchise Agreement	Summary
		will be binding. However, nothing in the Franchise Agreement or any related written agreement is intended to disclaim the representations made in this franchise disclosure document.
u. Dispute Resolution by Arbitration or Mediation	Section 10.9	Subject to applicable state law, all disputes are required to be arbitrated and all disputes are subject to at least **6** hours of mediation at shared expense in **Multnomah County, Oregon**.
v. Choice of Forum	Section 10.9	Subject to applicable state law, arbitration must be in **Multnomah County, Oregon**, except in those states whose franchise laws require exclusive application of state choice of forum rules. See Franchise Agreement and State Law Addendum.
w. Choice of Law	Section 10.9	Subject to applicable state law, **Oregon** law applies except to the extent governed by the United States Trademark Act and except in those states whose franchise laws require exclusive application of state choice of law rules. See the State Law Addendum.

Some states have statutes which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your Franchise, venue for disputes and governing law.

These and other states may have court decisions, which may supersede the Franchise Agreement in Franchisee's relationship with Franchiser, including the areas of termination and renewal of the Franchise, venue for disputes and governing law.

The provision of the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

See the state addenda to the Franchise Agreement and disclosure document for special state disclosures.

18. PUBLIC FIGURES

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

19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We 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 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 our management by contacting our President, Craig Moody, 12403 NE 60TH WAY, #D-1, Vancouver, Washington 98682 (360-433-9841); the Federal Trade Commission; and the appropriate state regulatory agencies.

20. OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
SYSTEM WIDE OUTLET SUMMARY
FOR FISCAL YEARS ENDING OCTOBER 31, 2018, 2019, AND 2020

Outlet Type	Fiscal Year End	Outlets Start of the Year	Outlets End of the Year	Net Change
Franchised *Shoot 360 Gym*	October 2018	0	0	0
	October 2019	0	0	0
	October 2020	0	0	0
Franchised *Co-Branded Gym*	October 2018	0	0	0
	October 2019	0	0	0
	October 2020	0	5	+5
Company-Owned* *Shoot 360 Gym*	October 2018	4	4	0
	October 2019	4	5	+1
	October 2020	5	4	-1
Company- Owned* *Co-Branded Gym*	October 2018	0	0	0
	October 2019	0	0	0
	October 2020	0	0	0
Total Outlets	**October 2018**	**4**	**4**	**0**
	October 2019	**4**	**5**	**+1**
	October 2020	**5**	**9**	**+4**

*Including basketball training facilities owned by our affiliate.
At this time we do not own or operate any training facilities.

TABLE 2
TRANSFERS OF OUTLETS FROM FRANCHISEES
TO NEW OWNERS (OTHER THAN THE FRANCHISOR)
FOR FISCAL YEARS ENDING OCTOBER 31, 2018, 2019, AND 2020

State	Year	Number of Transfers Shoot 360 Gym	Number of Transfers Co-Branded Gym
California	October 2018	0	0
	October 2019	0	0
	October 2020	0	0
Indiana	October 2018	0	0
	October 2019	0	0
	October 2020	0	0
Texas	October 2018	0	0
	October 2019	0	0
	October 2020	0	0
Oregon	October 2018	0	0
	October 2019	0	0
	October 2020	0	0
Total	**October 2018**	**0**	**0**
	October 2019	**0**	**0**
	October 2020	**0**	**0**

TABLE 3
STATUS OF *SHOOT 360 GYM* FRANCHISED OUTLETS
FOR FISCAL YEARS ENDING OCTOBER 31, 2018, 2019, AND 2020*

State	Fiscal Year End	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Alabama	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
California	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Colorado	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Connecticut	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0

State	Fiscal Year End	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Florida	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Georgia	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Hawaii	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Idaho	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Illinois	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Indiana	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Kansas	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Kentucky	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Louisiana	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Maine	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Massachusetts	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0

State	Fiscal Year End	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	October 2020	0	0	0	0	0	0	0
Michigan	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Minnesota	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Missouri	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Nebraska	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Nevada	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
New Jersey	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
New Mexico	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
New York	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
North Carolina	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Ohio	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Oklahoma	October 2018	0	0	0	0	0	0	0

State	Fiscal Year End	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Oregon	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Pennsylvania	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Puerto Rico	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Tennessee	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Texas	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Utah	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Virginia	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Washington	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Totals	**October 2018**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	October 2019	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	October 2020	**0**	**0**	**0**	**0**	**0**	**0**	**0**

* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

TABLE 3
STATUS OF *CO-BRANDED GYM* FRANCHISED OUTLETS
FOR FISCAL YEARS ENDING OCTOBER 31, 2018, 2019, AND 2020*

State	Fiscal Year End	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Alabama	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
California	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	2	0	0	0	0	2
Colorado	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Connecticut	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Florida	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Georgia	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Hawaii	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Idaho	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Illinois	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Indiana	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0

State	Fiscal Year End	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Kansas	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Kentucky	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Louisiana	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Maine	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Massachusetts	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Michigan	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	1	0	0	0	0	1
Minnesota	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Missouri	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Nebraska	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Nevada	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
New Jersey	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0

State	Fiscal Year End	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
New Mexico	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
New York	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
North Carolina	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Ohio	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	1	0	0	0	0	1
Oklahoma	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Oregon	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Pennsylvania	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Puerto Rico	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Tennessee	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Texas	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Utah	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0

State	Fiscal Year End	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	October 2020	0	0	0	0	0	0	0
Virginia	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0	0
Washington	October 2018	0	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0	0
	October 2020	0	1	0	0	0	0	1
Totals	**October 2018**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	October 2019	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	October 2020	**0**	**5**	**0**	**0**	**0**	**0**	**5**

* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

TABLE 4
STATUS OF AFFILIATE OWNED SHOOT 360 GYM OUTLETS*
AS OF OCTOBER 31, 2018, 2019, AND 2020

State	Fiscal Year End	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
California	October 2018	1	0	0	0	0	1
	October 2019	1	0	0	0	0	1
	October 2020	1	1	0	1	0	1
Oregon	October 2018	1	0	0	0	0	1
	October 2019	1	0	0	0	0	1
	October 2020	1	0	0	0	0	1
Washington	October 2018	1	0	0	0	0	1
	October 2019	1	0	0	0	0	1
	October 2020	1	0	0	0	0	1
Total	**October 2018**	**4**	**0**	**0**	**0**	**0**	**4**
	October 2019	**4**	**0**	**0**	**0**	**0**	**4**
	October 2020	**4**	**1**	**0**	**1^**	**0**	**4**

*Including basketball training facilities owned by our affiliate. At this time we do not own or operate any training facilities.
^2335 Vista Way, Oceanside, CA 92054 was sold to an independent operator

TABLE 4
STATUS OF AFFILIATE OWNED CO-BRANDED GYM OUTLETS*
AS OF OCTOBER 31, 2018, 2019, AND 2020

State	Fiscal Year End	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
California	October 2018	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0
Oregon	October 2018	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0
Washington	October 2018	0	0	0	0	0	0
	October 2019	0	0	0	0	0	0
	October 2020	0	0	0	0	0	0
Total	**October 2018**	**0**	**0**	**0**	**0**	**0**	**0**
	October 2019	**0**	**0**	**0**	**0**	**0**	**0**
	October 2020	**0**	**0**	**0**	**0**	**0**	**0**

*Including basketball training facilities owned by our affiliate. At this time we do not own or operate any training facilities.

TABLE 5
PROJECTED NEW SHOOT 360 GYM FRANCHISE OUTLETS*
THROUGH OCTOBER 31, 2021

State	Shoot 360 Gym Franchise Agreements Signed but Business Not Yet Opened as of October 31, 2020	Projected New Shoot 360 Gym Franchised Businesses Through October 31, 2021	Projected New Company-Owned Shoot 360 Gym Operations Through October 31, 2021
California			
North Carolina			
Indiana			
Texas			
Oregon			
Washington			
TOTALS			

TABLE 5
PROJECTED NEW CO-BRANDED GYM FRANCHISE OUTLETS*
THROUGH OCTOBER 31, 2021

State	Co-Branded Gym Franchise Agreements Signed but Business Not Yet Opened as of October 31, 2020	Projected New Co-Branded Gym Franchised Businesses Through October 31, 2021	Projected New Company-Owned Co-Branded Gym Operations Through October 31, 2021
California			
North Carolina			
Indiana			
Texas			
Oregon			
Washington			
TOTALS			

* NOTE: These are projections of the number of new franchises we expect will open in the next fiscal year. It is, however, only a projection. The chart shows those states which we consider priority states; however, we do not plan to sell franchises in all of those states in the upcoming year. We continue to look for new franchisees throughout the United States and will open locations in any state in which we find qualified purchasers. Therefore, the actual number of new franchisees in any state that open in the next fiscal year could vary from the number described above.

The following is a complete listing of all of the basketball training facilities owned and operated by our affiliate and by our franchisees and the addresses and telephone numbers of all of their operations as of **November 23, 2020**:

AFFILIATE:

Beaverton	5657 Arctic Drive, Beaverton, OR 97005	503-718-7445	Apr. 2012
Vancouver	12001 NE 60th Way, Vancouver, WA 98682	360-896-5000	Jun. 2013
Torrance	2076 Artesia Blvd., Torrance, CA 90504	424-292-3157	Aug. 2016
Indianapolis	8090 Georgetown Rd, Indianapolis, IN 46268	317-389-5652	June 2017

SHOOT 360 GYM FRANCHISES:

None

CO-BRANDED GYM FRANCHISES:

California, Oakland **(Golden State Warriors, LLC - NBA Franchise)**
1011 Broadway, Oakland, CA 94607 510-986-2286 March 2020

California, Walnut Creek **(The Ultimate Fieldhouse – Ultimate Sports)**
2675 Mitchell Dr, Walnut Creek, CA 94598 925-322-8785 June 2020

Michigan, Rochester Hills **(Oakland Fieldhouse – BLC Holdings, LLC)**
2139 Austin Ave, Rochester Hills, MI 48309 248-807-7650 November 2019

Ohio, Parma **(Hooptech, LLC – Michael McNamara and Mark Belter)**
7717 Victory Lane, North Ridgeville, OH 44039 216-744-5336 October 2019

Washington, Kirkland **(Rodney Stuckey's Shoot 360 – Rodney Stuckey, The Landing Spot II LLC)**
10842 117th Place NE, Kirkland, WA 98033 425-658-3979 September 2019

The following is a list of the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone numbers) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system:

VOLUNTARILY LEFT THE SYTEM: None

FRANCHISEE TRANSFERS TO NEW OWNERS (OTHER THAN US): None

REACQUIRED BY FRANCHISOR: None.

TERMINATED BY FRANCHISOR: None.

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

During the last three fiscal years, we have not signed confidentiality clauses with any of our current or former franchisees, which restrict such franchisees from communicating with prospective franchisees concerning their experience in the franchise system. However, we sign agreements with current and former franchisees that include confidentiality clauses that protect our intellectual property and our proprietary information. The confidentiality clauses in these agreements may also relate to specific negotiated Franchise Agreement terms and conditions.

The following is a list, to the extent known by us, of the names, addresses, telephone numbers, email address and Web address of each trademark-specific franchisee organization associated with the franchise system being offered which we have created, sponsored or endorsed: **None**.

The following is a list of any independent franchisee organizations that have asked to be included in this disclosure document: **None**.

21. FINANCIAL STATEMENTS

Attached as Exhibit B are our audited balance sheet as of our inception on August 21, 2019 and our audited financial statements as of October 31, 2020.

Our fiscal year-end is October 31, 2021.

We have not been in business for three years or more, and therefore cannot include all the historical financial statements otherwise required.

22. CONTRACTS

Attached are copies of the following Franchise Agreement and all other related agreements you may have to sign when you purchase your franchise:

C: Franchise Agreement and Schedules
- Schedule 1 – Franchise Location
- Schedule 2 - Lease Assignment Form
- Schedule 3 - SBA Lending Form
- Schedule 4 - Conditional Assignment
- Schedule 5 - Abandonment, Relinquishment, Termination Assumed Name
- Schedule 6 – ACH Form
- Schedule 7 – Monthly Training Fee
- Schedule 8 – Basketball Training Equipment Purchase
- Schedule 9 –First Right of Offer Addendum

D: State Law Addendum
E: Warranties and Disclaimers Form
F. Sample Transfer, Termination, Renewal, and Incorporation Agreements

23. RECEIPT

Attached to this disclosure document are duplicate Acknowledgments of Receipt. They evidence your receipt of this Franchise Disclosure Document – sign each copy - one is to be retained by you, the other by us.

EXHIBIT A

NAMES AND ADDRESSES OF STATE REGULATORY AUTHORITIES AND REGISTERED AGENTS IN STATES

STATE	REGISTERED AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
CALIFORNIA	California Commissioner of Financial Protection and Innovation: Los Angeles: 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7505 Sacramento: 2101 Arena Boulevard Sacramento, CA 95834 (916) 445-7205 San Francisco: One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8559 Toll-free 866-ask-corp (275-2677)	Corporations Commissioner Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-1105 (213) 576-7505
CONNECTICUT	Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232
FLORIDA	[Not Applicable]	Senior Consumer Complaint Analyst Department of Agriculture and Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, Florida 32399-0800 (850) 922-2770
HAWAII	Commissioner of Securities Dept. of Commerce & Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	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 Bureau

STATE	REGISTERED AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
	Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General 100 W. Randolph Street Chicago, IL 60601 (312) 814-3892
INDIANA	Secretary of State Administrative Offices of the Secretary of State 201 State House Indianapolis, IN 46204 (317) 232-6681	Securities Commissioner Securities Division Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681
IOWA	[Not Applicable]	Director of Regulated Industries Unit Iowa Securities Bureau 340 East Maple Des Moines, Iowa 50319-0066 (515) 281-4441
MARYLAND	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Commerce, Corporations and Securities Bureau 525 W. Ottowa 670 Law Building Lansing, MI 48913 (517) 373-7117	Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117
MINNESOTA	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600	Deputy Commissioner Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600
NEBRASKA	[Not Applicable]	Staff Attorney Department of Banking and Finance 1200 N Street Suite 311 P.O. Box 95006 Lincoln, Nebraska 68509

STATE	REGISTERED AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
		(402) 471-3445
NEW YORK	Secretary of State of the State of New York 99 Washington Avenue Albany, NY 12231	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-828-58211
NORTH DAKOTA	Securities Commissioner State of North Dakota State Capitol, 5th Floor, Dept. 414 600 East Boulevard Avenue Bismarck, ND 58505-0510	Franchise Examiner North Dakota Securities Dept. State Capitol, 5th Floor, Dept. 414 600 East Boulevard Avenue Bismarck, ND 58505-0510 (701) 328-4712
OREGON	Director of Oregon Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4387
RHODE ISLAND	Director of Rhode Island Department of Business Regulation Division of Securities 1511 Pontiac Avenue Building 69-1 Cranston, RI 02920 (401) 222-3048	Associate Director and Superintendent of Securities Division of Securities 1511 Pontiac Ave Building 69-1 Cranston, RI 02920 (401) 222-3048
SOUTH DAKOTA	Director of South Dakota Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823	Franchise Administrator Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823
TEXAS	[Not Applicable]	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769
UTAH	[Not Applicable]	Division of Consumer Protection Utah Department of Commerce 160 East Three Hundred South P.O. Box 45804 Salt Lake City, Utah 84145-0804 (801) 530-6601

STATE	REGISTERED AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
VIRGINIA	Clerk of the State Corporation Commission 1300 E. Main Street Richmond, VA 23219 (804) 371-9672	Chief Examiner/Investigator State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street Richmond, VA 23219 (804) 371-9051
WASHINGTON	Director of Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Administrator Dept. of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760
WISCONSIN	Wisconsin Commissioner of Securities P.O. Box 1768 345 W. Washington Avenue, 4th Floor Madison, WI 53703 (608) 261-9555	Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 345 W. Washington Ave, 4th Floor Madison, WI 53703 (608) 261-9555
FEDERAL TRADE COMMISSION		Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6th Street, NW Washington, D.C. 20580 (202) 326-3128

EXHIBIT B

AUDITED FINANCIAL STATEMENTS

A. ANDREW GIANIODIS

CERTIFIED PUBLIC ACCOUNTANT

SHOOT 360 NATION, LLC

OCTOBER 31, 2020 AND 2019

FINANCIAL STATEMENTS

SHOOT 360 NATION, LLC

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A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

November 20, 2020

INDEPENDENT AUDITORS' REPORT

Board of Directors and Members of
Shoot 360 Nation, LLC:

REPORT ON FINANCIAL STATEMENTS

I have audited the accompanying balance sheet of Shoot 360 Nation, LLC (a limited liability company) as of October 31, 2020 and 2019 and the related statements of operations, changes in owner's equity and cash flows for the fiscal year ended October 31, 2020 and the period ending October 31, 2019. These financial statements are the responsibility of the Company's management.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with generally accepted auditing standards as 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 of material misstatement.

An audit includes 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 risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company's internal control. Accordingly, I express no such opinion.

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

An audit also includes evaluating 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. examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shoot 360 Nation, LLC as of October 31, 2020 and 2019 and the related statements of operations, changes in owner's equity and cash flows for the year and period then ended in conformity with accounting principles generally accepted in the United States of America.

A. Andrew Gianiodis

Certified Public Accountant

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

Shoot 360 Nation, LLC

Balance Sheet
October 31, 2020 and 2019

	2020	2019
ASSETS		
Current Assets		
Cash	$ 673,854	$ 114,973
Accounts receivable	122,340	31,747
Total Current Assets	796,194	146,720
Due from Affiliated Company	-	-
TOTAL ASSETS	$ 796,194	$ 146,720
LIABILITIES & EQUITY		
Current Liabilities		
Accounts Payable	$ 370,456	$ 581
Credit card liabilities	10,924	4,221
Total Current Liabilities	381,380	4,802
Total Liabilities	381,380	4,802
Equity		
Member Equity	414,814	141,918
Total Equity	414,814	141,918
TOTAL LIABILITIES & EQUITY	$ 796,194	$ 146,720

See accompanying notes

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Shoot 360 Nation, LLC

Statement of Operations
Year ending October 31, 2020 and period ending October 31, 2019

	2020	2019
Revenues		
Franchise fees	$ -	$ -
Equipment sales	826,450	516,500
Other revenue	70,800	-
Total revenue	897,250	516,500
Cost of sales	559,910	464,850
	337,340	51,650
Expenses		
Auto expenses	-	224
Bank charges	834	108
Licenses	60	-
Office	39	203
Professional fees	54,356	2,275
Registrations	-	3,697
Travel	4,256	3,225
Total expenses	59,545	9,732
Operating Income	277,795	41,918
Interest expense	(4,899)	-
Net Income	$ 272,896	$ 41,918

See accompanying notes

Shoot 360 Nation, LLC

Statement of Changes in Equity
Year ending October 31, 2020 and period ending October 31, 2019

	Total Equity
Equity at August 14, 2019	$ -
Capital Infusion	100,000
Net Income	41,918
Equity at October 31, 2019	$ 141,918
Equity at November 1, 2019	$ 141,918
Capital Infusion	-
Net Income	272,896
Equity at October 31, 2020	$ 414,814

See accompanying notes

Shoot 360 Nation, LLC

Statement of Cash Flows
Year ending October 31, 2020 and period ending October 31, 2019

	2020	2019
Cash flows from operating activities:		
Net Income	$ 272,896	$ 41,918
Adjustments to reconcile net loss to net cash provided by operating activities:		-
Depreciation & amortization	-	-
Changes in assets and liabilities		
Current assets	(90,593)	(31,747)
Current liabilities	376,578	4,802
Net cash provided by operating activities	558,881	14,973
Cash flows from investing activities:		
Loan to Affiliated Company	-	-
Net cash provided by investing activities	-	-
Cash flows from financing activities:		
Capital infusion	-	100,000
Owner draws	-	-
Net cash provided by investing activities	-	100,000
Net change in cash	558,881	114,973
Cash - beginning of period	114,973	-
Cash - end of period	$ 673,854	$ 114,973
Supplemental Disclosures		
Interest Paid	-	-
Income Taxes Paid	-	-

See accompanying notes

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SHOOT 360 NATION, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF BUSINESS

The Company was incorporated under the laws of the State of Washington for the purpose of offering franchise opportunities to entrepreneurs who want to own their own Shoot 360 basketball training facility, as a franchise.

BASIS OF PRESENTATION

The financial statements are presented on the accrual basis of accounting.

REVENUE RECOGNITION

The Financial Accoutning Standards Board ("FASB") issued Codification Topic 606, Revenue from Contracts with Customers (ASC 606). Under ASC 606, the franchisor must determine if the pre-opening activities contain any distinct goods or services, known as performance obligations, and then allocate the initial franchise fees to those performance obligations using the stand-alone selling price of the goods or services. The Company decided to postpone instituting ASC 606 until the financial reporting for year-end December 31, 2020.

Currently, the Company has been selling equipment to interested parties and includes the use of the Company's proprietary name and concept as part of the purchase. Management plans to enter into more traditional franchising agreements in the future.

Royalty fees and other revenues are reported as earned

FISCAL YEAR END

The Company has adopted a fiscal year end of October 31st. The previous audit, for the initial Franchise Disclosure Document ("FDD"), was for the period ending August 31, 2019. Subsequent to filing the initial FDD, the Company opted to adopt October 31 as its year end.

COMPANY INCOME TAXES

The Company is an LLC; as such, the Company will not be responsible for income taxes on the company level. Instead, its taxable income will be included on the owner's personal tax returns.

NOTE 2 DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company estimates that the fair value of all financial instruments at October 31, 2020 and 2019, as defined in FASB 107, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

NOTE 3 COMMITMENTS AND CONTINGENCIES

The Company does not carry general liability or worker's compensation coverage, nor is it self-insured.

NOTE 4 SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 20, 2020 the date on which the financial statements were available to be issued. Management has determined that none of the events occurring after the date of the balance sheet through the date of Management's review substantially affect the amounts and disclosure of the accompanying financial statements.

EXHIBIT C

FRANCHISE AGREEMENT

SHOOT 360 NATION, LLC

12403 NE 60th Way, #D-1
Vancouver, Washington 98682

360-433-9841

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F R A N C H I S E A G R E E M E N T

THIS AGREEMENT has been entered this ____ day of_____, 202__. It is by and between **SHOOT 360 NATION, LLC**, a Washington limited liability company and its successors, (jointly "we, us") and_____, (jointly and severally "you").

We have certain rights to, have registered in various jurisdictions, and intend to continue to develop names, trademarks, service marks, logos, commercial symbols and styles. These include, but are not limited to, "***Shoot 360***®" and the Shoot 360 logos which are collectively and individually referred to as the "Service Marks." We own valuable goodwill and have valuable expertise, confidential information, methods, procedures, techniques, uniform standards, operations manuals, controls and guidelines, systems, reporting systems, merchandise, and materials. These are connected with the operation, promotion, and advertising of basketball skills training facilities that include advanced technologies for basketball shooting, passing, and ball handling measurement and development. Collectively, this is called "the Shoot 360 System."

We offer franchises to qualified persons to own and operate Shoot 360 basketball training facilities. You want to operate a Shoot 360 basketball training facility and use the Shoot 360 System and Service Marks. You desire to operate a Shoot 360 basketball training facility using the Shoot 360 System. The franchise offered to you pursuant to this Agreement is referred to as the "Franchise." The persons who obtain such a Franchise from us are sometimes referred to as our "franchisees."

You acknowledge that this Agreement was accompanied by a Franchise Disclosure Document, which you received at least 14 calendar days before signing any Franchise or related agreement or making any payment to us or an affiliate in connection with the proposed Franchise sale. If we unilaterally or materially altered the terms and conditions of our standard Franchise agreement or any related agreements attached to the Franchise Disclosure Document, you acknowledge that we provided you a final copy of the revised agreement at least 7 calendar days before you signed the revised agreement. In addition, you acknowledge receipt of this Agreement containing all substantive terms at the time of delivery of the Franchise Disclosure Document. You have read this Agreement and our Franchise Disclosure Document. You understand and accept the terms, conditions and covenants contained in this Agreement. They are necessary to maintain our high standards of quality, service and uniformity at all Shoot 360 franchises. They protect and preserve the goodwill of the Service Marks and the confidentiality and value of the Shoot 360 System.

You have read this Agreement and our Franchise Disclosure Document. You understand and accept the terms, conditions and covenants contained in this Agreement. They are necessary to maintain our high standards of quality, service and uniformity at all franchises. They protect and preserve the goodwill of the Service Marks and the confidentiality and value of the Shoot 360 System. You acknowledge that the terms of our prior franchise offerings may have materially differed from the terms of this Agreement.

You realize that entering into this Agreement will obligate you to operate your Franchise in accordance and conformity with the standards, specifications and procedures as set forth in the Best Practices Manual that we will loan to you. In addition, there are performance standards that you will be required to meet to remain a franchisee. You furthermore realize that there is a risk in owning any business venture including this one and that running a business can be very hard work. If you operate your Franchise below the standards we require, customers who patronize your operation will be less likely to patronize other Shoot 360 locations. This would damage the

business of others. It will be difficult for us to obtain new franchisees for Shoot 360 franchises if a prospective franchisee observes that you do not maintain the required standards.

We expressly disclaim the making of and you acknowledge that you have not received or relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Franchise Agreement, except those representations specifically disclosed in our Franchise Disclosure Document. You acknowledge that you have read this Agreement and our Franchise Disclosure Document and that you have no knowledge of any representations by us, or our officers, directors, shareholders, employees or agents that are contrary to the statements made in our Franchise Disclosure Document or to the terms of this Agreement. We do not furnish nor do we authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of any Shoot 360 operation that is inconsistent with disclosures in our Franchise Disclosure Document. Actual results vary from unit to unit and we cannot estimate the results of any particular franchise.

THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties agree as follows:

1. DEFINITIONS

1.1 Basketball Training Equipment. "Basketball Training Equipment" is the patented Pillar Vision software and Shoot 360 shooting, ball handling and passing equipment we currently specify as part of the Shoot 360 Training Unit and Shoot 360 System and includes point-of-sale, scheduling, billing, user profiling, gaming, training systems, and mobile applications. Purchase of this equipment will be on the terms and conditions of this Agreement and as specified in Schedule 8.

1.2 Best Practices Manual. "Best Practices Manual" means our franchise basketball training facility operations manual as amended from time to time, that we make available to you during the period of your contractual relationship with us.

1.3 Confidential Information. "Confidential Information" means all written material provided to you by us, unless otherwise expressly indicated in writing by us. Further, Confidential Information, whether provided to you in writing or orally, includes, but is not limited to, our trade secrets, designs, accumulated technical knowledge and proprietary information, and information regarding our business, technology, products, marketing plans, training and sales strategies, research and development activities, financial affairs, pricing information and models, data and information systems, vendors, Players, employees, or any other information which we are required to keep confidential as the result of a confidentiality agreement with a third party, or which is treated by us as confidential. All Confidential Information is a protectable interest of ours. Confidential Information includes, but is not limited to: Player identities and training histories, Player account information, records of communications from and to Players and Shoot 360 employees, coaches, lists, computer software technologies and procedures, the selling and use of the Shoot 360 System, information about products or services, that are not public knowledge, procedures, and other information disclosed to you through the Shoot 360 System or Best Practices Manual. Notwithstanding the foregoing, Confidential Information does not include information (i) which you can demonstrate by documentary evidence was already known to you prior to the date it was received from us; or (ii) which, at the time of disclosure or later, is published or becomes otherwise available to the general public as part of the public domain through no act or failure to act on your

part and without breach of this Agreement; or (iii) which you can demonstrate by documentary evidence came into your possession from third parties who have a *bona fide* right to make information available without restriction.

1.4 Co-Branded Gym. A “Co-Branded Gym” is a Shoot 360 basketball skill training facility in conjunction with your current or future athletic facility operating under your own names and “**Shoot 360® At [name of co-branded facility]**” using the Shoot 360 System and Shoot 360 Training Units and our related names and Service Marks.

1.5 Gross Revenue and Revenue. "Revenue" means all receipts generated by your franchise from any source, including, but not limited to, sales, exchanges, services, labor, service charges, service contracts, etc., and excludes discounts, refunds, and sales taxes. Credit transactions will be included in Revenue as of the date of the transaction without deduction for uncollected credit accounts. "Gross Revenue" means the total Revenue for any calendar period. If the Gym is located in a co-branded location, the exact basis and calculation of Gross Revenue will follow the requirements and procedures we outline in the Best Practices Manual to take into consideration the needs and requirements of the co-branded location although Revenue will be limited to Shoot 360 related receipts. The exact basis and calculation of gross receipts will follow the requirements and procedures outlined in the Best Practices Manual to take into consideration the needs and requirements of the co-branded location. You will obtain and keep, or make arrangements for us to have access to a complete and accurate set of books and records of the operation of all businesses operating at and all business done through the co-branded location although gross receipts will be limited to Shoot 360 related sales.

1.6 Gym. “Gym” means the location for your basketball training facility franchise. It includes our standard equipment and layout components, interior and exterior finishes, and computer hardware and software. It includes cabinets, décor, merchandise shelving, training and business equipment, signs, computer and security systems, and training stations.

1.7 Player. “Player” means one or more individual trainees who receive training or otherwise patronize your Shoot 360 location or otherwise participate in the Shoot 360 System and therefore have a training and customer relationship with you.

1.8 Player Agreement. "Player Agreement" means the Shoot 360 Player Agreement together with the following attachments and information, as amended from time to time, which may be viewed online on the domain and subdomains of www.Shoot 360.com (our "Website") and which are incorporated into the Best Practices Manual by this reference and in their entirety: the Shoot 360 System and our Privacy Policy.

1.9 Service Marks. “Service Marks” include the name “***Shoot 360®***” and the Shoot 360 logos, and related U.S. and foreign registrations, as well as various unregistered trademarks and service marks we use and authorize you to use. We have rights to and intend to continue to develop names, trademarks, service marks, logos, commercial symbols and styles related to but are not limited to Shoot 360 and the Shoot 360 logos which are collectively and individually part of the Service Marks. We own valuable goodwill and have valuable expertise, confidential information, methods, procedures, techniques, uniform standards, best practices manuals, controls and guidelines, systems, reporting systems, merchandise, and materials related to and identified by the

Service Marks. We may maintain in the Best Practices Manual a list of all the trademarks, service marks, logos, and other designations that you are licensed to use. In our sole discretion, we may supplement your license by adding new marks to the list in the Best Practices Manual.

1.10 Shoot 360 Gym. A "Shoot 360 Gym" is a name branded Shoot 360 basketball skills athletic training facility that operates exclusively under the "***Shoot 360***®" names and logos and uses the Shoot 360 System and Shoot 360 Training Units and Service Marks.

1.11 Shoot 360 Package. You will obtain from sources we have approved delivery and installation of a complete and equipped basketball training facility at your Gym. The price for this "Shoot 360 Package" is determined by the design and layout of the facility and costs associated with building out the facility. This price is called the "Shoot 360 Package Price." You agree to order the Shoot 360 Package immediately upon your execution of this Agreement. You agree to pay **50%** of the minimum Shoot 360 Package Price when you order the Shoot 360 Package, **25%** is paid 90 days prior to the scheduled shipping date, **15%** upon shipping, and **10%** plus all additions, freight charges, and installer's travel are paid upon complete installation of the Shoot 360 Package at your Gym. Except as provided below, it is not refundable.

If actual construction of the Gym has not commenced within **180** days from the date of this Agreement (through no fault of ours) then we may terminate this Agreement. If so, the approved supplier(s) may retain **15** percent of the Shoot 360 Package Price (conditioned upon return of the Shoot 360 Package without wear or damage). In addition, you must secure a satisfactory location for the franchise, complete all mandatory training to our satisfaction, and open the franchise within **365** days after the date of this Agreement. If the commencement of operations obligation is not fulfilled, we may terminate this Agreement. If so, the approved supplier(s) may retain up to **25** percent of the Shoot 360 Package Price (conditioned upon return of the Shoot 360 Package without wear or damage).

1.12 Shoot 360 System. We have valuable expertise, Confidential Information, methods, procedures, techniques, uniform standards, operations manuals, controls and guidelines, systems, reporting systems, merchandise, and materials. These are connected with the operation, promotion, and advertising of basketball skills training facilities that include advanced technologies for basketball shooting, passing, and ball handling measurement and development – including our Best Practices Manual, our Software, and our Basketball Training Equipment. Collectively, all of this is called "the Shoot 360 System." The "Shoot 360 System" includes our processes, training and tracking protocols, rules, and business management guidelines as may be amended by us from time to time. These are connected with the operation, promotion, and advertising of basketball skills training facilities that include advanced technologies for basketball shooting, passing, and ball handling measurement and development using and incorporating Shoot 360 Training Units. The Shoot 360 System includes processes, training and tracking protocols, training management guidelines, and training equipment as may be amended by us from time to time as expressed in Best Practices Manual. Among other things, the Best Practices Manual describes the terms and conditions applicable to use of the Service Marks in all basketball training activities, related business and promotional activities, sales processes, services, and products

1.13 Shoot 360 Training Unit. A “Shoot 360 Training Unit” or “Unit” consists of proprietary software (the “Software”) that we have developed to assist in monitoring and reporting on the usage of certain high-tech basketball training equipment, including Shoot 360’s Basketball Training Equipment. You have or intend to acquire Basketball Training Equipment and have it installed in your Gym and you want us to develop, maintain and make available the Software as a Service for use in connection with the equipment. We will provide the Software as a Service to you and will allow you to use the Shoot 360 System and the Service Marks in conjunction with each Shoot 360 Training Unit.

Notwithstanding the above, in the event of system or software failure, you will receive a prorata credit of any monthly service fees that have been paid or are owing during the time of that event. Then-Current Franchise Agreement. “Then-Current Franchise Agreement” means the form then currently provided to prospective franchisees, or if no form is then being provided, a form we select in our sole discretion, which previously has been delivered to and executed by a franchisee of ours.

1.14 Training Fees. “Training Fees” are fees paid by or on behalf of Players for trainings and services they receive from you and products they purchase from you

1.15 You. For purposes of this Agreement "you" may be an individual, corporation, partnership, limited liability company or other legal entity. "You" includes any corporation, partnership, limited liability company, individual, combination of individuals, or other legal entity that owns a majority interest of you, or in which you own a majority interest. The term "you" will include all persons who succeed to your interest by transfer or by operation of law.

1.16 Web Site. “Web Site” means an interactive electronic document, contained in a network of computers linked by communications software that you operate or authorize others to operate and that refers to the franchised business, proprietary marks, the Shoot 360 System or us. The term Web Site includes, but is not limited to, Internet and World Wide Web home pages and online social media. For the purposes of this Agreement, 'Internet" means any of one or more local or global interactive communications media, that is flow available, or that may become available, and includes Web sites and domain names and social media. Unless the context otherwise indicates, any reference to the Internet, websites, and social media includes methods of accessing limited access electronic networks, such as Intranets, Extranets, and WANs.

2. GRANT OF FRANCHISE AND FRANCHISE TERRITORY

2.1 Grant of Franchise and Franchise Territory Subject to the terms and conditions of this Agreement, we grant to you and you accept from us, the Franchise, license and privilege to use the Service Marks, the Shoot 360 System, and marketing materials bearing the Service Marks, for **5** years from the date of this Agreement (the “Franchise”). This grant is solely for the operation by you of one:

[mark the appropriate type of franchise:]

___ Shoot 360 Gym Franchise – Initial Franchise Fee $40,000

___ Co-Branded Gym Franchise – Initial Franchise Fee $20,000

basketball skills training facility at the location and in the geographical territory identified in the attached Schedule 1 (the “Gym" and the “Franchise Territory”).

You will have the right to:

Participate as a Franchise and use the Shoot 360 System as set forth in the Best Practices Manual and to indicate to the public that your independent business is part of the Shoot 360 System;

Open one Shoot 360 basketball training facility at the Gym; and

Receive assistance from us in the implementation and operation of the Franchise.

If the location for your franchised operations has not been determined when this Agreement is executed, you are responsible for selecting the site for your franchise within the area designated in Schedule 1. Your franchise site must be in the United States of America, legally available pursuant to state and federal franchise and business opportunity disclosure and registration laws and pursuant to our contractual commitments (including those with our other franchisees) and in compliance with our franchise placement, market development and demographic criteria. We will analyze your market area, to help you determine site feasibility and to help you in selection of the franchise location. In analyzing a proposed site, we examine its general location, distance from warehouse, traffic patterns, parking, size, physical characteristics, proximity to competing businesses, lease terms, sign visibility, neighborhood economic profile, population density and accessibility. The exact determination of the location for the Gym will depend upon our approval and your and our market analysis, market penetration plans and franchise placement strategies and existing franchise commitments. You must obtain our prior written approval for the site of the Gym and your lease related to it. Our response to your request for approval of a site will be given within **30** days after we receive your written request.

During the term of this Agreement, we agree not to establish, or license anyone else to establish, any business using the Service Marks or the Shoot 360 System within the Franchise Territory, without your prior written consent. However, we may purchase or be purchased by, or merge or combine with, competing businesses, wherever located. We may place Shoot 360 operations in malls, stadiums, schools and colleges, recreation centers, professional teams’ practice facilities, and similar limited access environments regardless of the distance to other Shoot 360 locations. We may place Shoot 360 products and related logo merchandise and other present or future Shoot 360 products for sale at any location, whether or not within the Franchise Territory or within close proximity to a Shoot 360 franchise. We may, but are not obligated to, use some of the revenue we receive from these products to promote sales for all Shoot 360 operations. The promotion amount may be contributed as we deem appropriate to Local ADI Advertising Groups described in Section 2, below.

We will be permitted, to the extent permitted by relevant law, to establish price ceilings or minimum or maximum allowable prices on the training, products, and services you offer and sell. These will be specified by us in the Best Practices Manual.

We use the Software and make available to you the following (collectively, the “Service”):

Access and use of the following systems:

1) Point of Sale System;

2) Scheduling;

3) Billing;

4) User profile system;

5) Gaming/Competition;

6) Training; and

7) Mobile application

Access to a branded website and social media applications hosted by us.

We warrant to you that the Services will be provided in good faith, with due care, in a good and workmanlike manner that is consistent with industry standards, and in accordance with our then current specifications, which specifications we may modify from time to time without notice; provided that the functionality of the Services will not be materially diminished by any modification. All upgrades and modifications will be provided to you as part of your Monthly Training Unit Fee.

The Services and the use of them do not and will not infringe any third party patents, copyrights, trademarks, trade names, service marks, or other intellectual property rights.

The Services will be performed in a manner that is at all times in compliance with all applicable federal, state, and local laws, rules, regulations, and orders that relate to the provision of the Services.

We will use commercially reasonable efforts to keep the Services free from viruses or other computer code that is intended to harm or to provide unauthorized access to end users' systems.

We will use commercially reasonable efforts to cause the Services to remain available during your regular business hours. We will provide maintenance for the Services for the purpose of correcting material errors or defects in the Services and pursuant to any applicable regularly scheduled maintenance as subsequently modified by us from time to time. We will use commercially reasonable efforts to perform maintenance outside of normal business hours (10 a.m. to 9 p.m. local time) if that maintenance would cause the Services to be inaccessible. You will promptly report to us all errors or defects. We will work diligently to correct errors or defects that significantly impact business operations as quickly as reasonably possible. For any other errors or defects, we will work diligently to correct errors within a reasonable time frame to minimize any impact or inconvenience to your business.

If you determine that any of the reports generated using the Service provided are inaccurate or are not in compliance with this Agreement, your sole remedy will be to request that we perform the work necessary to correct the inaccurate or noncompliant

reports that resulted. Our sole liability will be to perform such reports within 3 days following receipt of notification from you.

THE WARRANTIES SET FORTH ABOVE ARE THE EXCLUSIVE WARRANTIES RELATING TO THE SERVICE AND SOFTWARE AND ARE IN LIEU OF ALL OTHER WARRANTIES, ORAL OR WRITTEN, EXPRESS OR IMPLIED. WE MAKE NO OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, REGARDING ANY ASPECT OF THE SERVICE OR SOFTWARE, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE EXCEPT FOR THE BASKETBALL TRAINING PURPOSES EXPRESSLY PROVIDED FOR IN THIS AGREEMENT. WE DO NOT ASSURE UNINTERRUPTED OPERATION OF THE SERVICE OR THAT THE SERVICE WILL MEET ANY PARTICULAR REQUIREMENTS OF YOUR OR YOUR CUSTOMERS.

IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY, ITS CUSTOMERS, OR ANY OTHER PERSON FOR ANY DAMAGES, INCLUDING ANY LOST PROFITS, LOST SAVINGS OR INCIDENTAL OR CONSEQUENTIAL DAMAGES, ARISING OUT OF THIS AGREEMENT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM BY ANY THIRD PARTY REGARDLESS OF THE BASIS OF THE CLAIM WHETHER IN CONTRACT OR IN TORT UNLESS THE PARTY HAS BEEN GROSSLY NEGLIGENT OR INTENTIONALLY RECKLESS. IN NO EVENT WILL OUR LIABILITY FOR DAMAGES EXCEED THE AMOUNT OF FEES WE HAVE RECEIVED FROM YOU OVER THE THREE-MONTH PERIOD PRECEDING ANY CLAIM.

2.2 One Location for Gym You will operate the Franchise at only one location within the Franchise Territory. All land, buildings and improvements at the location, including parking, are part of the Gym. Relocation of the Gym will require our prior written approval. You may not establish or operate any other Shoot 360 or related business without executing a separate franchise agreement for that facility. You may not establish, operate, or assist in the operation of a competing business.

2.3 Assistance in Site Location and Development You are responsible for finding the location of the Gym. If you request assistance in selecting a site for the Gym, we will provide reasonable assistance in finding a location acceptable to you. We do not guarantee success for any location you select. We will not be liable for any consequences of your choice of any site for your Franchise. Any site recommendation or approval we make is not a representation that any particular site is available or legally appropriate for use as a site for your Franchise. It is your responsibility to investigate all applicable zoning, licensing, leasing and other requirements for any proposed site. You must ensure that the site you select complies with these requirements.

You will pay all out-of-pocket expenses for travel, meals, and lodging we incur to help you locate sites and to negotiate a lease for you. You will bear all other site selection and negotiation expenses.

If you are a Shoot 360 Gym franchisee, before you enter a lease or purchase agreement for the Gym, you will submit the lease or purchase documents to us for approval as detailed in the Best Practices Manual. Lease documents must include an assignment of the lease in a form we approve, pursuant to which we may assume the lease as provided in Section 5.3.

If you request, we in our sole discretion may find and develop premises to lease to you for your Franchise. If you lease premises from us, the lease may provide for reasonable compensation and profit to us for our primary liability and responsibility under the lease.

2.4 Gym Development As part of the development of the Gym, you will purchase from suppliers approved by us our standard Shoot 360 Package which includes delivery and installation of a complete, equipped, and stocked basketball training facility at the Gym.

Apart from the Shoot 360 Package, you will be responsible to construct, remodel, furnish, decorate and equip the Gym. All costs for site-specific plans will be your responsibility. Site plans, and any modifications to them, must be approved in writing by us prior to delivery of the Gym. All approvals will be solely within our discretion to maintain a uniform image and decor, consistent with Shoot 360 franchise system concepts as outlined in the Best Practices Manual.

A. You will comply with the standards and specifications we establish for architectural design, facility layout, equipment, furnishings and fixtures, among other things. Any modifications to or variations from our standards and specifications require our prior written consent.

B. You will comply within a time we deem reasonable with any requirement we impose to modify the building, Gym, or fixture layout, furnishings, fixtures, equipment, decorations, and decor.

C. All computer equipment and software and training equipment and software must conform to our specifications as adopted from time to time. You acknowledge and agree that we may update, modify, or otherwise make changes to our equipment and software specifications and that, in the event of any updates, modification or other changes in or additions to those specifications, you will promptly modify, replace or add to your existing equipment and software at your sole expense.

D. We will furnish to you a schedule of furnishing and décor packages for the Franchise. Any modifications you propose must be approved in writing by us. All approvals will be solely within our discretion to maintain a uniform image consistent with Shoot 360 franchise concepts.

E. You will comply with the standards and specifications we establish for vehicles, and basketball training and gym equipment, materials, and supplies, among other things.

F. You will comply within a time we deem reasonable with any requirement we impose to modify the vehicles, basketball training and gym equipment, materials, and supplies.

2.5 Relocation of the Gym You will not relocate the Gym without our prior written approval. Any relocation will be at your sole expense. This Agreement will govern your operations at any replacement Franchise location. If your lease of the Gym terminates or expires and cannot be renewed during the term of this Agreement, or if you reasonably decide to relocate the Gym for cause, you may relocate the Gym to another available site, if:

- the lease for the site of the Gym expires or terminates and cannot be renewed during the term of this Agreement,
- the site is destroyed, condemned or otherwise rendered unusable,
- in your and our judgment there is a change in character of the location of the Gym sufficiently detrimental to your business potential to warrant its relocation, or
- you reasonably decide to relocate the Gym for cause.

If so, you may relocate the Gym to another site within the Franchise Territory, if:

A. you are not in breach of this Agreement;

B. your lease was not ended by the lessor because of your breach of the lease agreement;

C. you evidence to our satisfaction your ability to obtain and commence operations at the new location within a reasonable period after you vacate the original location;

D. you develop, construct, remodel, furnish, decorate and equip, at your sole expense, the new location according to our then current specifications and standards, as may be set out in the Best Practices Manual;

E. you pay all reasonable out-of-pocket expenses we incur because of the relocation. The term "Gym" will include the relocated business site; and

F. you satisfy our then current Franchise placement and demographics criteria, as may be expressed in the Best Practices Manual.

2.6 Existence of Divergent Forms of Franchise Contracts You acknowledge that our present and future franchisees may operate under a variety of different forms of franchise agreements, and that, consequently, our obligations and rights with respect to our various franchisees may differ materially in certain instances. You further acknowledge and agree that our use of different forms or versions of franchise agreements does not entitle you to benefit from any differences, nor does it operate to alter or amend this Agreement.

2.7 Rights We Reserve You acknowledge and agree that the licenses granted to you are non-exclusive and that we and our affiliates will have and will retain the right to operate businesses using the Shoot 360 System and provide products and services using the Shoot 360 System throughout the United States and internationally, regardless of where customers or the applicable Shoot 360 operations are located or where transactions are taking place. We retain the right to market and provide products and services to any and all Shoot 360 customers and Players.

We retain the right to own, operate, license or franchise the Shoot 360 System throughout the United States and internationally. This includes the right to create additional training systems related to other sports and activities, such as baseball, golf, or Olympic sports, related names and service marks that are focused on these other sports and activities.

We retain all other rights not specifically granted to you under this Agreement. Except as otherwise provided in this Agreement, we retain the right, in our sole discretion and without granting any right to you:

To use or license the use of the Service Marks or any other trademarks, service marks, logos or commercial symbols in connection with the sale of any services or products other than those directly contemplated being used, offered, or sold by you under this Agreement.

To operate and grant to others the right to operate businesses outside the Franchise Territory on such terms and conditions as we deem appropriate.

To sell products or services anywhere, including within the Franchise Territory, through channels of distribution other than the Shoot 360 basketball training business currently reserved to you in the Franchise Territory, including Internet, wholesale, and mail order channels. The Internet is a channel of distribution reserved exclusively to us, and you may not independently market on the Internet or conduct e-commerce except as otherwise allowed by us in the Best Practices Manual.

To establish, operate, own or franchise any business, including competitive businesses outside of the Franchise Territory.

2.8 Nonexclusive We reserve the right to market, solicit sales, and sell, lease, rent or otherwise dispose of Shoot 360 products and services to any person or customer we want, including, national accounts, commercial accounts, coaches, schools and colleges, franchisees, end users and any other person or any other customer we may select, regardless of where located. We may exercise our right directly or indirectly by or through independent contractors that may include franchisees, dealers, and brokers. You acknowledge that we have made no representation concerning exclusivity in any geographic territory or for any customer segment.

3. PAYMENT OF FEES AND OTHER FINANCIAL REQUIREMENTS

3.1 Initial Franchise Fee and Shoot 360 Package Price The Initial Franchise Fee is set forth in Section 2.1, above. It is paid in consideration of our sales expenses, manufacturing and construction and equipment costs, administrative overhead, return on investment, the start-up costs related to the execution of this Agreement and the opening of the Gym, for our lost or deferred opportunity to sell Franchises in the Franchise Territory to others, and in consideration of the grant of the right for you to use the Service Marks and the Shoot 360 System. Contemporaneously with the execution of this Agreement, you have paid 50% of the Initial Franchise Fee to us. The balance will be paid when you attend the first training session described in Section 4.1, below.

Except as provided in Sections 4.1 and 5.1, below, none of the Initial Franchise Fee is refundable.

The Shoot 360 Package Price and related payment terms are set forth in Schedule 8 to this Agreement.

The Shoot 360 Package Price shall be non-refundable except as set forth in Section 5.1.

3.2 Ongoing Fees and Local Advertising Contribution. Starting on and prorated from the date your Gym opens for business, each month you will pay to us the Monthly Training Unit Fee set forth in Schedule 7 of this Agreement and as further described and regulated in the Best Practices Manual. The Monthly Training Unit Fee will be paid monthly in advance on the first day of each month by ACH withdrawal without demand or notice. Any amounts not timely paid will be subject to a five percent late fee and interest at the rate of twelve percent per annum. Shoot 360 may increase the Monthly Training Unit Fee annually in accordance with any increase in the National Consumer Price Index published by the United States Bureau of Labor Statistics but shall not obligated to reduce the Monthly Training Fee if CPI is negative..

Payment of these fees may be required to be made by automatic account withdrawal or other automatic processes we reasonably specify in the Best Practices Manual, such as check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer, or via the Internet.

Establishment of Advertising Programs. At any time and from time to time, we will have the right to create or modify advertising regions for the purpose of establishing regional advertising, marketing and promotional programs. We will promptly notify you and our other franchisees, of the establishment, modification and geographical boundaries of regional advertising regions. We may require all franchisees located within each geographic region to meet periodically for the purpose of creating and establishing regional advertising programs. Each franchise basketball training facility and each basketball training facility we or our affiliates own and operate will be entitled to one vote at these meetings. For the purpose of this subsection, each basketball training facility we or our affiliates own will be deemed to be a franchise.

If at any meeting of the franchisees in an advertising region, **65%** of the franchisees vote to contribute to a regional advertising program, all franchisees within that region will be obligated to make a contribution to a regional advertising fund in the amount established by the vote (the "Regional Advertising Fund"). No advertising region may require any franchisee in that region to make a contribution to a Regional Advertising Fund in excess of **2%** of that franchisee's Gross Revenue. Your contributions to the Regional Advertising Fund will be credited towards your Local Advertising Contribution obligation expressed below.

We will administer each Regional Advertising Fund pursuant to standards and procedures outlined in the Best Practices Manual, or we may decide to have each Regional Advertising Fund administered by representatives elected by each region, at a meeting we call for this purpose.

Your Obligation to Advertise Locally. As specified from time to time in the Best Practices Manual, we may require you to spend in your Franchise Territory up to the greater of **2%** of your Gross Revenue or **$500** per month to advertise and promote your franchise (the “Local Advertising Contribution”). You will report the nature, extent and amount of these local expenditures, in the form and at the times we require in the Best Practices Manual.

3.3 Advertising We will direct all local, regional, national, and international advertising programs. We will have sole discretion over the creative concepts, materials, endorsements, placement and allocation of moneys for all advertising.

You recognize the value of advertising and the importance of the standardization of advertising and promotion to the furtherance of the goodwill and the public image of the Shoot 360 System.

We will direct all regional and national advertising programs. We will have sole discretion over the creative concepts, materials, endorsements, placement, and allocation of moneys for advertising. We will maintain, administer, direct, prepare, and review national, regional, or local advertising materials and programs as we will in our sole discretion deem proper. It also will be used to cover our costs of collecting and administrating the advertising contributions of our franchisees, including incurred legal fees. We will pay for joint marketing programs, including programs with our suppliers, affiliate companies and co-branding partners. We are under no obligation to ensure that expenditures are proportionate to contributions of franchisees for any given market area or that any franchise benefits directly or proportionately from the development or placement of advertising. We will not be obligated to expend any funds during any specific period of time. Upon your written request, we will provide to you the most recent annual accounting of our advertising expenditures.

We may create an advertising advisory board made up of Shoot 360 franchisees. These franchisees will make recommendations on your behalf as to types of advertising, promotion and public relations. We will use these and other recommendations which we feel are appropriate when drafting a budget and program each year for advertising and promotion of the Shoot 360 franchise system.

A. Ethical Advertising. You will insure that all of your advertisements and promotions are completely factual and conform to the highest ethical advertising standards and our identity standards. You will refrain from any communications, advertising, or promotions, which may be injurious to you or to us or to the goodwill associated with the Service Marks and the Shoot 360 System. If you violate these important requirements we may terminate your Franchise pursuant to the provisions of this Agreement

B. Your Advertising. You may use our approved advertisements at your sole cost and expense including promotional materials and advertising for use in newspaper, radio, and television advertising, specialty and novelty items, signs, containers and clothing.

C. Optional Promotional Materials. We will provide standard promotional and operational materials, including application forms, Player training and transaction materials, brochures, and other materials for use by you and others. We may charge you for orders of promotional and operational materials in excess of pre-approved amounts. You must use the most current form of all materials, advertisements, and Player forms we have approved.

D. Telephone and Listings. You will maintain a business telephone line with a business listing in the local telephone directory. You must have a business telephone with voice mail or a full-time answering service. You must identify that your office and franchise are affiliated with us and The Shoot 360 System when

you or your answering service or voicemail service answer telephone calls and in all of your electronic and digital communications.

E. Discount Programs. From time to time we may develop and market special discount or other incentive programs. You must to participate in these programs. We will establish the discount or incentive programs in our sole discretion, and may not consult or confer with you or any other of our franchisees with respect to the nature, content or amount of any discount or incentive established pursuant to any program.

F. You Are to Advertise in Social Media. You will use social media to advertise the Franchisein the Franchise Territory. This will be in the form and have the content specified from time to time in the Best Practices Manual. When more than one Shoot 360 facility serves a metropolitan area, social media will list all Shoot 360 units operating within the distribution area, and you will contribute your equal share in the cost of the advertisement. The expenditures for this advertising generally will constitute a part of your Local Advertising Contribution.

G. You May Use Local Advertising Materials We Supply. From time to time, we may supply to you samples of local advertisements we approve. You will use only these advertising materials and may not, without our prior written consent, place any advertisement, in any media, which materially varies from the form and content of the approved advertisements.

H. Approval of Your Local Advertising and Website and E-Commerce and Social Media. You will submit to us all advertising copy and other advertising and promotional materials, social media offerings, public relations programs and press releases, radio and television advertising, specialty and novelty items, signs, boxes, bags, and papers before you use them in your local advertising program. You will not use any advertising copy, public relations program, press release or other promotional material or social media offerings until we approve it. Your failure to conform to our provisions or requirements and subsequent non-action by us to require you to cure or remedy your failures and defaults will not be deemed a waiver of future or additional failures and defaults by you under this provision or any other provision of this Agreement.

I. Approval of Your Advertising through Website and E-Commerce. You specifically acknowledge and agree that any Web Site and social media will be deemed "advertising" under this Agreement and will be subject to (among other things) our approval. However, no Web Site will be deemed "local advertising" for the purpose of satisfying the provisions of this Agreement. In connection to Web Sites and social media, you agree to the following:

You will exclusively use the basketball training facility web pages allocated to you as a part of the www.Shoot 360.com site.

We will assist you in modifications to the web pages and social media assigned to you as part of our Web Site.

You will not modify or use the Web Site or social media for any purpose other than Shoot 360 business without our prior written approval.

In addition to any other applicable requirements, you will comply with our standards and specifications for web sites and social media as prescribed by us from time to time in the Best Practices Manual or otherwise in writing or on a franchisee intranet system. Currently, these standards and specifications include, among other things:

You will use your formal legal name followed by “an independent franchisee of Shoot 360 Nation, LLC” on your web pages and social media. You may not identify your business with a geographic location, other than one we may have assigned you.

If you propose any material revision to the Web Site or any of the information contained in the Web Site or social media, you will submit the revision to us for our prior written approval.

You will not establish a Web Site or social media independent of our Web Sites without prior written authorization. Shoot 360 standards and specifications as we outline them in the Best Practices Manual will apply and your continued use of any independent web site and social media will be at our sole discretion.

You will use only approved key words, meta-tags and titles pertaining to our industry. We will e-mail or respond via facsimile approved key words, meta-tags and titles upon your request by e-mail or facsimile.

You may only offer approved products or services on your and our Web Sites and social media. Any Web Site changes made without our approval will put you in default of this Agreement.

Upon expiration or termination of this Agreement, you must turn ownership and control over to us of any Web Site and social media you use, regardless of the reason for the expiration or termination.

We retain the sole right to market on the Internet, including all use of our Web Sites, domain names, URL's, linking, meta-tags, social media, advertising, auction sites, e-commerce, and co-branding arrangements. You will provide us content for our Internet marketing, and follow our Intranet and Internet usage requirements. We also retain the sole right to use the Service Marks on the Internet, including on Web Sites, as domain names, directory addresses, meta-tags, and in connection with linking, advertising, co-branding, social media, and other arrangements. We retain the right to approve any linking to or from, or other use of our Web Site. You may not establish a presence on or market using the Internet or in social media except as we may specify, and only with our prior written consent. We intend that any franchisee Web Site be accessed only through our home page.

If you want to independently advertise or promote in any media (including the Internet), you must obtain our prior written approval, except when using materials and media previously approved by us.

J. Trademark and Copyright Notices. You will use the Service Marks in strict conformity to the Best Practices Manual and will include in any advertisement, or promotional materials that use the Service Marks, appropriate trademark notices as may be required by the Best Practices Manual. All copyrighted materials we supply to you or are otherwise used by you.

K. Local Advertising Materials. You will advertise the Franchise in a dignified manner to enhance our Franchise system's reputation for quality and integrity. At any time and from time to time, we may require you to submit to us advertising copy and promotional materials you use in your local advertising programs. If, after review of any material and of any intentional or organic social media entries, we, in good faith, believe that it is not in keeping with our Franchise system's reputation of quality and integrity, or degrades or debases the good will or reputation of the Franchise system, we will promptly notify you. You will immediately cease using any such material or entries.

L. Varying Advertising Contributions. You understand that certain of our other franchisees do or will operate under different agreements with us. These franchisees may be required to pay fees and contribute to advertising , if at all, at rates that differ from the rate provided in this Agreement or based on formulae that differ from the formulae provided in this Agreement. We do not represent that you or other franchisees will contribute to or benefit from advertising equally.

M. We May Advertise "Suggested Retail Prices". In national or regional advertising programs, we may include "suggested retail prices" for the goods or services sold by you and our other franchisees. We will include within all our advertising the phrase "available at participating locations only" or other cautionary language to advise the consumer that the suggested retail prices may not be adhered to by all our franchisees.

N. You Will Not Advertise Outside Territory. Except with our prior written permission, you will not place, under any circumstances, advertisements using the Service Marks in or origination from any area originating from any area other than the Franchise Territory.

You may not advertise in any media whose primary circulation is outside the Franchise Territory, except with our prior written permission and the prior written consent of any of our franchisees whose territory is reached by that media as outlined in the Best Practices Manual. All Internet and social media marketing is part of our multi-area marketing programs described in the Best Practices Manual and defined below, and must be coordinated through us and approved by us. You may not market independently on the Internet or in social media or acquire an independent Internet domain name or Web Site. You are responsible for all intentional and coordinated Internet, Web Site, and social medial marketing.

Only we may place national or regional advertising.

3.4 You Will Pay Taxes and Indebtedness You will pay all taxes, assessments, liens, encumbrances, accounts, and other debts, regardless of their nature, assessed against you, the Gym, or inventory, materials, fixtures, and equipment used in the Franchise. Payment will be made when due and before delinquent except when being contested in good faith by appropriate proceedings. If we are charged with any tax by the authorized taxing authority of any state or political subdivision, including taxes on sales made to or licenses granted to you, or sales made by you at the Gym, you will pay these taxes. You will pay to us promptly and when due the amount of all sales taxes, personal property taxes and similar taxes imposed upon, required to be collected, or on account of collection by us of the Initial Franchise Fee or any other payments you make to us pursuant to this Agreement.

3.5 Fees, Local Advertising Contributions, and Other Sums to Be Paid Promptly You will not set off any claim for damages or money due to you from us against any payments to be paid by you to us under this Agreement or any related agreement between the parties. No endorsement or statement on any check or payment of any sum less than the full sum due from you to us will be construed as an acknowledgment of payment in full or as an accord and satisfaction. We will have the right to accept any check or payment without prejudice to our rights to recover the balance due or to pursue any other remedy available to us.

If any any amount due under this Agreement is not paid to us on or before the date due, you must pay a late fee of five percent, or higher rates we establish in the Best Practices Manual, plus interest at the rate of the greater of 1.5% per month or Prime plus 10% per annum as established by the Bank of America in Portland, Oregon, or lower rates required by applicable law of the state where the Franchise Territory is located for each day such amount is past due. Nonpayment will be considered a material breach of this Agreement. Any resulting termination, interest due and service charges will be in addition to any other remedies we may have as a result of your default. If you are late in making any two consecutive payments of any Fee or any other amounts due under this Agreement, we may, at our option, require you to make all subsequent payments of Fees and any other fees or payments by means of a bank draft, automatic electronic transfer or wire transfer or other similar means of payment. On the basis of this Agreement and any other documentation that we may, in our discretion, require you to sign in advance, we will be authorized without any further grant of authority from you, to send a bank wire deducting the amount of your Fees from your bank account and deposit your fees in our bank account. In the case of bank transfers, we are entitled to recover from you our costs in sending the bank draft, wire, or electronic transfer fee. If the bank draft, wire or electronic transfer is returned for insufficient funds or similar reasons, we may charge you a service charge at the highest commercially reasonable rate in addition to any transfer fees and costs incurred.

Our acceptance of late charges will not constitute a waiver of the breach created by your non-payment of any amount when due. Notwithstanding the payment of any late charges, we may exercise any rights or remedies granted by this Agreement upon your breach or any rights or remedies otherwise granted by law.

Nothing contained in this Agreement obligates us to accept any payments after due or to commit to extend credit to or otherwise finance your operation of the Franchise. You acknowledge that failure to pay all amounts when due will constitute grounds for termination of this Agreement.

We have the right, in our sole discretion, to apply any payment from you to any past due indebtedness you owe to us or our affiliates, whether from weekly fee payments, purchases, late payment charges, or for any other reason. This will apply regardless of how you may designate a particular payment is to be applied.

3.6 Records You will keep a complete and accurate set of books and records of the operation of the Franchise, produce monthly financial statements in accordance with generally accepted accounting principles and practices for each calendar month and upon our request, furnish copies of these statements to us within **30** days after the end of each calendar year and quarter.

You will keep records of all business done and revenue received through the Franchise. These records will include, but are not limited to, order sheets, cash register tapes, sales and rental agreement forms, daily sales summaries, tax returns, financial statements, and invoices. You will date, file in consecutive order, retain for a period of six years, and make available to us for inspection of all your records.

You will submit to us, upon our request, a list of all shareholders, members, partners or other owners of the Franchise business and the respective interests held by each as of the end of each fiscal year.

3.7 You are to Pay all Franchise Costs All the costs of the Franchise, including opening and operating costs, will be your sole obligation. We will have no costs, liability or expense whatsoever with respect to your opening and operation of the Franchise. You will not use or employ the Service Marks in performing any activity or incurring any obligation or indebtedness in a manner that could result in making us liable for them. You are responsible for any employee wages and compensation, payroll taxes and other required withholding, worker's compensation and benefits. You will control your own employees and contractors. You will take all steps necessary to maintain a safe and healthy environment for your workers and customers.

You will pay promptly when due all indebtedness you incur in connection with the Shoot 360 System and in your dealings with Players and our other franchisees. However, you may not use any of your Shoot 360 accounts to enter into a transaction that calls into disrepute The Shoot 360 System or otherwise adversely impacts our business and goodwill.

3.8 Attendance at Conventions We may hold conventions for the franchisees and their staff members that make up our franchise system. You must attend these conventions and any regional conventions for the region where you are located. These conventions may be held at a different location each time. They may include programs on sales and marketing techniques, training and performance specifications, advertising programs, training suggestions, and committee elections, among other things. Your attendance at each convention is required. You will bear all expenses of attending, including travel, lodging, meals and entertainment.

4. **TRAINING**

4.1 Mandatory Initial Training If you are a Co-Branded Gym franchisee, we will provide to you without charge the following training with respect to the Services: (a) up to 24 hours of training at the Shoot 360 facility in Vancouver, Washington (or such other facility agreed upon by the parties) and (b) up to 16 hours of training at Shoot 360 facilities. After the initial training, we will provide training with respect to the Services on an as-needed basis at

mutually agreeable time and places for the price then set forth in the Best Practices Manual (currently $75 per hour) plus pre-approved travel and per diem expenses.

If you are a Shoot 360 Gym franchisee, we will provide a 2 phase mandatory training course for you or your Franchise manager at our training facility in Vancouver, Washington or at another location we designate. We must approve your Franchise manager. This training course will cover all aspects of the operation of the Franchise, including financial controls, marketing techniques, service methods, deployment of labor, and maintenance of quality standards. The first phase of the training course will be 3 to 5 days (finding and obtaining location, initial franchise establishment processes, and Gym installation preparations) and the second phase will be 3 to 5 days (business management, accounting, staffing, and ongoing operations). You or your approved Franchise manager must complete both phases of the course before opening the Franchise for business.

Except, you or your approved Franchise manager must complete this mandatory course *within 60 days* after opening your Franchise for business if you qualify for a Franchise under one of the following scenarios:

You have been employed by a Shoot 360 location and have at least 50 active Players that will transfer to you upon completion of the Franchise approval and initial training.

You own an operating independent basketball training facility not affiliated with Shoot 360 and have at least 50 Players converting to the Shoot 360 System, and have, in our opinion, the knowledge and experience to conduct business with minimal assistance from us.

You have purchased an existing Shoot 360 franchise from an existing Shoot 360 franchisee.

Within 30 days of signing the Franchise Agreement, you and your franchise manager must attend the initial phase of training - the Qualification and Management Assessment - to determine your ability to own and operate the franchise. You or the approved manager must complete the first phase of this mandatory training program to our exclusive satisfaction or we may terminate this Agreement and return to you the Initial Franchise Fee and we will instruct our approved suppliers to return to you the Shoot 360 Package Price (conditioned upon you returning the Shoot 360 Package without wear or damage). You are encouraged to begin training before incurring any costs or expenses related to the planned opening of the Franchise. We will not be liable for any costs or expenses you incur if we terminate this Agreement because you or your manager fails to satisfactorily complete the mandatory training course.

Upon satisfactory completion of the Qualification and Management Assessment training, you or your approved franchise manager are required to complete the second phase of training – the Leadership and Franchise Onboarding training - within 45 days prior to facility opening.

You will pay the transportation, board and lodging and food related expenses you and your employees incur related to this training.

Training and training materials may be delivered in the formats or media we choose. This may include course books or training exercises on paper, video, CD-ROM or other electronic format, via web cast or an intranet. You will participate in and pay for the training, including costs of computer equipment and Internet services needed to participate.

If the Franchise is managed by any persons other than you, you will notify us of these managers. Each manager you hire must successfully complete the mandatory training program within one month after being hired. You will bear all costs of this training, including a reasonable training fee at our then current rates.

Individuals:

If you will be operating your Franchise as an individual, you must devote your full time and best efforts to the day to day operation of your Franchise with no operational or management commitments in other businesses except other franchises offered by us or you must have in your employ a fully trained general manager who runs your day-to-day operations. You may however, continue to operate other businesses, (if any), in which you are engaged as of the date of this Agreement that are family owned. If you continue to operate other businesses, you must employ separate personnel for the businesses, market services under one or more trading designations separate from the Service Marks, maintain separate offices and player reception space and have the personnel related to such other businesses wear apparel that does not feature any of the Service Marks.

Partnerships:

If you will be operating your franchised business as a partnership, one or more partners must participate in the actual day-to-day operation of your franchised business or you must have in your employ a general manager who runs your day-to-day operations. The partner or partners who are in charge of running your franchised business or your manager must have successfully completed our training course.

Corporations, Limited Liability Companies:

If you will be operating your franchised business as a corporation, limited liability company or other legal entity, you must have in your employ a general manager. This general manager can be you, any member of your board, an officer of your corporation or member of your limited liability company. The general manager who is in charge of running your Franchise must have successfully completed our training course.

Managers/Training:

In all situations there must either be a franchisee or general manager on site in charge of running the day to day operation of each franchise you own. All general managers must pass the back ground checks required of franchisees and be approved by us. No matter what form of business you decide to use, the person assigned to running the day-to-day operations of the Franchise must have completed our training course. Anyone in your employ who is a manager or crew leader of your Franchise operations must also have completed our required training course.

4.2 Supplemental Training At your option and upon not less than 35 days' prior written notice to us, you may receive additional training at our training center or at other agreed upon locations. All expenses of this training will be borne by you, including but not limited to your travel, lodging, meals, compensation, and our reasonable costs and expenses including a reasonable training fee at our then current rates.

This additional training may consist of visits to our franchises, office work experience and observation of franchise operations. The duration of training is negotiable depending upon your needs. You will not receive any compensation for services rendered by the trainee during this or any other training. We may designate qualified franchisees or master franchisees to conduct some or all of your training.

From time to time we may provide refresher training programs or seminars and may require that you or your managers attend and complete them to our satisfaction. These programs and seminars will be held at locations we designate and will be provided without charge to you. You will be exclusively responsible for paying all travel, living and other expenses and compensation of attending these programs and seminars. Each year, you or the designated managers of your Franchise may be required to attend up to **40** hours of business training programs and seminars, depending upon program and seminar availability. Conventions, regional conventions, local training classes, and Shoot 360 seminars can all apply towards this requirement. In addition, we may deem it appropriate or necessary to provide additional training and supervision to you and your managers and employees at your franchise location. If so, you will fully participate in and complete this additional training and supervision, including additional or revised training programs and processes that may be added to the Best Practices Manual in the future.

5. COMMENCEMENT OF OPERATIONS

5.1 Time to Complete Training and Commence Operation You will immediately proceed with your best efforts, skills and diligence to open and begin commercial operation of the franchise. If actual construction of the Gym and installation of the Shoot 360 Package has not commenced within **180** days from the date of this Agreement (through no fault of ours) then we may terminate this Agreement and retain at least one-half of the Initial Franchise Fee and we will instruct our approved suppliers to return to you all but **15** percent of the Shoot 360 Package Price (conditioned upon you returning the Shoot 360 Package without wear or damage). You will return to us all proprietary material and comply with the post-termination non-competition and confidentiality provisions of this Agreement.

You or your manager will complete to our exclusive satisfaction the mandatory training defined above and commence full and continuous operation of the Franchise within **365** days after execution of this Agreement. Prior to commencing operation, you will procure all necessary licenses, permits and improvements and purchase initial inventory. Any failure to commence operation caused by a war or civil disturbance, a natural disaster, a labor dispute, shortages or other events beyond your reasonable control will be excused for a period of time that is reasonable under the circumstances. If this commencement of operation obligation is not fulfilled, we may terminate this Agreement and retain some or all of the Initial Franchise Fee and we will instruct our approved suppliers to refund to you all but **25** percent of the Shoot 360 Package Price (conditioned upon you returning the Shoot 360 Package without wear or damage). You will return to us all proprietary material and comply with the post-termination non-competition and confidentiality provisions of this Agreement.

5.2 You Are to Obtain Permits and Licenses Prior to commencing business operations, you will obtain all local permits, licenses, improvements, and business forms necessary to operate the Franchise.

5.3 Lease If you are a Shoot 360 Gym franchisee, unless otherwise agreed in writing, any lease you enter into will provide that you may assign that lease to us without penalty

or charge. The lease will further provide that upon termination or expiration of this Agreement, we will have an option, exercisable within **30** days after termination or expiration, to be substituted for you in all respects under the lease and to sublease the premises to another franchisee. You will deliver to us a true copy of the lease and any additions or amendments to it promptly after they are executed.

If you are a Shoot 360 Gym franchisee, if you own the premises used for the operation of the Franchise, you will not mortgage, pledge, or otherwise assign as security the premises during the term of this Agreement without our prior written approval. Upon termination or expiration of this Agreement, you will give us a reasonable and good faith opportunity to lease the premises and to continue business operations there. The fair value of and fair terms for the lease and for all related equipment, fixtures, signs, equipment leases and personal property will be determined Multnomah County, Oregon by three appraisers. Each party must select one appraiser. The two appraisers chosen must then select a third appraiser. Each party will pay for its own appraiser and each party will pay half for the third appraiser. The parties may then present evidence of the value of the lease and fair terms for the transaction. The appraisers must exclude from their decision any amount or factor for the "goodwill" or "going concern" value. The decision of the majority of the appraisers will be conclusive. At any time within **30** days after receiving the appraisers' decision, at our option, we may enter into the lease at the price and upon the terms determined by the appraisers.

If you are a Shoot 360 Gym franchisee, any lease or sublease of the Gym will contain substantially the following provisions (see the Gym Lease Rider attached in Schedule 2):

A. Anything contained in this lease to the contrary notwithstanding, lessor agrees that without lessor's consent, this lease and your right, title and interest, may be assigned by you to us or our designee, without cost or penalty. We may be substituted for you in all respects under the lease and may sublease the premises to another franchisee or operate the location ourselves or through an affiliated company of ours.

B. You agree that lessor may, upon our written request disclose to us, all reports, information or data in lessor's possession respecting sales made in, upon or from the leased premises and your business operations, payment of the lease amounts to the landlord, and any information relating to taxes which have been or have not been paid, or any other information which the landlord may have regarding the Franchise which we may request.

C. Lessor will give written notice to us (concurrently with the giving of notice to you) of any breach by you under the lease. We will have the right (but not obligation), in our sole discretion, to cure any breach at your expense within **15** business days after the expiration of the period in which you had to cure the default. Notice will be sent to the address we may, from time to time, specify in writing to lessor.

D. A provision reserving to us the right, at our election, to receive an assignment of the leasehold interest, or to take over the lease hold interest without your consent, upon termination or expiration of this Agreement.

E. Evidence of your right to display the Service Marks in accordance with the specifications required by the Best Practices Manual, subject only to the provisions of applicable law.

F. The premises will be used only for the operation of a Shoot 360 franchise.

G. You will not extend, renew or cancel the lease without our prior written consent, which consent will not be unreasonably withheld.

If we cure any breach by you under the lease or sublease, the total amount of all costs and payments we incur in effecting the cure will be immediately due and owing by you to us.

6. FRANCHISE STANDARDS OF OPERATION

6.1 Best Practices Manual, Shoot 360 System, Supplies, Decor, Plans and Specifications, and Public Relations The continuous development of the Shoot 360 System is an important and beneficial aspect of the relationship you want to have with us. We agree to lend to you a copy of the Shoot 360 Best Practices Manual when you attend the Mandatory Initial Training course described in Section 4, above. The Best Practices Manual describes the Shoot 360 System, including specifications, standards, operating procedures, accounting and bookkeeping methods, marketing ideas, requirements and control techniques, plans and specifications, fixture and decor requirements, co-branding requirements, public relations suggestions and other rules that we may prescribe from time to time. These may include programs and provisions related to:

- Planning and consulting
- Site selection assistance
- Permitting and zoning assistance
- Hiring and employee management training and assistance
- Facility design assistance
- Tenant build-out assistance
- Furnishing and fixture design and standards
- Equipment standards and assistance
- Computer programs for point of sale, marketing, accounting, scheduling and reporting
- Inventory management assistance and training
- Written operations standards and assistance
- Initial and ongoing operational training
- Management and employee training
- Marketing and advertising
- Standards, ongoing training and ongoing support
- Insurance guidance and standards
- Membership in, payments for, revenue sharing of, and operation of the Pro Training Club

The Best Practices Manual includes materials in whatever form (including electronic) we provide to you that describe the guidelines, advice, and requirements regarding the operation of your franchise, including user manuals and related instruction materials. It includes amendments, supplements, and new documents made and identified by us as part of the Best Practices Manual. The Best Practices Manual may be delivered to you by hard paper copy, computer diskette, CD-ROM, via an intranet or other downloading mechanism to your computer or via another medium chosen at our discretion.

The Best Practices Manual is and will remain confidential and our exclusive property. You will not disclose, copy or duplicate any part of the Best Practices Manual for any reason. Nothing in this Agreement may be construed as an incorporation of the terms of the Best Practices Manual or as making the Best Practices Manual part of this Agreement. The Best Practices Manual, in part, may consist of the following confidential information:

(i) manual or manuals;

(ii) any Intranet or password protected portion of an Internet site;

(iii) any other embodiment of the Methods of Operation, including notices of new standards and techniques, including all media identified by us as part of the Best Practices Manual; and

(iv) any amendments, supplements, derivative works, and replacements; whether embodied in electronic or other media.

The Best Practices Manual sets out minimum requirements for supplies, stationery, business forms, advertising, décor, office and facility layout, plans and specifications, materials, fixtures, and signs, among other things. From time to time we may amend the Best Practices Manual, including changes that may affect minimum requirements for your Franchise operations. You will strictly adhere to the requirements of the Best Practices Manual as we amend it from time to time. You will implement promptly all changes at your cost, unless we otherwise specify. We reasonably may restrict you from producing, stocking, and selling certain goods and services as specified in the Best Practices Manual.

You must purchase all franchise equipment, fixtures, signs and inventory from us or sources we specify. You must purchase items that bear our service marks and trademarks from us or suppliers we approve. Proprietary items and supplies may be private labeled by us. We retain the right to make a reasonable profit on any items, supplies and materials you buy from us. We may also make a reasonable profit on supplies we purchase in bulk quantities and sell to you. We may obtain money, goods, services, or other benefits from persons and entities with which you do business, on account of that business with you. These may include rebates, refunds, commissions, co-operative payments, price concessions, allowances, discounts, or other advantages. We will accumulate them, annually account to the franchise system for them and use them to provide advertising, supplemental training and promotional services to our franchisees, or return them at reasonable times to all our franchisees pro rata, based upon the volume of related business and we may retain a portion to cover our directly related administrative and other expenses.

There are no required quotas as to quantity of purchases you must make from us or from approved vendors. You must only have enough supplies on hand to meet customer demand. If you elect to purchase equipment, inventory, and supply items from us at our then current prices, payment must be made when you place your order. The items we offer may include among other things equipment, merchandise, and supplies that bear the Service Marks. You may offer these Trademark bearing items only at the Gym to retail customers.

Any products and goods sold, licensed, or leased by or through us to you will be sold, licensed, or leased in accordance with the terms expressly set forth in the Best Practices Manual or as otherwise provided for in writing by us or the manufacturer of the products and goods. **EXCEPT AS EXCLUSIVELY SET FORTH IN WRITING AND SIGNED BY US, WE MAKE NO**

EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE PRODUCTS AND GOODS, AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT RESTRICTED TO, THE IMPLIED WARRANTY OF TITLE AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY DISCLAIMED EXCEPT FOR THE BASKETBALL TRAINING PURPOSES EXPRESSLY PROVIDED FOR IN THIS AGREEMENT. UNDER NO CIRCUMSTANCES WILL OUR LIABILITY IN CONNECTION WITH ANY PRODUCTS OR GOODS EXCEED THE DOLLAR AMOUNT OF THE PURCHASE PRICE OR LICENSE FEE PAID BY YOU FOR THE PRODUCTS OR GOODS. IN NO EVENT WILL WE BE LIABLE TO ANY PARTY, INCLUDING BUT NOT LIMITED TO, YOU AND YOUR CUSTOMERS AND PLAYERS, FOR ANY TORT DAMAGES OR INDIRECT, SPECIAL, GENERAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS OR ANTICIPATED PROFITS AND LOSS OF GOODWILL, ARISING IN CONNECTION WITH THE USE (OR INABILITY TO USE) THE PRODUCTS OR GOODS FOR ANY PURPOSE WHATSOEVER, EVEN IF WE ARE AWARE OR HAVE BEEN ADVISED OF THE POSSIBILITY OF POTENTIAL LOSS OR DAMAGES UNLESS WE ARE GROSSLY NEGLIGENT OR INTENTIONALLY RECKLESS.

We will not be liable to you if we are unable to deliver any Gym or building components, fixtures, signs, services, equipment, inventory or supply items to you because of any loss, damage, or delay caused by strikes, riots, fire, insurrection, war, elements, embargoes, failure of carriers, inability to obtain transportation facilities, forces majeure, acts of God or of the public enemy, or any other cause beyond our control.

You will purchase all Gym and building components, fixtures, equipment, products, supplies and materials required for the operation of the Franchise from manufacturers, suppliers or distributors approved by us. All specifications that we require of you and lists of approved suppliers will be included in the Best Practices Manual. We will use our best judgment to set and modify specifications in order to maintain the integrity and quality of the Shoot 360 franchise system.

You must sell, offer for sale, distribute or deliver only services and products that meet the specifications and standards of quality and quantity in the Best Practices Manual. You must sell or offer to sell all approved items and services. You must refrain from deviating from our standards and specifications and must discontinue selling or offering for sale any items or services as we may, in our discretion, disapprove in writing at any time.

With advance written notice, you may request our approval to obtain products, supplies or materials from sources that we have not previously approved. We may require you to give us sufficient information, photographs, drawings, samples, and other data to allow us to determine whether the items from these other sources meet our specifications and standards, as established from time to time. These specifications and standards will relate to quality, taste, texture, composition, absorbency, strength, finish and appearance, and the suppliers' capacity and facility to supply your needs in the quantities, at the times, and with the reliability necessary for efficient operation. We may require that samples from any supplier be delivered to a designated independent testing laboratory for testing prior to approval and use. You will reimburse us for the actual cost of the tests. . Our confidential manufacturing requirements, equipment, designs, systems and formulas will be disclosed to potential suppliers only after we have received reasonable evidence that the proposed supplier is trustworthy and reputable; has the capacity to consistently adhere to our standards, requirements and testing procedures; will maintain the confidentiality of the designs, systems and formulas; and will adequately supply

your reasonable needs. We may require a Confidentiality and Non-Disclosure Agreement signed by the proposed supplier prior to release of any confidential information. We will not unreasonably withhold approval of a supplier you propose. We will notify you in writing of the approval or disapproval of any supplier you propose.

From time to time we or our agents may inspect any proposed or approved manufacturer's, supplier's or distributor's facilities and products to assure proper production, processing, packaging, storing, and transportation. Permission for inspection will be a condition of our continued approval of any manufacturer, supplier or distributor. If we determine from any inspection that a manufacturer, supplier or distributor fails to meet our specifications and standards, we will give written notice describing this failure to you and to the manufacturer, supplier or distributor, together with a notice that unless the failure or deficiency is corrected within thirty days, the manufacturer, supplier or distributor will no longer be approved.

One of the benefits accruing to you and all our other franchisees is the economy of mass purchasing power made available through us. Your failure to pay or repeated delay to make prompt payment in accordance with the terms of the invoices and statements for payments due on your purchases of fixtures, signs, equipment, food and non-food products, beverages, supplies and other inventory items, or you misdirection of supplies or other abuse of our approved suppliers, distributors and manufacturers, will result in a loss of credit standing and goodwill and benefits otherwise available to us and our other franchisees. You expressly agree to promptly pay all such invoices and statements in accordance with their terms.

6.2 Standards to Be Maintained You will follow the Shoot 360 System and maintain standards of service that we prescribe.

A. You will operate your Franchise in a clean, orderly, and respectable manner in compliance with this Agreement, the Best Practices Manual and the Shoot 360 System. The Gym will be used only as a Shoot 360 basketball training facility. You will only use signs, fixtures, equipment, materials, products, decor, plans and services that conform to our specifications to conduct the Franchise. You understand and acknowledge that the failure to comply with and uphold the provisions of the Best Practices Manual can lead to disciplinary actions up to and including termination of this Agreement.

B. You will maintain signs approved by us on and in the Gym. These signs must comply with local sign ordinances, regulations, and bylaws. The signs will describe the franchise premises (or portions of a co-branded premises) only as a Shoot 360 franchise.

C. We may enter upon the Gym at reasonable times to verify your compliance with the terms of this Agreement. To do so, we may:

1. Inspect the Gym;

2. Observe your operation of the Franchise for any consecutive or intermittent periods we deem necessary;

3. Interview your personnel, customers, and Players; and

4. Inspect and copy any books, records and documents related to the operation of the Franchise and any other Franchise information we may require.

5. Select items, ingredients, products and other materials, services, equipment, operations and supplies for test of content and evaluation purposes to make certain that they are satisfactory and meet our quality control provisions and performance standards;

You and anyone acting as your agent will cooperate fully with us and our agents in connection with these inspections, observations, and interviews. You expressly waive any rights of privacy or confidentiality you have with your personnel, customers, vendors and co-branded partners in reference to these inspections, observations and interviews.

D. You will comply with all applicable ordinances, regulations, bylaws, laws, and statutes. You will not permit unlawful activities on the Gym and will not sell, exchange, offer, hold, show, rent, or permit to be sold, exchanged, offered, held, shown, or rented any material or service you know or reasonably suspect to have been obtained in violation of law or to be otherwise illegal.

You will secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchise and will operate the Franchise in full compliance with all applicable ordinances and regulations, including without limitation, all government laws and regulations relating to occupational hazards and health, EEOC laws, Americans with Disabilities Act, copyright laws protecting owners of artistic works, consumer protection, trade regulations, workers compensation, unemployment insurance and withholding, and payment of federal and state income taxes, social security taxes and sales, use and property taxes.

You will not install or use any vending machines, games or musical devices on the Gym without our prior written approval.

E. You will not sell or dispense any products or services or activities other than those we specifically recognize and approve in writing. You will not offer distilled spirits, beer or wine for sale or consumption.

F. We may employ professional shopping services to monitor your compliance with this Agreement. You will repurchase merchandise and otherwise fully reimburse these shopping services for goods, services, and other items they receive, lease, or buy from you in the process of verifying compliance. You will hold us harmless from any such charges incurred by any shopping service. We will pay all other charges made by the shopping services.

G. You, at your expense, will maintain the interior and exterior of the Gym and equipment and furnishings in good repair, attractive appearance, and sound operating condition in compliance with the Best Practices Manual. At our request, you will make necessary repairs to the Gym in order to maintain uniform appearance and to protect the reputation of the Service Marks. You will commence all repairs and changes within a reasonable time after notice from us,

and you will proceed with due diligence until completion. You will not make any change in the layout and decor of the Gym without our prior written approval.

If you do not maintain the Gym as required, after notice to you, we may, at our option, make the necessary maintenance and repairs and charge the cost to you. If we make or direct the making of repairs, we will not incur any liability to you, including but not limited to, liability for interruption of your business during the course of making the maintenance and repairs.

H. You will keep your Franchise open for business every day of the year, except holidays we designate, during the hours specified or approved in writing by us or required by the lease of the premises on which the Franchise is operated. We may change these requirements from time to time as designated in the Best Practices Manual.

I. At all times you will ensure that your copy of the Best Practices Manual and any other manuals given to you are kept current and up to date with the amendments and updates we provide to you. In the event of any dispute as to the contents of the Best Practices Manual, the terms of our master copies maintained at our principal place of business will be controlling.

6.3 Service Marks, Best Practices Manual, and Shoot 360 System Are Our Exclusive Property You agree that the Service Marks, Best Practices Manual, and Shoot 360 System are our sole and exclusive property. Except for the Franchise granted to you by this Agreement, nothing in this Agreement or any other agreement will give you or others any right, title, or interest whatsoever in or to the Service Marks, Best Practices Manual, or Shoot 360 System. Your license to use the Service Marks is non-exclusive. We, in our sole discretion, may operate under the Service Marks and may grant licenses to others to use the Service Marks on any terms and conditions we deem appropriate. We will make reasonable efforts to protect your rights to use the Service Marks. In those states and nations where applicable, you agree to execute on request all documents necessary to record you as a registered user of the Service Marks. You will not use the Service Marks as part of any electronic mail address or in any electronic mail message except in accordance with the Best Practices Manual and only for purposes of the Franchise. You will not use the name Shoot 360 or other Service Marks as any part of the name of your corporation, limited liability company, or other business organization of any kind or for any similar purpose.

You will immediately notify us of any infringement of, or challenge to, your use of the Service Marks. We will have sole discretion to take or not to take action, as we deem appropriate. If we undertake the defense or prosecution of any litigation involving you or any litigation involving the Service Marks or the Shoot 360 System, you agree to execute any and all documents and to undertake any and all actions, which in the opinion of our counsel are necessary or advisable to carry out the defense or prosecution. This may be done either in our name or in your name, as we will elect. You will modify or discontinue use of any Franchise names or Service Marks, or will use one or more substitute names or marks, if we so direct in writing at any time. Our sole obligation in this event will be to reimburse you for your tangible costs in complying with our direction (i.e., cost of changing signs, stationery, etc.). Under no circumstances will we be liable to you for any other damages, costs, losses, rights, or detriments related to any modification, discontinuance, or substitution. All obligations or requirements imposed upon you relating to the Service Marks will apply with equal force to any modified or substituted names or marks.

You will not contest, directly or indirectly: our ownership, title, right, or interest in the Service Marks, the Best Practices Manual, or the Shoot 360 System; or our exclusive right to register, use, or license others to use the Service Marks, Best Practices Manual, and Shoot 360 System. You will not advertise or use the Service Marks without following our then current guidelines and requirements. These may include, but will not be limited to, the placement of appropriate (C) or (R) copyright and registration marks or the designations TM or SM, where applicable.

Any and all goodwill associated with the Service Marks, including any goodwill that might be deemed to have arisen through your activities, will accrue directly and exclusively to our benefit, except as otherwise provided by applicable law. You appoint us as your agent and attorney-in-fact to amend or cancel any Registered User or Business Name filings obtained by you or on your behalf that involve or pertain to the Service Marks.

You will not use the Service Marks on products or services that come from any source other than us or sources we approve in writing except for products you prepare or produce pursuant to the Best Practices Manual and the Shoot 360 System.

From time to time there may be controversy about this Agreement, its interpretation, or performance or breach by the parties. You recognize the unique value and secondary meaning attached to the Shoot 360 System, the Service Marks and our standards of operation and trade practices. You agree that any noncompliance with the terms of this Agreement or any unauthorized or improper use of the Shoot 360 System or the Service Marks will cause irreparable damage to our franchisees and us. You agree that if you engage in any unauthorized or improper use, during or after the period of this Agreement, we will be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction in addition to any other remedies prescribed by law.

You and we will use commercially reasonable efforts to continuously improve the products, processes and services used in the Shoot 360 System and to develop new products, processes and services for use as part of the Shoot 360 System. All the improvements, inventions and developments you make, develop or create for use in the Shoot 360 System will be our property and we alone will hold any patent, trademark registration or other form of protection for those improvements, inventions, developments, processes, methods and practices.

6.4 You Will Not Use Names or Marks in Combination Except as provided in this Agreement, you will not use or give others permission to use the Service Marks, or any colorable imitation of them, combined with any other words or phrases. You and your owners, officers, and agents will not form or participate in the formation of any company, firm, corporation or other entity having a name containing the words of the Service Marks. You may not combine or associate any name or symbol of the Service Marks with any other name or word in any advertising or sign. The Service Marks must be used in exact conformity with specifications we set in the Best Practices Manual.

6.5 Service Marks, Best Practices Manual, and Shoot 360 System May Be Changed You acknowledge that the Service Marks, Best Practices Manual and Shoot 360 System, including any future amendments or modifications to them, have substantial value, and that the conditions, restrictions, covenants not to compete, and other limitations imposed by this Agreement are necessary, equitable, and reasonable for the general benefit of you, us, and others enjoying any lawful economic interest in the Service Marks, Best Practices Manual, and Shoot 360 System.

We may change or modify any part of the Service Marks, Best Practices Manual, or Shoot 360 System from time to time at our sole discretion. You will accept, use, and protect, for the purposes of this Agreement, all changes and modifications as if they were a part of the Service Marks, Best Practices Manual, and Shoot 360 System at the time this Agreement is executed. You will bear all costs and expenses that may be reasonably necessary as a result of such changes or modifications. Under no circumstances will we be liable to you for any damages, costs, losses, or detriments related to any of these changes or modifications.

Complete and detailed uniformity of the Service Marks, Best Practices Manual, and Shoot 360 System under the varying conditions to be experienced by our franchisees may not be possible or practicable. Therefore we reserve the right, at our discretion, to accommodate your special needs, or those of any other of our franchisees. These needs may result from the peculiarities of a particular site or location, density of population, business potential, population of trade area, existing business practices, requirements of local law or local trainees, landlord requirements, or any other condition which we deem to be important to the successful operation of the franchisee's business. From time to time, we may allow certain franchisees to depart from normal system standards and routines to experiment with or test new products, equipment, designs and procedures. In no event will any variance or testing be deemed a waiver of any of our rights, or an excuse for you to not perform any of your duties under this Agreement. We may require you at any time to commence full compliance with the Best Practices Manual and the Shoot 360 System. We will not be required to grant any variance to you under any circumstances.

6.6 You Will Not Communicate Confidential Information You acknowledge that you will receive valuable specialized and Confidential Information, including information regarding our operational, sales, promotional and marketing methods and techniques, operating procedures, processes, practices, lists of suppliers, customer and Player lists and transaction records, manuals, marketing and sales techniques and strategies, and the Shoot 360 System. You specifically acknowledge that our Confidential Information is proprietary to us, and remains our sole exclusive property. You further acknowledge that our Confidential Information is unique and novel to us. You will return all materials such as operations manuals and all other material you receive from us to us upon expiration or termination of this Agreement. You also acknowledge your responsibility to us for any misuse or publication of the Confidential Information by any of your employees. You agree not to copy, download to Internet, intranet, modem, fax, e-mail, mail, divulge, or send any Confidential Information directly or indirectly to any other person or enterprise outside of our franchise system. During the term of this Agreement and after it expires or is terminated, you will never communicate, fax, e-mail, post on an Internet electronic bulletin board, divulge or use in any other manner, either for your benefit or the benefit or any other person, persons, partnerships, associations, companies or corporations any confidential or proprietary information, knowledge or know-how concerning the Shoot 360 System or any information we have communicated to you in written, verbal or electronic form, including intranet passwords, for the operation of your franchised business.

You agree to not communicate or divulge the contents of our Best Practices Manuals or any other information related to the Shoot 360 System or to the operation of the Franchise or the Shoot 360 System to any person or entity except to your manager or other employees as we authorize in writing. You may only use the Best Practices Manual in the course of your performance under this Agreement, subject to the provisions and duration of this Agreement. You agree to fully and strictly adhere to all security procedures we prescribe for maintaining the confidentiality of the information. You agree to disclose information to your employees only to the extent necessary to conduct franchise business.

The Shoot 360 System is a technologically advanced program of accounting, identification procedures, equipment and software, management systems, techniques, and business operations and systems that would, if used by other persons, firms or entities, give a substantial competitive advantage which we presently enjoy. Any and all information, knowledge and know how, not generally known about the Shoot 360 System and our products, services, standards, specifications, systems, procedures and techniques, and any other information or material that we may designate as confidential, will be deemed confidential for purposes of this Agreement. This will not apply to information which you can demonstrate came to your attention prior to disclosure by us, or which is or has become a part of the public domain through publication or communication by others.

You will require as a condition of the employment of your employees and anyone else providing services to you that they maintain and protect our Confidential Information. You must follow our security procedures, which may include the execution of approved nondisclosure agreements, and Intranet and Internet usage agreements. You will be responsible to enforce these covenants and agreements and full compliance with this Agreement by your employees. These covenants are for the benefit of us and our franchise system and are enforceable by us. We may also enforce the nondisclosure agreement against your managers or employees, at our option. If you become aware of any actual or threatened violations of these covenants by any of your employees or anyone else providing services to you, you will promptly and fully advise us in writing of all related facts known to you. You will cooperate with us in all ways we reasonably request to prevent or stop any violation. This may include instituting or permitting to be instituted in your name any demand, suit or action that we determine is advisable. The demand, suit or action may be maintained and prosecuted by you and us at your expense.

You will assure that you and all your agents, employees, consultants, partners, owners, members, officers, directors, and shareholders and other persons in your control, to whom any information is communicated, will keep, preserve, and protect all confidential information and execute with you appropriate confidentiality, nondisclosure and non-competition agreements.

This section contains prohibitions based upon an understanding that you, your key employees, your officers, your partners, your employees, members and stockholders (as applicable) will possess knowledge of business and operating methods and confidential or proprietary information, disclosure of which would prejudice our interests and our other franchisees.

If you develop any new concept, product, process or improvement in the Shoot 360 System, you agree to promptly notify Shoot 360 and provide Shoot 360 with all necessary related information, without compensation. You assign to us all such concepts, processes or improvements and acknowledge that all such concepts, processes or improvements will become Shoot 360 property, and Shoot 360 may use or disclose such concepts, processes or improvements to its Franchisees, Players, suppliers, vendors, and customers as Shoot 360 may determine to be appropriate.

6.7 Covenants against Competition and Solicitation You will diligently, faithfully, and honestly perform your obligations pursuant to this Agreement. You will use your best efforts to develop, promote, and enhance your Franchise. You will not engage in any activity or business enterprise that conflicts with or impairs these obligations.

At all times the Franchise must be under your direct supervision. You will devote a substantial enough amount of time and energy to properly operate the Franchise. What constitutes proper

operation will be in our sole reasonable discretion. In your absence, the Franchise must be under the direct supervision of a manager who has successfully completed the required training programs and who devotes the necessary time during business hours to the management of the Franchise.

You will ensure that you and your owners, directors, officers, partners, shareholders, members, employees, consultants, and agents, during the term of this Agreement and for a period of two years after expiration or termination of this Agreement do not:

> divert or directly or indirectly attempt to divert any of our business or any of our customers or Players to any competing establishment;
>
> undertake or attempt to solicit or otherwise agree privately with Players or customers to provide consultation or support related to any basketball training or any related goods or services or any form of business that offers basketball training that are essentially the same as, or substantially similar to, the training, products, and services that are part of the Shoot 360 System, or otherwise attempt to circumvent the Shoot 360 System; nor
>
> do or perform, directly or indirectly, any other act injurious or prejudicial to our goodwill associated with the Service Marks or the Shoot 360 System.

If you are a Shoot 360 Gym franchisee, during the term of this Agreement and for a period of **730** days after is expires or is terminated, neither you nor your key owners, key shareholders, key members, key partners, key directors, key officers, key employees, key consultants, key distributors, or key agents, nor the members of your or their immediate families or households (key meaning anyone who has access to or knowledge of the Best Practices Manual or Shoot 360 System), will directly or indirectly participate as an owner, shareholder, member, partner, director, officer, employee, consultant, franchisor, franchisee, distributor, advisor or agent, or serve in any other capacity in any business (including any business in formation) engaged or to be engaged in the sale or rental at wholesale or retail or on the Internet of basketball training; or of products, goods, or services related to basketball training and coaching; or of goods or services or any form of business that offers basketball training that are essentially the same as, or substantially similar to, the training, products, and services that are part of the Shoot 360 System. We may waive this covenant only in a writing signed by our Chief Executive Officer or President. During all of these periods, you agree to promptly and fully disclose to Shoot 360's Chief Executive Officer or President any business opportunity coming to your attention, or conceived or developed in whole or in part by you, which relates to our business. These covenants apply within **150** miles of the Gym, and within **150** miles of any other Shoot 360 basketball training facility, and within the United States of America, and within North America.

If for any reason any provision set forth in this Subsection is determined to exceed any lawful scope or limit as to duration, geographic coverage, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law. The duration, geographic coverage and scope allowable by law or court of law shall apply to this Agreement.

You and we stipulate that, in light of all of the facts and circumstances of the relationship between you and us, the covenants, restrictions and agreements referred to in this section (including without limitation their scope, duration and geographic extent) are fair and reasonably necessary for the protection of our confidential information, goodwill and other protectable interests. If a court of competent jurisdiction should decline to enforce any of those covenants

and agreements, you and we request the court to reform these provisions to restrict your use of Confidential Information, non-solicitation, ability to compete with us, and any other covered topics to the maximum extent, in time, scope of activities, and geography, the court finds enforceable under Oregon law or other applicable law.

You acknowledge that we will suffer immediate and irreparable harm that will not be compensable by damages alone if you repudiate or breach any of the provisions of this section and the section entitled "You Will not Communicate Confidential Information" above, or threaten or attempt to do so. For this reason, under these circumstances, we, in addition to and without limitation of any other rights, remedies or damages available to us at law or in equity, will be entitled to obtain temporary, preliminary and permanent injunctions in order to prevent or restrain the breach, and we will not be required to post a bond as a condition for the granting of this relief. You also agree that a violation of any of these sections would entitle us, in addition to all other remedies available at law or equity, to recover from you any and all funds, including, without limitation, wages, salary, and profits, which will be held by you in constructive trust for us, received by you in connection with such violation.

You specifically acknowledge the receipt of adequate consideration for the covenants contained in this section and the sections entitled "You Will not Communicate Confidential Information" above and that we are entitled to require you to comply with these sections. These sections will survive termination or expiration of this Agreement. You represent that if this Agreement expires or is terminated, whether voluntarily or involuntarily, you have experience and capabilities sufficient to enable you to find employment or otherwise earn a livelihood in areas which do not violate this Agreement and that our enforcement of a remedy by way of injunction will not prevent you from earning a livelihood.

The provisions relating to interests in any other business will not apply to your ownership of outstanding securities of any corporation whose securities are publicly held and traded. Provided that you hold these securities for investment purposes only and that your total holdings do not constitute more than five percent of the outstanding securities of the corporation.

You will ensure that all of your owners, shareholders, members, partners, directors, officers, employees, consultants, distributors, and agents execute appropriate confidentiality, nondisclosure, and non-competition agreements pursuant to your commitments in this Agreement.

You acknowledge and confirm that the time, content and geographical restrictions contained in this Section are fair and reasonable. They are not the result of overreaching, duress, or coercion of any kind by us. You further acknowledge and confirm that your observance of the covenants contained in this Agreement will not cause you any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained in this Agreement will not impair your ability to obtain employment commensurate with your abilities and on terms fully acceptable to you, or otherwise to obtain income required for the comfortable support of your family and the satisfaction of your creditors. Your knowledge of the Method of Operation would cause our franchise system serious injury and loss if you use the knowledge to the benefit of a competitor or to compete with us or our franchisees.

If, for any reason, any provision set forth in this Subsection exceeds any lawful scope or limit as to duration, geographic coverage, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law. The

duration, geographic coverage and scope allowable by law or court of law shall apply to this Agreement.

6.8 Computer Systems All required computer equipment and software is included in the Shoot 360 Package. You will integrate all Players' training records and business accounts by using the Shoot 360 software system and procedures provided and established by us. You will communicate with us and with other Shoot 360 locations and Players within the Shoot 360 System using our established communication guidelines and forms.

A. You are granted a non-exclusive license to use our training and software programs and related procedures during the term of this Agreement. This license expires when this Agreement terminates. All training and software programs and related procedures remain our property. To the extent that the training and software programs and related procedures constitute Confidential Information, they are subject to the section entitled "You Will not Communicate Confidential Information" above.

B. You will not use or attempt to use the training and record keeping procedures or software for any purpose or party other than those associated with us, the Shoot 360 System and your Franchise, or in any manner inconsistent with this Agreement.

C. You will execute and be bound by all training process and software licenses we require. We, in our sole discretion, may charge a license fee for some or all of the licenses we grant. A list of all licenses and any license fees in connection therewith is found in the Best Practices Manual.

E-PROBLEM DISCLAIMER: Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders ("E-Problems'). We do not guarantee that information or communication systems that others or we supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify that your suppliers, lenders, landlords, Players, and governmental agencies on which you rely, have reasonable protection from E-problems. This may include taking reasonable steps to secure your systems (including firewalls, password protection, and anti-virus systems), and to provide backup systems.

6.9 Working Capital Requirements At all times during the term of this Agreement, you will maintain and employ as much working capital as may be required to enable you to properly and fully perform all your duties, obligations, and responsibilities.

6.10 Employees. You are exclusively responsible to train and make sure your employees and independent contractors meet the standards, specifications and procedures outlined in the Best Practices Manual. You will hire only efficient, competent, sober and courteous employees for the conduct of the franchise business and will pay their wages, commissions, piece work and any other compensation justly due with no liability on our part.

A. You will control your own employees and independent contractors. We will not have the power to hire, fire, direct, supervise, or discipline them. You will maintain employee records to show clearly that you and your

employees are not our employees.

B. You must comply with all state and federal laws in respect to your employees. You acknowledge that you have had ample opportunity to investigate these and other laws applicable to your business with your own independent legal counsel before signing this Agreement. You must indemnify and hold us legally harmless from any of your violations of such laws.

C. You must pay special attention to federal and state wage and hour laws with respect to your employees. You must comply with all such laws and pay your employees properly. You are responsible for any employee wages and compensation, payroll taxes and other required withholding, worker's compensation and benefits. You are responsible for any employee wages and compensation, payroll taxes and other required withholding, worker's compensation and benefits.

D. You are exclusively responsible to monitor the scheduling, performance, efficiency, and efficacy of your employees and independent contractors and to make adjustments to improve the results of their efforts.

E. If you decide to share employees or independent contractors with other franchisees, then you will indemnity and hold legally harmless us (and our affiliates, officers, directors, employees and agents) from any claims, losses, attorney fees and damages resulting from such activities. You acknowledge that this provision does not constitute an endorsement to share employees with other franchisees.

F. You are responsible to train and to make sure your employees and independent contractors meet the standards, specifications and recommendations outlined in the Best Practices Manual, including those related to appearance, customer service, background checks, and drug testing (as applicable). You are required to hire and maintain sufficient staff in order to handle customer volume at all times. You will ensure that your employees present a neat and clean appearance and render friendly, efficient, sober and courteous service to your customers.

G. All employees and independent contractors whose duties include customer service must have sufficient literacy and fluency in the English language to serve the public.

H. You may not hire any employee or independent contractor who has been found guilty of any charges of fiduciary misconduct, any form of unlawful sexual conduct, any felony of any kind, or any similar charges that reflect negatively on the person's moral turpitude and character.

I. All revenues generated under this Agreement from all business activities of the Franchise must be paid directly to you and not directly to your employee or independent contractor.

6.11 Terms of Equipment, Fixture and Product Sales.

A. To receive equipment, fixtures, inventory, signs, furnishings, goods, materials, or products and merchandise (collectively "items") from us, you must deliver to us a purchase order that specifies them. All orders you submit are subject to acceptance at our or our successors' corporate headquarters. We reserve the right to reject any order that is not credit approved or does not conform to the provisions of this Agreement. All orders accepted for delivery will be governed exclusively by the terms and conditions of this Agreement. Unless we agree in

writing, no additional or different terms and conditions appearing on the face or reverse side of any order you issue will become part of that order. Our acknowledgment of your purchase order will not be acceptance of any additional or different terms and conditions.

B. Shipments are subject to availability. Upon notice to you, we may schedule and reschedule any order, at our discretion. We may decline any order for credit reasons or because the order specifies an unreasonably large quantity or makes an unreasonable shipment request.

C. We will use commercially reasonable efforts to meet any scheduled shipment date. However, we will not be liable for delays in meeting a scheduled shipment date for any reason. If products are scarce, we will allocate them equitably, at our discretion, among our customers and Players.

D. Unless otherwise agreed, the items will be shipped only to your approved facility and only after receipt of an order from you.

E. We may refuse to ship or delay the shipment of any items on order if you become delinquent in payment of your obligations, exceed established credit lines, fail to meet our other credit or financial requirements or fail to provide financial information when we request. No cancellation, refusal or delay will terminate this Agreement.

F. Delivery to you will be F.O.B. origin upon transfer to a common carrier. You will pay all transportation, insurance, rigging and drayage charges.

G. On delivery of items to carrier, title (or with respect to licensed programs licensed, not sold, title only to the media on which the licensed program is delivered) will pass to you and you will assume responsibility for promptly advising the carrier and insurer of the loss, for filing a claim and for recovery of any sums owed by them to you. Upon request, we will cooperate with you to establish a claim.

H. You grant to us a security interest in the items and proceeds as security for your obligations under this Agreement. Upon request, you will execute and file all instruments or documents necessary to perfect any security interest. You acknowledge that we may file a copy of this Agreement as a financing statement for that purpose.

I. You will maintain sufficient inventories of products and employ sufficient help to operate your business at a level of capacity and market penetration commensurate with the reasonable demands of the marketplace.

J. You will represent fairly all items you purchase from us.

K. You will comply with all of the obligations and requirements imposed upon you by the manufacturers or distributors of the items.

L. You will use commercially reasonable efforts and good faith to promote, demonstrate and sell the items and your services.

M. You will provide to us forecasts of your projected purchases.

N. All items are subject to the manufacturer's standard warranty. We disclaim all warranties, including the implied warranties of merchantability and fitness for a particular purpose. No representation, affirmation of fact, or statement regarding capacity or suitability, which is not in this Agreement, will be a warranty by us for any purpose.

O. We will not be liable for any loss or damage claimed to have resulted from the use, operation or performance of the items, whatever the form of action. Our maximum liability to you, whether based upon contract, warranty, tort or otherwise, will not exceed the actual amount you pay to us for the specific item that causes the damages. These limitations of liability will not apply to claims for personal injury caused by our negligence. We will not be liable to you for special, indirect, incidental or consequential damages or from any damages resulting from loss of use, data or profits.

7. **RENEWAL, TERMINATION AND STEP-IN RIGHTS**

7.1 Renewal of Franchise.

A. If you are a Shoot 360 Gym franchisee and if you are not in breach of this Agreement, and if you meet the following conditions, you may renew the Franchise for periods of 5 years under the terms of our Then-Current Franchise Agreement:

1. You give us written notice of your intent to renew at least three months, but no earlier than six months, before the end of the Franchise term established by this Agreement;
2. You execute our Then-Current Franchise Agreement within 30 days after it is delivered to you. If you do not, we may conclude that you do not intend to renew;
3. Your Gym remains located as designated in this Agreement;
4. You execute a general release, in a form we prescribe, following applicable law, to release us from any claims you may have against us;
5. You or your designated manager attends (at your expense) and successfully completes any retraining program we prescribe in writing, in our discretion; and
6. You reimburse us for our reasonable out-of-pocket costs concerning the renewal.

There is no fee for renewal of the Franchise.

You have no automatic right to continue operation of the Franchise following expiration or termination of this Agreement.

You acknowledge that the Monthly Training Unit Fee and other fees will be set under the Then-Current Franchise Agreement and may vary materially from the terms of this Agreement.

B. If you are a Co-Branded Gym franchisee, this Agreement will automatically extend for additional consecutive periods of time equal to the initial 5 year term, unless either party notifies the other at least six months prior to the end of the then scheduled expiration of the term that it does not desire for the term to be extended.

C. We may refuse to renew this Agreement if you fail to satisfactorily comply with this Agreement. The determination of satisfactory compliance will be within our exclusive discretion in good faith. If we refuse to renew, you must continue to perform under this Agreement until its expiration.

D. If you continue to operate the Franchise with our express or implied consent, following the expiration or termination of this Agreement, the continuation will be a month-to-month extension of this Agreement. This Agreement will then be terminable by either party upon 30-days written notice. Otherwise, all provisions of this Agreement will apply while operations continue.

7.2 Termination by You. You may terminate this Agreement if you comply with the terms of this Agreement and if we substantially breach any material provision of this Agreement and fail to cure or reasonably to begin to cure that breach within **30** days after receipt of written notice specifying the breach. Termination will be effective **10** days after you deliver to us written notice of termination for our failure to cure within the allowed period.

7.3 Termination by Us.

A. The following provisions are in addition to all other remedies available to us at law or in equity. We will have the option to cure your breaches at your expense. If you breach or default in any of the terms of this Agreement, we have the right to appoint a receiver to take possession, manage and control assets, collect profits, and pay the net income for the operation of the Franchise to you. The right to appoint a receiver will be available regardless of whether waste or danger of loss or destruction of the assets exists, and without the necessity of notice to you.

If any payments to us, our affiliates or approved vendors are late by more than 15 business days, we may order all product deliveries withheld from you until the payments are received.

You agree that it will be a *default constituting a substantial breach of a material provision of this Agreement pursuant to relevant law, thus establishing good cause for termination* of this Agreement and any other franchise and related agreements between the parties if you (or your owners, officers, or key employees) breach any term or provision of this Agreement or of any other franchise and related agreements and do not cure the breach (or reasonably begin to cure and diligently continue to cure until the breach is remedied) within **30** days after receipt of our written "Notice to Cure." Termination will occur immediately upon delivery to you of our written declaration of termination for failure to cure within the allowed time frame.

B. We may immediately terminate this Agreement and any other franchise and related agreements between the parties without other cause, and without giving you an opportunity to cure, if you (or your owners, officers**,** or key employees):

(1) Make an assignment for the benefit of creditors, make a formal or informal proposal to creditors to restructure debts because of insolvency, admit inability to pay obligations as they become due, file a voluntary petition of bankruptcy, do not obtain the dismissal of involuntary bankruptcy proceedings within thirty days of commencement, or are adjudicated bankrupt or insolvent.

(2) Fail to operate the Franchise continuously and actively for **5** consecutive days or for any shorter period after which it is reasonable under the facts and circumstances to conclude that you do not intend to continue the Franchise or maintain a suitable Franchise location.

(3) Fail to comply with any requirement of this Agreement or of any related agreement between the parties within twelve months after having received the most recent of two or more **30-**day or **15-**day Notices to Cure deficiencies in performance of the same or any other requirement pursuant to Subsection (A) above or this Section (B), whether or not you had corrected your earlier failures to comply after we delivered notice to you.

(4) Make or have made any material misrepresentation or misstatement on the Franchise application or with respect to ownership of the Franchise.

(5) Allow the Franchise or Gym to be seized, taken over, or foreclosed by a creditor, lien-holder, or lessor; let a final judgment against you remain unsatisfied for thirty days (unless a supersedeas or other appeal bond is filed); or allow a levy of execution upon the Franchise or upon any property used in the Franchise, that is not discharged by means other than levy within five days of the levy.

(6) Are convicted of a felony, or are convicted of any criminal misconduct relevant to the operation of the Franchise. You understand and agree that if you or any of your partners, officers, or directors pleads no contest to a felony or has an adverse final judgment entered in a civil action for fraud, dishonesty, conversion, misrepresentation or any other matter involving moral turpitude which, in our sole judgment, substantially impairs the goodwill associated with us, the Service Marks or the Shoot 360 System.

(7) Within a period of ten days after notification of noncompliance, fail to comply with any federal, state or local law or regulation applicable to the operation of the Franchise.

(8 Fail to pay any amounts owed pursuant to this Agreement within **15** days after receipt of written notice that the fees or amounts are overdue.

(9) Operate the Franchise in a manner that creates an imminent danger to public health or safety.

(10) Attempt to unilaterally repudiate this Agreement or the performance or observance of any of its terms, conditions, covenants, provisions or obligations by any conduct evidencing your intention to no longer comply with or be bound by this Agreement.

(11) You engage or attempt to engage in any act in violation of the Confidential Information requirements and Covenants against Competition and Solicitation expressed in this Agreement.

7.4 Time Frames Subject to Applicable Laws Because state laws vary, the provisions of this Agreement may state periods of notice less than those required by applicable law. They may provide for termination, cancellation, nonrenewal or the like other than according to applicable law. They will be extended or modified to comply with applicable law.

7.5 You Will Discontinue Use of Service Marks, Best Practices Manual, and Shoot 360 System on Termination of Agreement Substantial damages that are difficult to determine at the date of execution of this Agreement will accrue to us if you do not comply with any of the following requirements upon expiration or termination of this Agreement. Upon expiration or termination of this Agreement, you will:

A. Immediately cease using the Service Marks (or any names or marks deceptively similar to them), the Best Practices Manual and the Shoot 360 System.

B. Return to us all copies of the Best Practices Manual. Return to us all records, files, instructions, correspondence, and materials in your possession or control related to the Shoot 360 System You will give us a complete and accurate summary of your advertisers, customers, trainees, Players, and prospects, including their names, addresses, telephone numbers and related file records. You will assist us in every way possible to bring about a complete and effective transfer of your Franchise to us or to our designated franchisee.

C. If you are a Shoot 360 Gym franchisee, authorize telephone, Internet, email, electronic network, directory and listing entities to transfer all numbers, addresses, domain names, locators, directories and listings to our designee or us. Notify these entities of the termination of your right to use the Franchise names and Service Marks. You authorize the transfer of your telephone numbers and directory listings and Internet addresses, domain names and locators to our designees or us. You appoint us as your agent and attorney-in-fact to effect the transfer of these telephone numbers, directory listings, domain names and Internet directory listings to us. You agree that we will be treated as the subscriber for the telephone numbers and directory listings. We will have full authority to instruct the applicable telephone, directory and listing companies on the use and disposition of the telephone listings and numbers. You release and

indemnify these companies from any damage or loss because they follow our instructions.

D. Make reasonable modifications to the interior and exterior of any retained premises to reduce your identification as a part of the Shoot 360 System. These modifications will include reasonable alterations to eliminate any possibility of confusion between the Gym and any other Shoot 360 location. You will advise all customers, Players, trainees, and or prospects coming to the Gym or telephoning you that you are no longer associated with us.

E. Pay to us within seven days all Monthly Training Unit Fees, Local Advertising Contributions, and other sums you owe. These sums will include all damages, costs and expenses, including reasonable attorney's fees and collection costs, we incur because of your breach. These sums will include all costs and expenses, including reasonable attorney fees, we incur in obtaining injunctive, appellate, or other relief to enforce the provisions of this Agreement.

F. Abide by all provisions of the restriction upon communication of Confidential Information set forth above and the post-termination Covenant Not to Compete set forth above.

G. At our option, do some or all of the following:

(1) Remove the Shoot 360 System and all Franchise related building improvements, fixtures, equipment, furnishings, and inventory from the Gym;

(2) If you are a Shoot 360 Gym franchisee, sell the Gym, buildings, fixtures, equipment, furnishings, and inventory to us, at fair market value. We will not be liable for payment to you for intangibles, including, without limitation, goodwill;

(3) If you are a Shoot 360 Gym franchisee, assign to us the lease for the Gym and ownership and control of any Web Site you own or control pertaining to the operation of the Franchise;

(4) If you are a Shoot 360 Gym franchisee, sell to us your interest in the Franchise, the Gym, the Gym and all related buildings, equipment, fixtures, signs, real estate leases, equipment leases and personal property. Unless we state in writing that we do not intend to exercise this right, the parties must agree upon a purchase price and terms within five business days after termination of this Agreement. If not, a fair value and fair terms will be determined in Multnomah County, Oregon by three appraisers. Each party must select one appraiser. The two appraisers chosen must then select a third appraiser. Each party will pay for its own appraiser and each party will pay half for the third appraiser. The parties may then present evidence of the value of the Franchise and fair terms for the purchase. The appraisers must exclude from their decision any amount or factor for the "goodwill" or "going concern" value of the Franchise. The

decision of the majority of the appraisers will be conclusive. Any time within thirty days after receiving the appraisers' decision, at our option, we may purchase the Franchise and your assets at the price and upon the terms determined by the appraisers.

Upon expiration or termination of this Agreement, we may immediately license or franchise the Gym to another person and may operate Shoot 360 businesses within the Franchise Territory.

H. Upon expiration or termination for any reason, you will return to us all proprietary and confidential materials, including Player lists and transaction records, codes, signage, advertising and marketing materials, service agreements and other forms, printed files, Players account information, security codes and the like as described in the Best Practices Manual. If you fail to return or cease use of any of these items, we may enter your business premises without being guilty of trespass or any other tort to remove and retain the items. You will pay to us, on demand, any expenses we incur in trying to remove or collect the items or in attempting to have you cease use of them.

7.6 Our Step-In Rights The parties want to prevent any operation or interruption of the Franchise that would cause harm to the Franchise and to our franchise system and lessen their value. Therefore, if you are a Shoot 360 Gym franchisee, in addition to all other rights or remedies we may have, you authorize us to step in to operate the Franchise for as long as we reasonably believe necessary and practical in our exclusive judgment. We may do so without waiving any other rights or remedies that we may have. Cause for stepping-in may include our reasonable determination that: you are incapable of operating the Franchise; you are absent or incapacitated because of illness or death; you have failed to pay when due any real property, equipment rent or lease payments, suppliers, or inventory payments; you have failed to pay to us when due any franchise or other fee; you have failed to pay when due any taxes or assessments against the Franchise or property used in the Franchise; you have failed to pay when due any liens or encumbrances placed upon or against your business property; your business activities are having a negative impact upon the value of our franchise system; or we decide that significant operational problems require us to operate the Franchise for a time. We may exercise our step-in rights if you are ill or disabled, you, your lender, or the SBA requests our assistance or agrees to our proffered support and supervision, directly or indirectly or through contract agents. If you have a loan for the Franchise that is guaranteed by the Small Business Administration, our right to step-in will be limited to a **60**-day period unless otherwise requested or agreed with the lending bank at that time. Thirty days after exercising our step-in rights, we will re-evaluate your then-current status. At our discretion, we will either operate the gym for an additional 30-day period or turn the gym back over to you. In turning the gym back over to you, we do not waive our rights to step back in the future.

All Revenue from our operation of the Franchise will be for your exclusive account. We will pay from that Revenue all expenses, debts and liabilities we incur during our operation of the Franchise. This will include our personnel and administrative costs, plus 15 percent to cover our overhead expenses. In addition, we will have the option, but not the obligation, to pay for you any claims owed by you to any creditor or employee of the Franchise. You will reimburse us upon demand, including interest at applicable legal rates.

At our election, we will either administratively segregate or keep in a separate account all revenue generated by the operation of the Franchise, and use that revenue to pay the expenses

of operation during the step-in period. If administratively segregated, the revenue will be deposited in our general operating account and will be commingled with our general operating funds, subject however to our obligation to expend and retain them for you in accordance with the terms of this Section. We will furnish to you monthly financial statements of the revenue and expenditures made from them. Our books and records relating to the step-in will be available for your inspection during our normal business hours, upon reasonable notice, but we reserve the right to limit your inspection to once per month.

We will have no obligation to retain any employee of the Franchise or to honor any contractual employment commitments you previously made.

Upon our exercise of these Step-In Rights, you agree to hold us harmless for all of your acts, omissions, damages, or liabilities.

Our operation of the Franchise will not operate as an assignment to us of any lease or sublease of Franchise property. We will have no responsibility for payment of any rent or other charges owing on any lease for Franchise property, except as the charges relate to the period of our operation of the Franchise.

You agree to pay our reasonable legal and accounting fees and costs we incur because of our exercise of these Step-In Rights.

8. **TRANSFER**

8.1 Sale or Assignment**.**

A. If you are a Co-Branded Gym franchisee, you may transfer your rights and obligations under this Agreement upon our written consent, our consent will not be unreasonably withheld, delayed, or conditioned.

If you are a Shoot 360 Gym franchisee, your rights and obligations under this Agreement are exclusive to you. We have specifically approved each entity and individual franchisee and each owner of a franchisee entity and have found each appropriate and necessary for operation and promotion of the franchise – therefore no owner we have previously approved may lose or relinquish or transfer ownership without our prior written approval, which will to be unreasonably withheld.

This Agreement is not assignable by you, and any attempt to assign your rights and obligations under this Agreement will be void. Whether voluntarily or involuntarily, neither you, your owners, partners nor others claiming an interest in the Franchise will sell, transfer, assign, encumber, give, lease, sublease, or allow any other person to conduct business in or through (collectively called "Transfer") the whole or any part of: this Agreement, the Gym, substantial assets of the Franchise, or ownership or control of you. Any attempted Transfer without our prior written consent will be a breach of this Agreement. Our consent will not be unreasonably withheld. We need not consent to any Transfer before the date the Franchise opens for business.

Because we will have a strong and vested interest in the financial viability and ongoing management abilities of the transferee, we need not consent to any Transfer if we reasonably believe the purchase price is excessive or if we believe based upon a review of the transferee's operational and business plans that the transferee's business operations might not be beneficial on a cash flow or financial basis. We may require a review of the transferee's operational and business plans demonstrating that the transferee's business operations will work on a cash flow or financial basis in light of the operational history of the Franchise.

We need not consent to any Transfer to a competitor of ours.

We enter this Agreement, in part, in reliance upon the individual or collective character, skill, attitude, business ability and financial capacity of you (or your shareholders, members or partners, if you are a corporation, limited liability company, partnership or other entity).

You recognize that there are many subjective factors that comprise the process by which we select a suitable franchise owner. Our consent to a Transfer by you will remain a subjective determination. We need not consent to any Transfer unless all the following conditions are met:

(1) The transferee assumes your obligations to any and all third parties. You will remain bound by your covenants in this Agreement to not disclose Confidential Information and to not compete with our franchisees or us.

(2) You pay all ascertained or liquidated debts concerning the Franchise.

(3) You are not in breach of this Agreement or any other agreement between the parties. Our consent to the transfer will not constitute a waiver of any claims we may have against you.

(4) The transferee agrees to pay for and complete to our exclusive satisfaction the training programs we then require of new franchisees or otherwise show to our satisfaction sufficient ability to successfully operate the Franchise.

(5) You or the transferee pays a Transfer Fee according to our then current Transfer Fee Schedule. This fee will reimburse us for our reasonable legal, accounting, credit check and investigation expenses that result from the Transfer. The current Transfer Fee is **$10,000** to a new franchisee and $5,000 to an existing franchisee in the Shoot 360 system.

(6) You pay us a **10** percent commission on the gross sales price (excluding the price of real property), if we obtain the transferee for you.

(7) The transferee executes all documents we then require of new franchisees, including our Then-Current Franchise Agreement.

(8) The transferee meets our standards for quality of character, financial capacity, and experience required of a new or renewing franchisee. You will provide information we require to prove the transferee meets our standards.

(9) You and your owners, members, partners, officers, and directors execute a general release in our favor. The release must be in a form we prescribe, following applicable law, to release us from any claims you may have against us.

(10) The entire Initial Franchise Fee and entire Shoot 360 Package Price must be paid in full despite the due date for payment established by this Agreement.

(11) If the lease or sublease for the Gym requires, the lessor or sub-lessor must have consented to the assignment or sublease of the Gym to the transferee. All fixtures and equipment at the Gym must be inspected and certified by a qualified professional inspector to be in good working order and free of operational defects. It will be your responsibility to bring all fixtures and equipment to proper working order before the transfer takes place.

(12) You enter into an agreement to subordinate, to the transferee's obligations to us (including the payment of all Franchise fees), any obligations of the transferee to make installment payments of the purchase price to you. The form of this subordination is subject to our approval.

B. You may transfer your rights and obligations under this Agreement to a corporation or other entity in which you continuously own a majority of the issued and outstanding shares of each class of stock or other evidence of ownership. The entity must be newly organized with its activities confined exclusively to act as the franchisee under this Agreement. The entity must contemporaneously agree in writing to be bound by the terms of this Agreement. You must contemporaneously agree in writing to guarantee the obligations of the entity and to remain personally liable as a named principle party in all respects under this Agreement. You will be in breach of this Agreement if you at any time dispose of any interest sufficient to reduce your ownership in the entity to less than a majority of any class of stock or other evidence of ownership, except with our prior written consent.

From time to time, at our request, you will provide to us a current list of all your owners, shareholders, members, directors, officers, partners, and employees, with a summary of their respective interests in you.

C. We may Transfer this Agreement. If we do it will be binding upon and inure to the benefit of our successors and assigns. Specifically, you agree that we may sell our assets, assign the Service Marks, or sell the Shoot 360 System outright

to a third party, go public, engage in a placement of some or all of our securities, merge, acquire other entities or be acquired by other entities, or undertake a refinancing, recapitalization, re-organization, leveraged buyout or other economic or financial restructuring. As for any or all of these sales, assignments and dispositions, you waive any claims, demands or damages arising from or related to the loss of the Service Marks (or any variation of them) or the loss of association with or identification as part of our franchise system.

We will not be required to remain in any particular form of business or to offer to you products, whether or not bearing our Service Marks.

D. You may offer your securities or partnership interests to the public, by private offering, or otherwise. All materials required for the offering by federal or state law will be submitted to us for review before filing with any government agency. Any materials to be used in any exempt offering will be submitted to us prior to their use for review of your description of us, of the Shoot 360 franchise system, and of this Agreement. No offering by you will imply (by use of the Service Marks or otherwise) that we are participating in an underwriting, issuance, or offering of your securities. You and all other participants in the offering must fully indemnify us concerning the offering. For each proposed offering, you will pay to us the amount necessary to reimburse us for our reasonable costs and expenses associated with reviewing the proposed offering, including, legal and accounting fees. You will give us at least 60 days written notice before the effective date of any offering or other transaction covered by this subsection.

E. You may not grant a sub-franchise or Transfer less than all of your rights under this Agreement, and upon any attempt by you to violate this subsection, this Agreement will immediately terminate.

F. Our consent to a proposed Transfer will not be a waiver of any claims we may have against you (or your owners), nor will it be a waiver of our right to demand exact compliance with this Agreement.

G. You will comply with and help us to comply with any laws that apply to the Transfer, including state and federal laws governing the offer and sale of Franchises.

8.2 Your Death or Disability**.**

A. Besides the Step-In Rights described above, the following will apply in case of your death or incapacity if you are an individual, or of any general partner of you if you are a partnership, or of any member or shareholder owning 50 percent or more of you if you are a limited liability company or corporation or other legal entity. Within 180 days of the event, the heirs, beneficiaries, devisees or legal representatives of that individual, partner, member or shareholder will:

(1) Apply to us for the right to continue to operate the Franchise for the duration of the term of this Agreement. The right to continue will be granted upon the fulfillment of all of the conditions set forth in Subsection (A) of the section entitled "Sale or Assignment," above (except that no Transfer Fee will be required). Or,

(2) Transfer your interest according to the provisions of that Subsection. If a proper and timely application for the right to continue to operate has been made and rejected, the 180 days within which to Transfer will be computed from the date of rejection. For purposes of this Subsection, on an application for the right to continue to operate, our silence through the 180 days following the event of death or incapacity will be deemed an acceptance made on the last day of the period.

(3) If a suitable transferee purchaser is not found within 180 days from the date of death or permanent incapacity, we may at our sole option enter into a contract to purchase the Franchise. Unless we state in writing that we do not intend to exercise this right, the parties must agree upon a purchase price and terms within twenty business days after notice from us. If not, a fair value and fair terms will be determined in Multnomah County, Oregon by three appraisers. Each party must select one appraiser. The two appraisers chosen must then select a third appraiser. The parties may then present evidence of the value of the Franchise and fair terms for the purchase. The appraisers may not include in their decision a factor for the "goodwill" or "going concern" value of the Franchise. The decision of the majority of the appraisers will be conclusive. Any time within thirty days after receiving the appraisers' decision, at our option, we may purchase the Franchise and your related assets at the price and upon the terms determined by the appraisers. Terms of payment will be ten percent of the purchase price payable upon contract signing, the balance payable in sixty equal monthly payments of principal payments with interest calculated at the prime rate, published by your principal bank at time of each monthly principal payment.

B. If the provisions of this Subsection have not been fulfilled within the time provided, at our option, all rights licensed to you under this Agreement will immediately terminate and revert to us.

8.3 First Right of Purchase If you are a Shoot 360 Gym franchisee, you will give us the right of first purchase before soliciting offers from a third party if you choose to sell your Franchise. You agree to notify us in writing if you desire to sell or Transfer any interest in you or in your Franchise or in a substantial amount of the assets used in the Franchise. You will give us sufficient information and documentation to allow us to analyze the status and value of your business and due diligence information. We will elect to exercise our option to purchase within **30** business days after our receipt of your written notification and due diligence information. If we offer you an amount that you do not agree to, you may try to sell to a third party but on no better terms for the purchaser than we offered to you. If you later receive an offer from a third party purchaser on better terms to that purchaser than we offered to you, you are obligated to re-offer to us pursuant to the subsection entitled “First Right of Refusal.” You are obligated before any transfer to a third party to comply with all criteria set forth in the subsections entitled “Sale or Assignment” and “First Right of Refusal.”

8.4 First Right of Refusal If you are a Shoot 360 Gym franchisee, if you receive a bona fide offer from a third party acting at arm's length to purchase the Franchise, a majority interest in ownership of you or substantially amounts of the assets of the Franchise, which offer is acceptable to you or to your owners, we will have the right to purchase at the bona fide price on the same terms and conditions as offered to you. We may substitute cash for any other form of consideration contained in the offer. Our credit will be deemed to be equal to the credit of any proposed purchaser. At our option, we may pay the entire purchase price at closing. Within six days after receipt by you of an acceptable bona fide offer, you will notify us in writing of the terms and conditions of the offer. We may exercise this right to purchase within **30** days after receipt of notice from you. If the interest which is the subject of the offer involves less than all of the ownership interest, then in our sole option, our right of first refusal will apply to the entire ownership interest. In such case, the consideration to be received, as set forth in the offer shall be divided by the percentage interest subject to the offer and the resulting quotient shall be the price to be paid for the entire ownership interest. Terms and conditions for the purchase of the entire ownership interest shall be as similar to the terms and conditions set forth in the offer as practicable, except for the substitute provisions noted above in this section. You will give us sufficient information and documentation to allow us to analyze the status and value of your business. We may exercise this right to purchase within **30** days after receipt of notice from you and due diligence information.

If we do not accept the offer within **30** days, you may make the proposed Transfer to a third party. The Transfer will not be at a lower price or on more favorable terms than disclosed to us. Any Transfer will require our prior written permission described in the section entitled "Sale or Assignment," above. If the Franchise is not transferred by you within six months from the date it is offered to us, or if any material change is made in the terms of the proposed sale, then you must reoffer to Transfer to us before a Transfer to a third party.

9. INDEMNITY, INSURANCE, CONDEMNATION AND CASUALTY

9.1 Indemnity You will indemnify and hold us harmless from all fines, suits, proceedings, claims, demands, actions, losses, attorney fees and damages arising out of or connected with the Franchise and the business activities, acts or omissions of you and your employees and agents, including those brought against you and us jointly alleging that you and we were negligent or otherwise liable. We will not be liable to you or to any other person because of your act, omission, neglect, or breach. If it is established that both you and we were negligent or otherwise liable, you and we will contribute to the relevant award, and the obligation to indemnify and hold harmless shall be determined, based upon the adjudicated and assigned respective degree of fault. In the event of a settlement prior to adjudication, you and we will agree to degrees of fault. You and we will contribute to the relevant settlement, and the obligation to indemnify and hold harmless shall be determined, based upon the agreed degree of fault. All provisions of this Section will be subject to these contribution and allocation of indemnification provisions.

You will indemnify us for any loss, cost or expense, including attorneys' fees, that may be sustained by us because of the acts or omissions of your vendors or suppliers or arising out of the design or construction of the Gym.

This indemnification will include use, condition, or construction, equipping, decorating, maintenance or operation of the Gym, including the sale of any food products, service or merchandise sold from the Gym. Any loss, claims, costs, expenses, damages and liabilities shall include, without limitation, those arising from latent or other defects in the Gym, whether or

not discoverable by us, and those arising from the death or injury to any person or arising from damage to the property of you or us, and our respective agents or employees, or any third person, firm or legal entity.

You will defend us at your own expense in any legal or administrative proceeding subject to this Subsection. Attorneys we approve will conduct the defense. Our approval will not be unreasonably withheld. You will immediately pay and discharge any liability rendered against us in any proceeding, including any settlement that we approve in writing. You will not settle any claim against us without our prior written approval. In our sole discretion and upon prior written notice to you, we may settle or defend any claims against us at your expense, including attorney fees that we pay or incur in settling or defending. Promptly upon demand, you will reimburse us for any and all legal and other expenses we reasonably incur in investigating, preparing, defending, settling, compromising or paying any settlement or claim, including monies that we pay or incur in settling or defending such proceeding.

All references in this Agreement that provide that you will indemnify or defend us or that you will name us under any insurance policy will also mean that our affiliates, directors, officers, and employees will be also and equally indemnified, defended or named.

9.2 Insurance Upon commencement of Franchise operations, and during the term of this Agreement, you will obtain and keep in force by advance payment of premium appropriate fire and extended coverage, vandalism, malicious mischief, general liability, food borne illness and products liability insurance. This insurance will be in an amount sufficient to replace the Gym and your personal property upon loss or damage. You must use an insurance company satisfactory to us to write this insurance in accordance with our standards and specifications in the Best Practices Manual. The insurance will include, at a minimum, the following:

A. Comprehensive general liability insurance, including food borne illness and products liability, property damage, contractual liability, independent contractor's liability, owned and non-owned automobile coverage, and personal injury coverage with a combined single limit of at least $1,000,000 per occurrence and $2,000,000 aggregate, including umbrella coverage.

B. Workers' compensation and employer's liability insurance, and other insurance required by statute or rule of the state in which the Franchise is located and operated.

C. Business interruption insurance.

D. Employer Practice liability insurance.

E. Abuse and Sexual Misconduct liability.

The insurance will insure us, you, and our respective subsidiaries, owners, officers, directors, partners, members, employees, servants, and agents against any loss, liability, products liability, personal injury, death or property damage that may accrue due to your operation of the Franchise. Your policies of insurance will contain a separate endorsement naming us as an additional named insured. The insurance will not be limited in any way because of any insurance we maintain. The insurance will not be subject to cancellation except upon twenty days' written notice to us. Certificates of your insurance policies will be kept on deposit with us. Maintenance of the required insurance will not diminish your liability to us under the indemnities

contained in this Agreement. The policy or policies will insure against our vicarious liability for actual and (unless prohibited by applicable law) punitive damages assessed against you.

All insurance policies you obtain will contain a blanket waiver of the insurer's rights of subrogation in respect of or against us and our officers, agents, employees and representatives; and will not contain any insured vs. insured exclusion clause, but will contain a severability clause providing that each the policy will be treated as though a separate insurance policy had been issued to each named insured.

We may require you to increase the minimum limits of coverage to keep pace with regular business practice and prudent insurance custom.

If you fail to comply with any of the requirements of this Subsection, we may, but are not obligated to, purchase insurance at your expense to protect our interests. This insurance may, but need not, also protect your interest. The coverage we obtain might not pay any claim you make or any claim made against you. You may later cancel the insurance we obtain by providing evidence that you have obtained proper coverage elsewhere. You are responsible for the cost of any insurance purchased by us pursuant to this paragraph. This coverage may be considerably more expensive than insurance you can obtain on your own and might not satisfy your needs. You will pay us upon demand the premium cost of this insurance with a late payment charge on the unpaid balance at the rate established in this Agreement.

You will promptly report all claims or potential claims against you, the Franchise, or us in writing when you become aware of them. You will give immediate written notice to us of any claims or potential claims you make to your insurers.

We may, at our sole discretion, upon not less than 90 days prior written notice to you, secure a policy of insurance which will provide defined insurance coverage to all or any part of the Shoot 360 System. This policy may replace or supplement the insurance coverage you are required to maintain. You will pay the relevant insurance premium to us or the designated insurance provider, as we direct.

Nothing contained in this Agreement will be construed as a representation or warranty by us that the insurance coverage we specify will insure you against all insurable risks or amounts of loss which may or can arise out of or in connection with the operation of your franchise business. It is your sole responsibility to ensure that adequate insurance coverage is obtained for your business.

Your procurement and maintenance of the insurance specified above will not relieve you of any liability to us under any indemnity requirement of this Agreement.

9.3. Condemnation. You will give us notice of any proposed taking through the exercise of the power of eminent domain. Notice will be given within ten days of your first knowledge of the proposed taking. If the Gym or a substantial part of it is to be taken, the Gym may be relocated within the franchise territory or elsewhere with our prior written approval. The relocated premises may not infringe on the protected rights of any other franchise pursuant to our specifications and contractual obligations. Relocation must be completed and franchise business operations recommenced within a reasonable time after the closing of the initial Gym (but in any event, within one year after closing of the Gym). The new franchise location will become the Gym licensed under this Agreement. If a condemnation takes place and a new

franchise location does not open, for whatever reason, then this Agreement will terminate upon thirty days written notice from us to you.

9.4. Casualty. If the Gym is damaged by fire or other casualty, you will expeditiously repair the damage. If the damage or repair requires the closing of the Franchise, you will:

continue to pay Fees and Local Advertising Contributions based upon the monthly average paid for the preceding 12 month period or based upon the proceeds of any Business Interruption recovery you receive, whichever is greater,

immediately notify us,

repair or rebuild the Gym following our specifications, and

reopen the Franchise for continuous business operations when practicable (but in any event, within one year after closing of the Gym). You will give us not less than thirty days advance notice of the date of reopening.

If the Gym does not reopen within one year, this Agreement will terminate upon thirty days written notice from us to you.

9.5. Proceeds From Insurance or Recovery. The proceeds from any business interruption insurance or eminent domain recovery you receive will be included in Revenue.

10. **NOTICE AND MISCELLANEOUS**

10.1 Notices All notices required by this Agreement will be in writing. They may be sent by certified or registered mail, postage prepaid and "return receipt requested". They may be delivered by Federal Express, or other reputable air courier service, requesting delivery with receipt on the most expedited basis available. Notices will be delivered to you at the Gym, to us at our or our successors' headquarters, or to other locations specified in writing.

Notices may be delivered and receipted to you personally at any location.

Notices sent by certified or registered mail will be deemed to have been delivered and received three business days following the date of mailing. Notices sent by Federal Express, or other reputable air courier service will be deemed to have been received one business day after placement requesting delivery on the most expedited basis available.

10.2 Business Name You will execute any documents we may from time to time direct, to be retained by us until this Agreement ends, to evidence that you abandon, relinquish, and terminate your right or interest you may claim in or to the Service Marks and the name "Shoot 360."

10.3 We and You Are Not Joint Venturers, Partners, or Agents You are and will remain an independent contractor. You and we are not and will never be considered joint venturers, partners, employees, or agents one for the other. Neither will have the power to bind nor obligate the other except as otherwise outlined in this Agreement. No representation will be made by either party to anyone that would create any apparent agency, employment, or partnership. Each will hold the other safe and harmless from each other's debts, acts,

omissions, liabilities, and representations. You acknowledge that you are not in a fiduciary relationship with us.

In all public and private records, documents, relationships, and dealings, you will show that you are an independent owner of the Franchise. You will prominently indicate on your letterheads and business forms that you are our licensed franchisee by using language saying that you operate an independently owned Franchise. You will prominently display, by posting of a sign within public view, on or in the Gym, and on any vehicles you use that bear the Service Marks, a statement that clearly indicates that your franchise business is independently owned and operated by you as a franchisee and not as our agent.

You will maintain employee records to show clearly that you and your employees are not our employees.

The liability of you and your owners, shareholders, members or partners will be both joint and several. A breach of this Agreement by you or by any shareholder, member or partner will be a breach by all of the shareholders, members or partners and also by you.

10.4 Waiver A waiver of any breach of any provision, term, covenant, or condition of this Agreement will not be a waiver of any subsequent breach of the same or any other provision, term, covenant, or condition.

Any waiver of any provision of this Agreement must be set forth in writing and signed by the party granting the waiver. Any waiver we grant will not prejudice any other rights we may have, and will be subject to our continuing review. We may revoke any waiver, in our sole discretion, at any time and for any reason, effective upon delivery to you of **10** days prior written notice of revocation. Customs or practices of the parties in variance with the terms of this Agreement will not constitute a waiver of our right to demand exact compliance with the terms of this Agreement. Our delay, waiver, forbearance, or omission to exercise any power or rights arising out of any breach or default by you of any of the terms, provisions, or covenants of this Agreement, will not affect or impair our rights and will not constitute a waiver by us of any right or of the right to declare any subsequent breach or default. Our subsequent acceptance of any payment due to us will not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement.

By written notice, we unilaterally may waive any obligation of you, your owners, or the Guarantors.

Our consent, whenever required, may be arbitrarily withheld if you are in breach of this Agreement.

10.5 Time Is of the Essence Time and strict performance are of the essence of this Agreement. ("Time is of the essence" is a legal term that emphasizes the strictness of time limits. In this Agreement, it means it will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement, except in cases where this Agreement expressly provides for the consequences of a delay in performance.)

10.6 Documents You and your partners, shareholders, members, officers, and owners agree to execute and deliver any documents that may be necessary or appropriate during the term and upon expiration or termination of this Agreement to carry out the purposes and intent of this Agreement.

Any material violation or breach of any of these documents or of any other Franchise or related agreement between the parties will be a material violation of this Agreement and of all the other documents and agreements between the parties. The non-breaching party may enforce or terminate this Agreement and any or all of the other documents and agreements as provided for enforcement or termination of this Agreement.

If you are a partnership, all general partners will sign the documents. If you are a corporation or Limited Liability Company or other entity, all shareholders or members and all officers will personally guarantee your faithful performance.

You will assure that each of your owners, shareholders, general partners, members, directors, officers, managers, employees, consultants, distributors and agents will not compete with us; will not attempt to divert Players, customers, trainees or prospects to competing businesses; will not induce the employees of us or of our franchisees to leave their employment; and will keep, preserve, and protect confidential information as required by this Agreement.

10.7 Construction

A. Entire Agreement. This document, including any exhibits attached to this Agreement and the documents referred to in this Agreement, will be construed together and constitute the entire agreement between the parties. It supersedes all prior or contemporaneous agreements, or understandings, communications and negotiations, whether written or oral, with respect to the subject matter of this Agreement. There are no other oral or implied understandings between the parties with respect to the subject matter of this Agreement. Except as expressly and otherwise provided in this Agreement, this Agreement may not be modified, nor may any rights be waived or abridged, orally or by course of dealing, but only by a written instrument signed by the parties. The words "this Agreement" include any future modifications unless otherwise suggested by the context. No salesperson, representative, or other person has the authority to bind or obligate us in any way, except our president or a vice president at our home office by an instrument in writing.

No previous communications, negotiations, course of dealing or usage in the trade not specifically set forth in this Agreement will be admissible to explain, modify, or contradict this Agreement. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third party will have the right to claim the benefit of any provision of this Agreement as a third party beneficiary of that provision.

Nothing in this Agreement or any related agreement is intended to disclaim the representations we made to you in our franchise disclosure document.

B. Format. All words in this Agreement include any number or gender as the context or sense of this Agreement requires. The words "will" and "must" used in this Agreement indicate a mandatory obligation. This Agreement has been prepared in the "you/we" format to simplify it and to facilitate our compliance with state and federal franchise disclosure laws. The rule of construction that a written agreement is construed against the party preparing or drafting such agreement will specifically not be applicable to the interpretation of this Agreement.

C. Captions and Headings. All captions and headings are for reference purposes only and are not part of this Agreement. The recitals set forth in this Agreement are specifically incorporated into and constitute a part of the terms of this Agreement. If there is any typographical, word processing, printing or copying error in this Agreement, the error will be interpreted and corrected consistent with the following order of interpretation:

1. The content and expressed intent and exhibits of our Franchise Disclosure Document(s) previously delivered to you.

2. The content and expressed intent of franchise agreements we have executed with our other franchises reasonably contemporaneous to this Agreement.

D. Severability. If, any part of this Agreement is declared invalid, that declaration will not affect the validity of the remaining portion which will remain in full force and effect as if this Agreement had been executed with the invalid portion omitted. The parties declare their intention that they would have executed the remaining portion of this Agreement without including any part, parts, or portions which may be declared invalid in the future. Provided, however, that if we determine that the finding of invalidity materially and adversely affects the basic consideration of this Agreement, we may, at our option, terminate this Agreement.

E. Implied Covenants. If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. If applicable law implies such a covenant, the parties acknowledge and agree that:

1. This Agreement (and the relationship of the parties which is inherent from this Agreement) grants us the discretion to make decisions, take actions or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may favorably or adversely affect your interests;

2. We will use our business judgment in exercising our discretion based on our assessment of our own interests and balancing those interests against the interests of the owners of other Shoot 360 businesses generally (including us, our franchisees and parties related to us) and specifically without considering the individual interests of you or any other particular franchisee;

3. We will have no liability to you for the exercise of our discretion in this manner, so long as our discretion is not exercised in bad faith toward you; and

4. In the absence of bad faith, no trier of fact in any judicial or arbitration proceeding will substitute its judgment for the business judgment we exercise.

F. Joint and Several. If, at any time during the term of this Agreement, you consist of two or more persons or entities (whether acting in partnership or otherwise and whether or not all have signed this Agreement), the rights, privileges and benefits granted to you in this Agreement may only be exercised and enjoyed jointly; and your obligations, liabilities and responsibilities under this Agreement will be joint and several obligations of each such person and entity.

10.8 Enforcement/Dispute Resolution If a dispute arises, you and we agree to participate in at least **6** hours of mediation in accordance with the Mediation Procedures of the Arbitration Services of Portland, Inc., the American Arbitration Association, or any similar organization that specializes in the mediation of commercial franchise business disputes. You and we agree to equally share the costs of mediation.

The rights and liabilities of the parties arising out of or relating to this Agreement will be governed by the laws of the state of **Oregon** (except and only where federal substantive law applies, i.e., Lanham Act claims), and any dispute arising out of or relating to this Agreement will be submitted to binding arbitration in Multnomah County, Oregon, pursuant to the Commercial Arbitration Rules of Arbitration Services of Portland, Inc., the American Arbitration Association, or any similar organization that specializes in the arbitration of commercial franchise business disputes. You acknowledge and agree that this venue is reasonable for purposes of uniformity and best meets the interest of all of the members of the Shoot 360 franchise system, including you. Judgment on the award may be entered in any court of competent jurisdiction; provided, however, that either party may seek preliminary injunctive or other equitable relief pending arbitration to prevent irreparable harm. The prevailing party in any arbitration or litigation will be entitled to recover all reasonable expenses, including attorneys' fees in connection with the proceedings or any appeal. Any court proceedings authorized under this Section will be conducted exclusively in state or federal courts located in Multnomah County, Oregon.

The parties waive, to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against any other party and agree that the party making any claim directly or indirectly arising from or relating to this Agreement will be limited to recovery of actual and consequential damages sustained.

If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. If applicable law shall imply such a covenant, the parties acknowledge and agree that:

a. This Agreement (and the relationship of the parties which is inherent from this Agreement) grants we the discretion to make decisions, take actions or refrain from taking actions not inconsistent with we explicit rights and obligations under this Agreement that may favorably or adversely affect your interests;

b. we will use your business judgment in exercising your discretion based on your assessment of your own interests and balancing those interests against the interests of the owners of other we businesses generally (including we, we franchisees and parties related to we) and specifically without considering the individual interests of you or any other particular franchisee;

c. we will have no liability to you for the exercise of your discretion in this manner, so long as we discretion is not exercised in bad faith toward you; and

d. In the absence of bad faith, no trier of fact in any judicial or arbitration proceeding will substitute your judgment for the business judgment we exercises.

You recognize the unique value and secondary meaning attached to the Shoot 360 System, the Shoot 360 Marks and our standards of operation and trade practices. You agree that any noncompliance with the terms of this Agreement or any unauthorized or improper use of the Shoot 360 System or the Shoot 360 Marks will cause irreparable damage to us and our franchisees. You agree that if you engage in any unauthorized or improper use, during or after the period of this Agreement, we will be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction in addition to any other remedies prescribed by laws. No right or remedy conferred upon us is exclusive of any other right or remedy in this Agreement or provided by law or equity. Each will be cumulative of every other right or remedy.

We may employ legal counsel or incur other expense to collect or enforce your obligations or to defend against any claim, demand, action or proceeding because of your failure to perform your obligations. Legal action may be filed by or against us and that action or the settlement of it may establish your breach of this Agreement. If either event occurs, we may recover from you the amount of our reasonable attorney fees and all other expenses we incur in collecting or enforcing that obligation or in defending against that claim, demand, action or proceeding.

You agree that the existence of any claims you may have will not constitute a defense to the enforcement by us of any of the confidentiality requirements and covenants not to compete described in this Agreement. You acknowledge that any violation of the confidentiality requirements and covenants not to compete would result in irreparable injury to us for which no adequate remedy at law may be available and you accordingly consent to the issuance of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete.

You agree that each of the confidentiality requirements and covenants not to compete described in this Agreement will be constructed as independent of any other covenant or provision. If all, parts or any portion of any covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of that covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in this Agreement. Each of the covenants described in this Agreement is a separate and independent covenant in each of the separate counties and states in the United States in which we transact business. To the extent that any covenant may be determined to be judicially unenforceable in any county or state, that covenant will not be affected with respect to any other county or state. You understand and acknowledge that we will have the right, in our sole discretion, to reduce the scope of any of covenants, confidentiality requirements or covenants not to compete set forth in this Agreement that apply to you or to any other of our franchisees. We may do so without your consent, effective immediately upon your receipt of written notice. You agree that you will comply with any covenant that pertains to you as we so modify it.

You acknowledge we will suffer immediate and irreparable harm that will not be compensable by damages alone if you repudiate or breach any of the provisions of any part of this Agreement that relates to the confidentiality or protection of confidential information and trade secrets or your covenants to not compete against us or our franchise system or your threats or attempts to do so. For this reason, under those circumstances, we, in addition to and without limitation of

any other rights, remedies or damages available to us at law or in equity, will be entitled to obtain temporary, preliminary and permanent injunctions in order to prevent or restrain the breach, and we will not be required to post a bond as a condition for the granting of this relief. You also agree that a violation of any of your confidentiality or non-competition covenants will entitle us, in addition to all other remedies available at law or equity, to recover from you any and all funds, including, without limitation, wages, salary, and profits, which will be held by you in constructive trust for us, received by you in connection with such violation.

You specifically acknowledge the receipt of adequate consideration for the confidentiality and non-competition covenants contained in this Agreement and that we are entitled to require you to comply with these covenants. Those covenants will survive termination or expiration of this Agreement. You represent that if this Agreement expires or is terminated, whether voluntarily or involuntarily, you have experience and capabilities sufficient to enable you to find employment or otherwise earn a livelihood in areas which do not violate this Agreement and that our enforcement of a remedy by way of injunction will not prevent you from earning a livelihood.

10.9 Other Agreements If you or any of your shareholders, members, partners, or officers violate any material provision of any other Franchise or similar agreement with us, that breach will be considered a breach of this Agreement and of the other agreements. We then may terminate or otherwise enforce this Agreement and the other agreements.

Whenever this Agreement requires that you and we enter into a release, such as for a Transfer or renewal, the release will be in substantially the following form:

> You (and your owners, members, partners, officers, and directors) [and we] will agree to the following [mutual] general release, subject to and following laws applicable in your jurisdiction, to release [you from any claims we may have against you and] us from any claims you may have against us:
>
> In consideration of the mutual covenants and understandings between the parties, you [and we] will release and discharge us [the other] and our respective current and former owners, partners, directors, officers, employees and agents from all obligations, duties, covenants and responsibilities to be performed under your Franchise agreement with us related to the Franchise and the Gym ("your Prior Franchise Agreement").
>
> You [and we] will release and forever discharge us [the other] and our respective current and former owners, partners, directors, officers, members, employees and agents from any and all claims, demands, actions or causes of action of every name, nature, kind and description whatsoever, whether in tort, in contract or under statute, arising directly or indirectly out of the negotiation of, execution of, performance of, nonperformance, or breach of your Prior Franchise Agreement and any related agreements between you and us and out of any other action or relationship between you and us arising prior to the date of the release agreement.
>
> You and we will represent that this release has been read and that it is fully understood and voluntarily accepted. The purpose of this release is to make a full, final and complete settlement of all claims [against us], known or unknown, arising directly or indirectly out of your Prior Franchise Agreement and the

relationship between you and us prior to the date of the transfer [renewal] agreement including, but not limited to, economic loss.

It is expressly understood and agreed that this release is intended to cover and does cover not only all known losses and damages but any further losses and damages not now known or anticipated but which may later develop or be discovered, which arise under your Prior Franchise Agreement prior to the date of the transfer [renewal] agreement, including all effects and consequences.

This release is intended to waive, release and discharge all claims [against us], other than the following, which are expressly reserved:

any future claims we may have against you for: your past, present and future violations of the post-termination covenants contained in the Prior Franchise Agreement and [fill in blank as appropriate]

[any future claims you may have against us for:] [fill in blank as appropriate]

with the express waiver of any statute, legal doctrine or other similar limitation upon the effect of general releases. In particular, the parties waive the benefit of any applicable statutory provision such as by illustration, California Civil Code Section 1542, which states:

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

You [and we] will waive the benefit of both statutes and any other legal doctrine or principle of similar effect in any jurisdiction.

10.10 Agreement Binding on Successors and Assigns Subject to the provisions of this Agreement concerning assignment and transfer, this Agreement benefits and binds the respective heirs, executors, administrators, successors, and assigns of the parties.

10.11 Execution in Counterparts and Our Acceptance This Agreement will be binding upon you at the time you sign it and deliver it to us. This Agreement will not be binding upon us until we accept it in writing by one of our principal officers at our corporate office. If we do not accept it within sixty days, this Agreement will no longer be binding upon you. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will constitute an original. Delivery of executed signature pages of this Agreement by facsimile transmission will constitute effective and binding execution and delivery of this Agreement.

10.12 Approval by Shareholders, Members or Partners If you are a corporation, limited liability company, partnership or other entity, we will not be bound until your shareholders, members or partners read and approve this Agreement, agree to the restrictions on them (including restrictions on the transfer of their interest in the Franchise and the restrictions and limitations on their ability to compete with us and restrictions on one or more owners whom we have previously approved losing or relinquishing ownership), and jointly and severally guarantee

your performance under this Agreement. We may request a copy of the resolution approved by your partners, members, shareholders, owners or directors as confirmation of your fulfillment of this requirement and authorizing your execution of this Agreement.

Your ownership certificates will have conspicuously endorsed upon them a statement that they are subject to, and that further assignment or transfer of them is subject to, the restrictions imposed upon assignments by this Agreement.

If you are an entity with more than one owner, the partnership agreement, shareholders agreement, limited liability operating agreement or other similar agreement for the entity ("Owners Agreement") will be subject to the following provisions which will supersede any contrary provisions in that agreement:

1. Your owners ("Owners") agree to submit any dispute they cannot resolve relating to the operation and management of the franchise business to arbitration by our president or his designee. If the arbitration submission is accepted by our president, it must be held at our or our successors' headquarters or at another location the Owners and the arbitrator agree. The decision of the arbitrator will be final and subject to enforcement by the courts of competent jurisdiction. If the submission to arbitration is not accepted by our president, the Owners must resolve their disputes in accordance with the other provisions of this Agreement.

2. The term "operations and management" includes, but is not limited to, questions relating to:

    A. Allocations of management responsibilities between the Owners;
    B. Contributions to capital for purposes of business operations, repairs and remodeling;
    C. The reasonable salaries of the Owners;
    D. Marketing efforts;
    E. The termination of the employment of an Owner;
    F. Procedures for making and implementing management decisions;
    G. Whether on Owner has performed duties with respect to the operation or management of the franchise business.

3. Unless the Owners and the arbitrator agree in writing otherwise, "operation and management" does not include questions relating to:

    A. Allocations. computations or distributions of profit or loss:
    B. Accounting issues;
    C. Elections of officers of the entity;
    D. Investments of cash not necessary for the operation of the business;
    E. Determining whether an Owner is disabled or incompetent within the meaning of the Owners Agreement;
    F. The fair market value of the Owners' interests in the entity;
    G. Whether an event has occurred, which gives rise to a right to buy the interest of an Owner other than a right resulting from an Owner's default determined to exist under 2, above;
    H. Whether an Owner has met his obligations to purchase the interest of any current or former Owner;

I. Matters relating to the winding up of the entity after a dissolution;
J. Matters relating to the legal validity of the Owners Agreement.

4. The Owner or Owners who are to be responsible for operation of the franchise business must own capital interests in the entity and that the Owners of the entity must have voting rights proportionate to their interests in capital.

5. The Owners agree to notify us in writing of their intent to enter into, modify or amend any Owners Agreement. Notice must be given at least 10 business days before they enter into that agreement, modification or amendment. The purpose of this notice is to enable us to review it for compliance with this section.

6. Application of these provisions in the Owner's Agreement will be a condition to our consent to the transfer of the franchise to an entity.

10.13 Representations and Acknowledgments

A. Receipt of Disclosure Documents. You acknowledge that you have received our Franchise Disclosure Document at the earlier of (1) the first personal meeting with us (in Maryland, New York and Rhode Island); or (2) **14** calendar days before signing of this Agreement or any other Franchise or related agreement between you and us or our affiliate(s); or (3) **14** calendar days before any payment from you to us or our affiliate(s). In addition, you acknowledge either:

1. receipt of this Agreement containing all substantive terms at the time of delivery of the Franchise Disclosure Document; or

2. if we unilaterally or materially altered the terms and conditions of our standard Franchise agreement or any related agreements attached to the Franchise Disclosure Document, you acknowledge that you received a complete and final copy of this Agreement and its exhibits not less than **7** calendar days before you signed this Agreement.

B. You Have Read and Understand this Agreement. You acknowledge that you have had ample time to read and have read this Agreement and our Franchise Disclosure Document. You understand and accept the terms, conditions and covenants contained in this Agreement. They are necessary to maintain our high standards of quality, service and uniformity at all Franchises. They protect and preserve the goodwill of the Service Marks and the confidentiality and value of the Shoot 360 System. You have received advice from advisors of your own choosing regarding all pertinent aspects of this Franchise and the Franchise relationship created by this Agreement. You also acknowledge that you believe you have made a good decision for yourself or your partners or your corporation based upon what you believe is your ability to run and control a business of your own.

C. Varying Forms of Agreement. You are aware that some present and future Shoot 360 franchisees may operate under different forms of agreement and, consequently, that our obligations and rights in respect to our various present and future franchisees may differ materially in certain circumstances.

D. Speculative Success. The success of your Franchise is speculative and depends, to a large extent, upon your ability as an independent businessperson. You recognize that the business venture contemplated by this Agreement involves business risks. We do not make any representation or warranty, express or implied, as to the potential success of the Franchise.

E. Independent Investigation, No Projections or Representations. You acknowledge that you have entered this Agreement after conducting an independent investigation of us and of the Franchise. Your success will be dependent upon your ability as an independent businessperson. You have not relied upon any representation as to gross revenues, volume, cost savings, potential earnings or profits which you in particular might realize. Except as outlined in Item 19 of our Franchise Disclosure Document, we expressly disclaim the making of, and you acknowledge that you have not received, any representation, warranty, or guarantee, express or implied, concerning the potential revenues, cost savings, volume, profits, or success of the business venture contemplated by this Agreement. You acknowledge that neither we, nor any of our officers, directors, shareholders, employees, agents or servants, made any other representation about the business contemplated by this Agreement or that are not expressly set forth in this Agreement or our Franchise Disclosure Document to induce you to accept this Franchise and execute this Agreement. Any oral representations made by our representatives to you, whether or not set forth in earlier versions of our standard form Franchise agreement, have either been ratified by us by including the representations in this document or have been disavowed by excluding them from this Agreement.

F. No Review of Business Plans, Loan Applications. Prior to your execution of this Agreement, we have not given you any advice or review of any of your business plans or third party loan applications related to your purchase of and proposed operation of the Franchise. We do not receive or review business plans and loan applications before a franchisee signs the relevant franchise agreement. We have strongly recommended that you retain and work with your own independent accountant and financial advisors to fully review all financial aspects of your potential Franchise investment for you. You acknowledge that we will not provide financial assistance to you and that we have made no representation that we will buy back from you any products, supplies, or equipment you purchase in connection with your Franchise.

G. Your Location and Market Area. You acknowledge that we will not provide or designate locations for you. You have investigated the potential of the market area in which you are to establish and operate your Franchise business and the applicable laws and regulations (or will do so if you have not yet found a location for your Gym). You agree and represent that that market area is reasonable, the Gym will be suitable for the operation of a Shoot 360 franchise, and the Initial Franchise Fee represents fair consideration for the opportunity to establish and operate a Shoot 360 franchise.

H. Health and Full-Time Participation. You acknowledge that a Shoot 360 business involves hard work and sometimes long hours, similar to most small businesses that are owner operated. We have not represented that this business is going to be easy for you, your partners, officers or directors. You or your majority owner if

you are a corporation, limited liability company or partnership, must actively participate in the daily affairs of the business. You represent that you or your majority owner are in good health and able to devote your full time and best efforts in the day to day operations of your Franchise or that you have the business management skills necessary to successfully hire a general manager to run the day to day operations of your Franchise.

I. Terrorism, Convictions, Immigration Status. You represent to us, unconditionally and without reservation, that:

Neither you, nor your spouse, nor your children, nor your parents, nor any employee or prospective employee of the franchise business, nor anyone who has an interest in or who will manage the franchise, nor any of your partners or affiliates:

i) supports terrorism, provides money or financial services to terrorists, including but not limited to those individuals and organizations on the current U.S. government lists of persons and organizations that support terrorism as provided for by law, such as the list of "Specially Designated Nationals" and "Blocked Persons" under the "USA Patriot Act" 18 USC Section 1900 et seq, or Executive Order 13224 issued by the President of the United States of America;
ii) obtains money or financial services from terrorists or institutions that support terrorists, including but not limited to those individuals and organizations on the current U.S. government lists of persons and organizations that support terrorism as provided for by law, such as the list of "Specially Designated Nationals" and "Blocked Persons" under the "USA Patriot Act" 18 USC Section 1900 et seq. or Executive Order 13224 issued by the President of the United States of America;
iii) is engaged in terrorism, or in any activity, organization or plan with or of any person or organization, including but not limited to those individuals and organizations on the current U.S. government lists of persons and organizations that support terrorism as provided for by law, such as the list of "Specially Designated Nationals" and "Blocked Persons" under the "USA Patriot Act" 18 USC Section 1900 et seq. or Executive Order 13224 issued by the President of the United States of America;
iv) is on the current U.S. government lists of persons and organizations that support terrorism as provided for by law, such as the list of "Specially Designated Nationals" and "Blocked Persons" under the "USA Patriot Act" 18 USC Section 1900, et seq. or Executive Order 13224 issued by the President of the United States of America.

Neither you nor any of these persons has engaged in or been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes, and each is eligible under applicable U.S. immigration laws to communicate with and travel to the United States to fulfill your obligations under your agreements with us.

Neither you, nor your spouse, nor your children, nor your parents, nor anyone who has an interest in or who will manage the franchise, nor any employee or prospective employee of the franchise business, nor any of your partners or

affiliates has engaged in or been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes, and each is eligible under applicable U.S. immigration laws to communicate with, lawfully reside in, and travel to the United States to fulfill your obligations under your agreements with us.

You, your spouse, your children, your parents, and anyone who has an interest in or who will manage the franchise, and all employees or prospective employees of the franchise business, and all of your partners or affiliates are in the United States lawfully, have legal residence in the United States, and are lawfully permitted to work in the United States.

You represent and warrant that to your actual and constructive knowledge: (i) neither you (including your directors, officers and managers), nor any of your affiliates, or any funding source for your franchise, are identified on the list at the United States Treasury's Office of Foreign Assets Control (OFAC); (ii) neither you nor any of your affiliates are directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (iii) neither you nor any of your affiliates are acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (iv) neither you nor any of your affiliates are on the U.S. Department of Commerce Denied Persons, Entities and Unverified Lists, the U.S. Department of State's Debarred Lists, or on the U.S. Department of Treasury's Lists of Specialty Designated Nationals, Specialty Designated Narcotics Traffickers or Specialty Designated Terrorists, as such lists may be amended from time to time (collectively, the Lists); (v) neither you nor any of your affiliates, during the term of this Agreement, will be on any of the Lists; and (vi) during the term of this Agreement, neither you nor any of your affiliates will sell products, goods or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists. You agree to notify us in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

You represent and warrant that:

Neither you nor any of your owners or agents conducts any activity, or has failed to conduct any activity, if such action or inaction constitutes a money laundering crime, including any money laundering crime prohibited under the International Money Laundering Abatement and Anti-Terrorist Financing Act ("Patriot Act") and any amendments or successors thereto.

Neither you, any of your owners nor any employee or agent is named as a "Specially Designated Nationals" or "Blocked Persons" as designated by the U.S. Department of the Treasury's Office of Foreign Assets Control (currently, this list is published under the Internet website address: www.treasury.gov/offices/enforcement/ofac/), and that you are neither directly nor indirectly owned or controlled by the government of any country that is subject to a United States embargo, nor do you or your owners or agents act directly or indirectly on behalf of the government of any country that is subject to a United States embargo. You agree that you will notify us in writing immediately

of the occurrence of any event, which renders the foregoing representations and warranties of this subsection incorrect.

You understand and have been advised by legal counsel on the requirements of the applicable laws referred to above, including the United States Foreign Corrupt Practices Act (currently located at: www.usdoj.gov/criminal/fraud/fcpa.html), any local foreign corrupt practices laws and the Patriot Act (currently located at: www.epic.org/privacy/terrorism/usapatriot/), and you acknowledge the importance to us, the Shoot 360 System and the parties' relationship of their respective compliance with any applicable auditing requirements and any requirement to report or provide access to information to us or any government, that is made part of any applicable law or regulation. You will take all reasonable steps to require your consultants, agents and employees to comply with such laws prior to engaging or employing any such persons.

J. We May Investigate. We may conduct investigations and make inquiries of any person or persons we, in our reasonable judgment, believe appropriate concerning the credit standing, character, and professional and personal qualifications of you and your owners, shareholders, members and partners. You authorize us to conduct these investigations and to make these inquiries. We agree to comply with the requirements of laws that apply to these investigations and inquiries.

K. Release of Prior Claims. By executing this Agreement, you, on behalf of yourself and your heirs, legal representatives, successors and assigns, and each assignee of this Agreement, forever release and discharge us, our past and present employees, agents, members, area developers, officers, and directors, including any of our parent, subsidiary and affiliated entities, their respective past and present employees, agents, members, officers, and directors, from any and all claims relating to or arising out of any franchise agreement between the parties executed prior to the date of this Agreement, and all other claims relating to any dealings between any of the parties. However, this release does not apply to any claim you may have arising from representations in our Franchise Disclosure Document, or its exhibits or amendments.

L. **Force Majeure**. The failure of any party to perform under this Agreement will be excused, if the failure to perform is caused by a Force Majeure provided the party so affected will give the other party immediate written notice of the cause of nonperformance, will use its best efforts to avoid or remove the cause, and will continue performance under this Agreement whenever the cause is removed. "Force Majeure" includes, without limitation, any event caused by or resulting from conditions that are beyond the reasonable control of a party whose performance is affected and occurring without the party's fault or negligence. Examples of events of Force Majeure include, without limitation, an act of God; labor strike or other industrial disturbance; revolution; riot; civil commotion; acts of public enemies; catastrophe; failure of third party suppliers not under a party's control; transportation delay; war; insurrection; epidemic or pandemic; fire; hurricane; flood; earthquake or other natural disaster; adverse acts of any government; materials or labor shortage; failure of third party suppliers; social unrest or upheaval; economy/fiscal emergency or crisis; banking system delays or failure; abnormal inflation or deflation; delay or an act or failure to act of the other party;

accidental, negligent, or purposeful act or failure to act by a party or by any third person that materially damages or diminishes the value of the Marks (e.g. Dickey's Toxic Tea); etc.

M. NO REPRESENTATIONS, PROJECTIONS, OR WARRANTIES. WE HAVE NOT MADE ANY REPRESENTATIONS, PROMISES, GUARANTEES, PROJECTIONS, OR WARRANTIES OF ANY KIND TO YOU, YOUR OWNERS, OR THE GUARANTORS TO INDUCE THE EXECUTION OF THIS AGREEMENT OR CONCERNING THIS AGREEMENT EXCEPT AS SPECIFICALLY SET FORTH IN WRITING IN THIS AGREEMENT AND IN OUR FRANCHISE DISCLOSURE DOCUMENT THAT WE DELIVERED TO YOU. YOU ACKNOWLEDGE THAT NEITHER WE NOR ANY OTHER PARTY HAS GUARANTEED YOUR SUCCESS IN THE BUSINESS CONTEMPLATED BY THIS AGREEMENT.

11. **SIGNATURES**

IN WITNESS, the parties have executed this Agreement on the day and year first above written.

("We/Us"): **SHOOT 360 NATION, LLC** (jointly and severally "You"):

By:_____ Signature: _____

Title: _____ Print Name: _____, an individual

IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER ENTITY: THIS AGREEMENT MUST BE SIGNED BY A COMPANY OFFICER. ADDITIONALLY, THE AGREEMENT MUST BE SIGNED BY ALL OFFICERS AND OWNERS OF THE COMPANY AS INDIVIDUALS.

The undersigned officer _____ being the _____ of _____, pursuant to authority granted to him at a duly called meeting of the company on the __ day of _____, 202____, executes this instrument, by signing the name of the company, as an officer.

("We/Us"): **SHOOT 360 NATION, LLC** ("You"):_____

By:_____ By: _____

Title:_____ Title:_____

By: _____

Title:_____

INDIVIDUAL(S):

_____ _____

IF YOU ARE A PARTNERSHIP: THIS AGREEMENT MUST BE SIGNED BY ALL GENERAL PARTNERS. THE AGREEMENT MUST ADDITIONALLY BE SIGNED BY ALL GENERAL PARTNERS, AS INDIVIDUALS.

The undersigned partner, _____, being a General Partner authorized to execute this Agreement on behalf of the partnership, executes this instrument by signing the name of the partnership by himself, as general partner of the partnership.

("We/Us"): **SHOOT 360 NATION, LLC** ("You"):_____

By:_____ By: _____

Title:_____ Title: _____

By: _____

Title: _____

SCHEDULE 1 TO THE FRANCHISE AGREEMENT

FRANCHISE LOCATION AND TERRITORY

1) **FRANCHISE TERRITORY**: The Franchise Territory is [the city limits as of _____, 20__ of _____, _____.]

2) **FRANCHISE PREMISES**: The Franchise Premises is or will be located at _____.

The site of the Franchise Premises and the boundaries of the Franchise Territory are based on the physical location of the references used to describe the Franchise location or the boundaries of the territory on the date of this Agreement. If a street address is used to describe a location, the renumbering of the address will not serve to move the location. If a specified boundary of the Franchise Territory is described as a street, the center line of the street is intended; if the boundary is described as a political dividing line (such as a city limit), the line utilized by the appropriate political jurisdiction is intended. The area and physical location of any Franchise Premises location or of the Franchise Territory will not be altered by a subsequent movement of the references originally used to describe them. Also, it is only those points to the "inside" of the boundary that form a part of the Franchise Territory (for example, if a Franchise Territory is bounded on the north by Main Street, only the area south of the center line of Main Street is within the Franchise Territory).

For all calculations based upon a distance (for example, the boundaries of your Franchise Territory), the measurement will be made [in a straight line] [following the current shortest driving distance on major/principle streets and highways in every possible direction measured by the centerline] between the nearest points; if any portion of an object is within the prescribed distance from a point, the entire object is considered to be within that distance.

OR

*3) **DESIGNATED AREA**: If either the Franchise Territory or the Franchise Premises has not been determined when this Agreement is executed, you are responsible for selecting the site for your Franchise Premises within the following Designated Area: _____.*

The Franchise Territory and your franchise site must be in the United States of America, legally available pursuant to state and federal franchise and business opportunity disclosure and registration laws and pursuant to our contractual commitments (including those with our other franchisees) and in compliance with our franchise placement, market development and demographic criteria.

Except as specifically outlined or forbidden in the relevant Franchise Agreement, there are no understandings oral or written concerning the future placement of gyms by any party and concerning any territory protections granted to you.

To obtain our approval of a proposed site, you must submit a written site proposal to us, in the form indicated in the Operations Manual. Once our initial approval has been obtained, you will

obtain for our approval a letter of intent or copy of the proposed lease setting forth all of the material terms and conditions for your occupancy and use of the proposed site written agreement of the owner or master tenant of the proposed site to execute our form Addendum to Lease. You will be solely responsible for negotiating the terms of the lease.

Following receipt of your written site proposal, we may, in our sole discretion, make an on-site visit to the proposed site at our expense if we reasonably believe that physical inspection of the demographic conditions of the area, or the proposed site, is necessary or desirable to evaluate your proposal. You understand and agree that the on-site visit is at our option and not required by this Agreement. If you propose more than one site and we determine that we must make more than one site visit in connection with the site review process, we may charge you a Site Review Fee of $1,000/day plus reimbursement of our reasonable travel expenses, including, without limitation, expenses for air and ground transportation, lodging, meals, and miscellaneous travel-related personal charges, which you will pay to us within 15 days of invoice.

We will have 30 days following receipt of your completed site proposal to complete any site visit that we choose to make and approve or disapprove the proposed site by giving written notice to you (the "Site Approval Notice"). If you propose more than one site, we need only approve one site or may disapprove all proposed sites. Our failure to give timely notice of approval will constitute our disapproval of all sites you proposed.

Our approval of a site signifies only that the site meets our current site criteria and that the owner or master tenant of the proposed site will execute our form Addendum to Lease and permit you to occupy the site the purpose of operating a franchise on the terms of this Agreement. Our approval of a site does not certify that your development, use or occupancy of the site will conform to applicable law, or guaranty or warrant that operation of a franchise at the site will be successful or profitable. In approving the site, we have no duty to investigate or inform you about the commercial building permits, availability of relevant licenses, zoning requirements and other building conditions applicable to developing the approved site, which you are solely responsible for investigating. The fact that we may, in our sole discretion, offer you advice, recommendations or services in connection with site location, lease negotiation or building conditions will not constitute an admission on our part that we are responsible for identifying potential sites, negotiating the lease or investigating the feasibility of the site. You understand that site investigation, site selection and lease negotiation are your sole responsibility, subject to our right to approve the site on the terms of this Agreement. You understand that we recommend that you retain the services of a professional site investigation company to help you evaluate the feasibility and costs of developing the site.

SCHEDULE 2 TO THE SHOOT 360 GYM FRANCHISE AGREEMENT
ASSIGNMENT OF LEASE

SHOOT 360 GYM LEASE AGREEMENT RIDER

THIS RIDER has been entered this ____ day of _____, 202__. It is by and between _____, ("Landlord") and _____ (jointly and severally "Tenant").

RECITALS

On or about _____, 202__, Landlord and Tenant executed a lease agreement (the "Lease Agreement") by which Tenant leased from Landlord real property for Tenant's operations of a Shoot 360 basketball training facility franchise at the following location: _____ (the "Gym").

On or about _____, 202__, Tenant and Shoot 360 Nation, LLC (the "Franchisor") executed a franchise agreement (the "Franchise Agreement") for Tenant to operate a Shoot 360 basketball training facility franchise at the Gym.

Landlord and Tenant desire to execute this addendum to the Lease Agreement to give Franchisor certain rights to the Gym as required by the Franchise Agreement.

THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties agree as follows:

1. **Use of Gym**. Landlord acknowledges and agrees that the Gym may be used only for the operation of a Shoot 360 basketball training facility facility. Landlord permits Tenant to use and display the following service marks, trademarks, and commercial logos: Shoot 360 basketball training facility, and all other marks that Franchisor develops for a Shoot 360 basketball training facility facility in the future.

2. **Landlord Reports and Disclosures to Franchisor**. Tenant acknowledges and agrees that Landlord may, upon Franchisor's written request, disclose to Franchisor all reports, information, or data in Landlord's possession respecting sales made in, upon, or from the Gym and Tenant's business operations.

3. **Assignment to Franchisor**. Anything contained in the Lease Agreement to the contrary notwithstanding, Landlord agrees that without Landlord's consent, the Lease Agreement and Tenant's right, title and interest, may be assigned by Tenant to Franchisor, without cost or penalty. Landlord grants to Franchisor the right, at Franchisor's election, to receive an assignment of the Lease Agreement and the leasehold interest in the Gym, upon termination or expiration of Tenant's Franchise Agreement.

4. **Tenant's Default; Notice to Franchisor**. Landlord will give written notice to Franchisor (concurrently with the giving of notice to Tenant) of any breach by Tenant under the Lease Agreement. Franchisor will have the right (but not obligation), in Franchisor's sole discretion, to cure any breach at Tenant's expense within **15** business days after the expiration of the period in which Tenant had to cure the default. Notice will be sent to the following address, or to the address Franchisor may, from time to time, specify in writing to Landlord:

SHOOT 360 NATION, LLC
12403 NE 60th Way, #D-1
Vancouver, Washington 98682
360-433-9841
Franchise@Shoot360.com

5. **Gym De-identification**. Upon termination, expiration, or non-renewal of the Lease Agreement, Tenant may de-identify the Gym. If Tenant fails to do so, Landlord gives Franchisor the express right to de-identify. De-identification consists of removal of all signs; modification or remodeling of all identifying architectural features; repainting as necessary to no longer use the color scheme used by Franchisor; and any other steps necessary (in Franchisor's reasonable discretion) to effectively distinguish the Gym from Franchisor's proprietary designs and marks.

6. **Renewal, Extension, or Cancellation of the Lease Agreement**. Landlord will not extend, renew, or cancel the Lease Agreement without Franchisor's prior written consent, which consent will not be unreasonably withheld.

7. **Signatures**.

IN WITNESS, the parties have executed this Rider on the day and year first above written.

("Landlord"):

By: _____
Title: _____

("Tenant"):

By: _____
Title: _____

SCHEDULE 3 TO THE FRANCHISE AGREEMENT

SBA LOAN ADDENDUM

ADDENDUM TO LICENSE [1] AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between _____ ("Licensor"), located at _____, and _____ ("Licensee"), located at _____.

Licensor and Licensee entered into a License Agreement on _____, 20___, (such Agreement, together with any amendments, the "License Agreement"). Licensee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the License Agreement or any other document Licensor requires Licensee to sign:

CHANGE OF OWNERSHIP

- If Licensee is proposing to transfer a partial interest in Licensee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Licensee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the (Enter type of) interest or any portion thereof, the transferor will not be liable for the actions of the transferee Licensee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the License Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Licensee owns the real estate where the licensee location is operating, Licensee will not be required to sell the real estate upon default or termination, but Licensee may be required to lease the real estate for the remainder of the (enter type of) term (excluding additional renewals) for fair market value.

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

COVENANTS

- If the Licensee owns the real estate where the licensee location is operating, Franchisor has not and will not during the term of the License Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Licensee 's real estate, they must be removed in order for the Licensee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Licensee 's employees. For temporary personnel franchises, the temporary employees will be employed by the Licensee not the Franchisor .

As to the referenced License Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Licensee .

Except as amended by this Addendum, the License Agreement remains in full force and effect according to its terms.

Franchisor and Licensee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

Authorized Representative of FRANCHISOR :

By: _____

Print Name: _____

Title: _____

Authorized Representative of LICENSEE :

By: _____

Print Name: _____

Title: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Licensee . Additionally, the applicant Licensee and the (type of agreement) system must meet all SBA eligibility requirements.

SCHEDULE 4 TO THE SHOOT 360 GYM FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT

In consideration of the granting of a franchise to you and other valuable consideration given by **SHOOT 360 NATION, LLC**, a Washington limited liability company ("us"), you assign to us all telephone numbers; telephone and internet listings; website and social media addresses and domain names you use in the operation of the franchise. We assume the performance of all of the terms, covenants and conditions of your related agreements with utilities and providers with the full force and effect as of the date we assume control under the relevant agreements as if we had originally been named as the contracting party under in the agreements.

We will hold this assignment, and will deliver it to interested third parties only upon termination of the Franchise Agreement between us and you dated _____ the ____ day of _____, 202__.

DATED this ___ day of _____, 20__.

("We/Us"): **SHOOT 360 NATION, LLC** ("You"):

By: _____ By:

Title: _____ Title:

By:

Title:

SCHEDULE 5 TO THE SHOOT 360 GYM FRANCHISE AGREEMENT

ABANDONMENT, RELINQUISHMENT, AND TERMINATION OF ASSUMED OR FICTITIOUS BUSINESS NAME

Pursuant to the provisions of relevant state laws concerning the registration and use of assumed or fictitious business names, the undersigned applicant, being a franchisee of **SHOOT 360 NATION, LLC**, submits the following to evidence its intent to abandon, relinquish and terminate its right to use the business name **Shoot 360**:

1. Name of Applicant who is Using the Assumed or Fictitious Business Name:

   _____

   _____

   a(an) individual/partnership/corporation organized and doing business under the laws of the State of _____

2. Date When Original Assumed or Fictitious Business Name was Filed by Applicant: _____

3. Address of Applicant's Registered Office in the State of: _____

   _____

   _____

   _____

4. Please cancel the Applicant's registration to use the name **Shoot 360**

DATED: _____

_____
Applicant

By:_____

Title:_____

SCHEDULE 6 TO THE SHOOT 360 GYM FRANCHISE AGREEMENT

ELECTRONIC DEBIT AUTHORIZATION FORM

The undersigned (the "Franchisee") acknowledges that on or about _____, 20__, Franchisee and Shoot 360 Nation, LLC ("Shoot 360") entered into a Franchise Agreement (the "Agreement") for the operation of a franchise.

To enable Shoot 360 to receive automatic payments pursuant to the Agreement and Shoot 360's Best Practices Manual, Franchisee authorizes (the "Authorization") Shoot 360 to withdraw funds from and otherwise initiate debit entries to Franchisee's checking account, indicated below, and the depository named below (the "Depository"), to debit the same to such account.

Depository Name: _____
Branch: _____
City State and Zip: _____
_____
Transit/ABA#: _____
Bank Account Name: _____
Bank Account Number: _____
Tax ID for Account: _____

This Authorization is to remain in full force and effect until the underlying obligations of the Agreement have been satisfied in full or expressly released in writing by Shoot 360. Franchisee expressly agrees that this Authorization will apply to any and all depositories and bank accounts which Franchisee opens during the term of the Agreement and any renewal terms. Without limiting the above, Franchisee acknowledges and agrees that if Franchisee closes any bank account, Franchisee will:

1) immediately notify Shoot 360 in writing;
2) open or otherwise establish another bank account;
3) execute and deliver to Shoot 360 all documents necessary for Shoot 360 to begin and continue making withdrawals from such bank account/depository by ACH debiting or other electronic means.

Franchisee expressly acknowledges and agrees that this Authorization will be the only written authorization needed from Franchisee in order to initiate debit entries/ACH debit originations to Franchisee's bank account(s) established with any depository in the future.

Name of Franchisee(s): _____
_____

Signature: Sample - Not for Execution
Print Name: _____
Title: _____
Date: _____

Notice to Franchisee

1) ATTACH ONE VOIDED CHECK HERE.
2) ENSURE TO COMPLETE ALL BLANK SPACES ABOVE.

RETURN **2** ORIGINAL COPIES OF THIS FORM TO SHOOT 360 IMMEDIATELY

SCHEDULE 7 TO THE FRANCHISE AGREEMENT

Monthly Training Unit Fee

Total Training Units: _____

Items of Equipment: See Basketball Training Equipment Sales Purchase - Schedule 8

Number of Units: Monthly Training Unit Fee: $_____

Shoot 360 Franchise Equipment & Licensing Fee Price List (Tier 1)									
# of Training Units (Minimum 2)	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10+**
Monthly Licensing Fee per Training Unit *	$ 1,600	$ 1,550	$ 1,500	$ 1,450	$ 1,400	$ 1,350	$ 1,300	$ 1,250	$ 1,200
Total Monthly Licensing Fees for All Training Units	**$ 3,200**	**$ 4,650**	**$ 6,000**	**$ 7,250**	**$ 8,400**	**$ 9,450**	**$ 10,400**	**$ 11,250**	**TBD**
Purchase Price per Training Unit **	$ 47,500	$ 45,000	$ 45,000	$ 44,000	$ 44,000	$ 43,000	$ 43,000	$ 42,000	$ 42,000
Total Purchase Price of Training Units**	**$ 95,000**	**$ 135,000**	**$ 180,000**	**$ 220,000**	**$ 264,000**	**$ 301,000**	**$ 344,000**	**$ 378,000**	**TBD**

* *Training Unit is One Complete Shooting Cage Set-up and One Complete Ball Handling/Passing Station Set-up*

** *Add approximately $3 - $4K per training unit for freight and travel expenses*

Included & Optional Features									
	Included	**Included**	**Included**	**Included**	**Included**	**Included**	**Included**	**Included**	**Included**
Facility Design Consultation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equipment Installation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Training	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Point of Sale System	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Billing Software	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Scheduling Software	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Profile Software	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Management Dashboard & Report Server	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Member Login Portal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mobile App	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Premium Training & Gaming Software	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Premium Machine Firmware	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Tech Support	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Software Updates	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Standard Manufacturer Equipment Warranty	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lead Generation	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional
Advertising Platform	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional

Shoot 360 Franchise Equipment & Licensing Fee Price List (Tier 2)

# of Training Units (Minimum 2)	2	3	4	5	6	7	8	9	10+
Monthly Licensing Fee per Training Unit *	$ 1,400	$ 1,350	$ 1,300	$ 1,250	$ 1,200	$ 1,150	$ 1,100	$ 1,050	$ 1,000
Total Monthly Licensing Fees for All Training Units	**$ 2,800**	**$ 4,050**	**$ 5,200**	**$ 6,250**	**$ 7,200**	**$ 8,050**	**$ 8,800**	**$ 9,450**	**TBD**
Purchase Price per Training Unit **	$ 47,500	$ 45,000	$ 45,000	$ 44,000	$ 44,000	$ 43,000	$ 43,000	$ 42,000	$ 42,000
Total Purchase Price of Training Units **	**$ 95,000**	**$ 135,000**	**$ 180,000**	**$ 220,000**	**$ 264,000**	**$ 301,000**	**$ 344,000**	**$ 378,000**	**TBD**

** Training Unit is One Complete Shooting Cage Set-up and One Complete Ball Handling/Passing Station Set-up*

*** Add approximately $3 - $4K per training unit for freight and travel expenses*

Included & Optional Features	Included	Included	Included	Included	Included	Included	Included	Included	Included
Facility Design Consultation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equipment Installation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Training	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Point of Sale System	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Billing Software	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Scheduling Software	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Profile Software	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Management Dashboard & Report Server	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Member Login Portal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mobile App	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Premium Training & Gaming Software	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Premium Machine Firmware	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Tech Support	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Software Updates	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Standard Manufacturer Equipment Warranty	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lead Generation	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional
Advertising Platform	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional

SCHEDULE 8 TO THE FRANCHISE AGREEMENT

Basketball Training Equipment Purchase

The Shoot 360 Package Price of the Basketball Training Equipment is set forth below. Along with the Shoot 360 Package Price you also agree to pay us all applicable sales (or similar) tax. A charge of 1-1/4% per month (or the rate otherwise permitted by law, whichever is lower) on the unpaid balance for any late payment will be due.

We will deliver and you will accept delivery of the Basketball Training Equipment at the address set forth in Schedule 1 of the Agreement unless a different address is provided in writing. You will bear all shipping, installation and transit insurance costs. Basketball Training Equipment will be shipped FOB point of shipment.

WARRANTY. FOR EQUIPMENT MANUFACTURED BY US, WE WARRANT THAT THE EQUIPMENT WILL BE MANUFACTURED IN ACCORDANCE WITH OUR THEN CURRENT SPECIFICATIONS. ANY CLAIMS ON THIS WARRANTY MUST BE MADE WITHIN ONE YEAR OF DELIVERY OF THE EQUIPMENT. WITH RESPECT TO EQUIPMENT MANUFACTURED BY OTHERS, WE HEREBY ASSIGN TO YOU ALL WARRANTIES WE RECEIVE, BUT WE MAKE NO INDEPENDENT WARRANTY. WE MAKE NO OTHER WARRANTY, EXPRESS OR IMPLIED, AS TO THE DESIGN, OPERATION, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP IN, THE EQUIPMENT AND ALL WARRANTIES INCLUDING WARRANTIES OF, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE EQUIPMENT ARE HEREBY EXCLUDED EXCEPT FOR THE BASKETBALL TRAINING PURPOSES EXPRESSLY PROVIDED FOR IN THIS AGREEMENT. YOU AGREE THAT WE WILL IN NO EVENT BE LIABLE FOR DAMAGES ARISING IN STRICT LIABILITY OR FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, HOWEVER ARISING. OUR LIABILITY WILL UNDER NO CIRCUMSTANCES EXCEED THE PURCHASE PRICE OF EACH ITEM OF EQUIPMENT SET FORTH IN THIS SCHEDULE.

Title to the Basketball Training Equipment will be free and clear of all liens, claims and encumbrances of any kind and will vest in you upon payment by you to us of the full Shoot 360 Package Price, including any taxes. We will retain and you hereby grant to us a purchase money security interest in the Basketball Training Equipment as security for payment in full to us of the Shoot 360 Package Price and taxes. You hereby authorize us to file Uniform Commercial Code financing statements to perfect our security interest in the Basketball Training Equipment.

Shoot 360 Package Price: $_____

Payment Terms: 50% of the entire purchase price down,
25% 90 days before shipping date,
15% at the time of shipping, and
remaining 10% plus additions, freight charges, and installer's travel upon delivery and installation.

Installation and Training Fees: $_____

Freight and Travel Fees **$** **$**_____

List and Pricing of Shoot 360 Package Basketball Training Equipment Purchased:

SCHEDULE 9 TO THE SHOOT 360 GYM FRANCHISE AGREEMENT

FRANCHISE AGREEMENT ADDENDUM
FIRST RIGHT OF OFFER

This Addendum is between **Shoot 360 Nation, LLC,** a Washington limited liability company ("we, us") and _____ (jointly and severally "you").

The following additional provisions are agreed to by the parties with respect to the attached Shoot 360 Franchise Agreement dated the ___ day of ___, 202__, of which this Addendum is a part (the "Franchise Agreement.") In the event of conflict, the provisions of this Addendum supersede the corresponding provisions of the Franchise Agreement.

You desire the first right of offer from us for certain rights related to the future development of Shoot 360 Gyms (as defined in the Franchise Agreement) within the First Right Area (as defined below) and we desire to grant to you such rights, as outlined in this Addendum.

Now, therefore, in consideration of the mutual covenants set forth below, the parties agree as follows:

1) **First Right of Offer**.
During the first year of the initial term of the Franchise Agreement, we give you the right of first offer before we move forward to construct and open a Shoot 360 gym or before soliciting offers from a third party if we choose to sell a Shoot 360 franchise within the First Right Area (the "First Right Area"). We agree to notify you in writing if we desire to open or to sell. We will give you sufficient information and documentation to allow you to analyze the status and value of the proposed business and related due diligence information. You will elect to exercise your option to purchase within **30** business days after your receipt of our written notification and due diligence information. If you offer us a purchase price and terms amount that we do not agree to, we may move forward to open or try to sell to a third party but on no better terms for the purchaser than you offered to us.

You must exercise this right to purchase within **30** days after receipt of the First Offer notice from us by sending us:

(a) written notice of your election to exercise this First Right of Offer; and,

(b) an overview regarding your management team and management plan regarding the specific location to be purchased, which you will operate as a Shoot 360 Gym.

If you exercise your First Right of Offer and we approve regarding the management team and management plan (which approval will not be unreasonably or in bad faith withheld) you and we will sign our then-current franchise agreement for the rights offered or discussed in the First Offer Notice and you will pay to us the Initial Franchise Fees, set-up fees, monthly fees, installation and training fees, and other fees and prices and costs outlined in the First Offer Notice. Payments will be made or otherwise begin within **60** days after your exercise of the First Right of Offer, provided that such time frame may be reasonably adjusted to ensure that the sale is done in compliance with applicable federal or state franchise disclosure and registration

laws and regulations, if any. For the purposes of this Agreement, “then-current” means the standard forms and fees and prices that we then currently use with prospective franchisees and any other non-standard terms or conditions as set forth in the First Offer Notice. If you exercise the First Right of Offer, nothing in this Addendum prevents the third-party franchise prospect from seeking another franchise location within the First Right Area, which too will be subject to this Addendum.

It will be a condition precedent to our obligations, that you will have performed all of your obligations under and following all franchise and other agreements between you and us.

We will not be obligated to grant you a franchise under this Addendum until your first franchise is open, in full operation, and has achieved certification as a training franchise for your franchise organization. We will not be obligated to grant you a franchise for any additional franchise unless

> (i) each preceding franchise has been open and in operation for at least 1 month, unless otherwise specified;
> (ii) is profitable based on the accounting system we specify;
> (iii) is operated in full compliance with the relevant franchise agreement(s); and
> (iv) has a fully trained general manager assigned to the franchise on a full-time capacity. You are solely responsible for the terms and conditions of the general manager’s employment.

You agree to give us all information and materials we request to assess each proposed franchise location and your financial and operational ability to develop and operate each proposed franchise. We will not unreasonably withhold approval of any site you propose that meets our then-current criteria for population density and other demographic characteristics, visibility, traffic flow, competition, accessibility, parking, size and other physical and commercial characteristics. We have the absolute right to disapprove any site that does not meet these criteria and other criteria that we may develop over time. We agree to use reasonable efforts to review and approve the sites that you propose within 30 days after we receive all requested information and materials. If we approve a proposed site and your financial and operational ability to develop and operate the proposed franchise, then you must sign a separate franchise agreement for that franchise. If you are unable to obtain lawful possession of the proposed site within a reasonable time after we approve of the proposed site, then we may withdraw our approval. You may sign any lease or sublease for a site without our prior acceptance and without first signing and complying with the relevant franchise agreement. After you sign the franchise agreement, the terms and conditions of it will control the development and operation of that franchise, with the exception that it must be opened within the time limits specified in the First Offer Notice or in the new franchise agreement.

You will execute a separate Franchise Agreement for each franchise in the First Right Area as follows:

> After you have found a location for your new franchise, you will submit to us all information that we then require, in the form we from time to time specify. We may seek additional information as we deem necessary within 30 days of your submission of the prospective location. You will respond promptly to our requests for additional information. If we do not reject the location in writing within 30 days, or within 30 days after our receipt of the additional information, whichever is later, the location will be deemed approved. We will not unreasonably reject a proposed location. Promptly after

approval of any location, we will transmit to you a Franchise Disclosure Document as may be required by applicable law and two execution copies of our then current franchise agreement for the approved location as we determine in good faith, in accordance with our then current policies and standards for similarly situated Shoot 360 franchises. "Then-current," as used in this Addendum and applied to our FDD and Franchise Agreement will mean the form we then currently provide to prospective franchisees or area developers, or if not then being provided, then the form we select in our sole discretion which previously has been delivered to and executed by a franchisee of ours.

These franchise agreements will be modified by this Addendum as follows:

(a) *Initial Franchise Fee:* The Franchise Agreement will reflect that the then-current initial franchise fee for that franchise.

(b) *Initial Training:* You will pay for us to train the general manager for each franchise. Each of your franchises must have at least one general manager who has satisfactorily completed our training program and meet all qualifications as a full trained general manager. We set and change the standards and qualifications for meeting that status from time to time. All of your general managers must maintain their status based on our then-current standards. Approval for the development of subsequent franchises is contingent upon your completion of our general manager requirements. Our training does not address in any way the terms and conditions of employment; only franchise operations, opening and training.

Immediately upon receipt of the FDD, you will return to us a signed copy of the Acknowledgment of Receipt of the FDD. After the passage of any applicable disclosure period, you will execute and deliver to us two executed copies of the franchise agreement and the Initial Franchise Fee required following the franchise agreement. Promptly upon receipt of these documents and fees, we will execute and return to you one copy of the franchise agreement. You will then obtain the site by purchase or lease, and return one copy of the executed lease or, if purchased, the deed evidencing your right to occupy the approved site. You will then commence construction and operation of the franchise following the terms of the franchise agreement. Notwithstanding the foregoing, if we are not legally able to deliver an FDD to you by reason of any lapse or expiration of our applicable state franchise registration, or because we are in the process of amending the registration, or for any reason beyond our reasonable control, we may delay approval of the site for your proposed franchise until such time as we are legally able to deliver an FDD.

If you do not exercise your right to purchase within the **30** days, we may make the proposed sale to a third party. The sale will not be at a lower price nor on more favorable terms than disclosed to you in the First Offer Notice.

2) **First Right Area**. We grant to you, subject to the terms and conditions of the Franchise Agreement and any related addendum, the right to establish and operate franchises within the First Right Area described in Exhibit "A" which is annexed to and by this reference made a part of this Addendum (the "First Right Area"). This grant is upon the terms and subject to the conditions of this Addendum, our Franchise Disclosure Document, and the Franchise Agreement and any related addendum. Except as otherwise provided in the Franchise

Agreement or this Addendum, during the first year of the initial term of the Franchise Agreement, we will not establish nor license anyone other than you to establish any Shoot 360 Gym in the First Right Area.

You have no right under this Addendum to assign or sub-license these rights to others.

If the First Right Area is identified by city or other political subdivisions, political boundaries will be considered fixed as of the date of the Franchise Agreement, notwithstanding any political reorganization or change to the boundaries. The parties may depict the First Right Area on a map attached in Exhibit A. However, if there is any inconsistency between the language in this text and the attached map, the language in this text of this Addendum will control. All street boundaries will be deemed to end at the street's centerline unless otherwise specified.

The First Right Area, and your right under this Addendum, does not include any National Basketball Association (NBA) franchise team(s) located in or operating within the First Right Area; including but not limited to the following team(s): _____. We retain the exclusive right to construct and open gyms in conjunction with the team(s) and to offer and sell franchises to NBA teams at any time, at any location, in any way, and subject to whatever terms we deem appropriate in our sole and exclusive judgment.

You acknowledge and agree that we may exercise any and all other rights that we now reserve in any Shoot 360 franchise agreement, relevant addendum, and related documents. We and our affiliates may engage, and allow others to engage, in any activities we desire within and outside the First Right Area, without any restrictions whatsoever, subject to only your rights under this Addendum and any franchise agreements with us then in effect.

3) **Effect of Failure to Meet Time Frames**. Strict compliance with the time frames outlined in this Addendum is of the essence. If you do not timely meet these time frames, you will be in default. Any such default constitutes a material breach of this Addendum and we may:

(a) Terminate this Addendum;

(b) Have the right to operate or grant franchises and rights to others to operate Shoot 360 franchises and other Shoot 360 programs within the First Right Area; or

(c) Reduce the First Right Area to a size and magnitude that we deem appropriate under the circumstances in our exclusive discretion.

4) **Default And Termination**. Any material violation or breach of the Franchise Agreement or of any other franchise agreement between the parties or of any other agreement between the parties related to the Shoot 360 franchise system will be deemed a material violation of the Franchise Agreement and of this Addendum, of all such other franchise agreements, and of all such other agreements. The non-breaching party then will be entitled to enforce the penalties of or to terminate the Franchise Agreement or this Addendum and any or all of such other franchise agreements and such other agreements as provided in the Franchise Agreement for enforcement or termination.

If the franchise represented by the Franchise Agreement is not opened by the date required in the Franchise Agreement, we will have the right to terminate the Franchise Agreement

and this Addendum. We then may establish or license others to establish Shoot 360 facilities in the First Right Area.

Upon any other default under the Franchise Agreement or any other franchise agreement between the parties, we, in our discretion, may do any one of the following:

a. Terminate the Franchise Agreement or this Addendum and all rights granted without affording you any opportunity to cure the default, except as otherwise described in the Franchise Agreement, effective immediately upon your receipt of written notice from us;

b. Terminate the First Right Area granted to you, or reduce the area of the First Right Area.

Upon termination, your rights under this Addendum are revoked and terminated. Thereafter we may construct, equip, open, own, establish, or operate and may license others to construct, equip, open, own, operate, or establish facilities in the First Right Area subject only to the location established in each of your franchise agreements for your open franchises. This means that you will have no further right to construct, equip, own, open or operate additional Shoot 360 franchises which are not, at the time of termination or expiration, the subject of a then existing franchise agreement between you and us which is in full force and effect.

No right or remedy conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or equity.

5) **Transfer**.

a. We may transfer all or any part of our rights or obligations under this Addendum to any person or legal entity.

b. You understand and acknowledge that the rights and duties set forth in this Addendum are personal to you and are granted in reliance upon your personal qualifications. You represent to us that you have entered into this Addendum with the intention of complying with its terms and conditions and not for the purpose of resale or other transfer of the developmental rights.

c. Neither you nor any of your partners or shareholders will, without our prior written consent, directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Addendum. Any proposed assignment occurring by operation of law or otherwise, including any assignment by the trustee in bankruptcy, without our prior written consent will be a material default of this Addendum. You will not offer, sell, or negotiate the sale of Shoot 360 franchises to any third party, either in your own name or in our name and on our behalf, or otherwise sub-franchise, share, divide or partition your rights under this Addendum or your rights to open and operate Shoot 360 franchises. Nothing in this Addendum will be construed as granting you the right to do so.

d. If you are in full compliance with the Franchise Agreement and this Addendum, we will not unreasonably withhold our approval of an assignment or transfer to proposed assignees or transferees who are of good moral character and have sufficient

business experience aptitude and financial resources and otherwise meet applicable state laws and our then applicable standards for Shoot 360 franchisees and are willing to assume all of your obligations and to execute and be bound by all provisions of our then current form of franchise agreement and Addendum, for a term equal to the remaining term of this Addendum. As a condition to granting our approval of any assignment or transfer, we may require you or the assignee or transferee to pay to us an assignment fee to defray expenses we incur in connection with the assignment or transfer, including but not limited to administrative costs, overhead, legal and accounting expenses, credit and other investigation charges and evaluation of the assignee or transferee and the terms of the assignment or additional costs related to the transfer not to exceed $10,000 for the first franchise if multiple locations are sold to a single buyer in a single transaction, not to exceed $500 for the second and each additional franchise sold in that transaction. We may require you and your owners to execute a general release in our favor in a form satisfactory to us as a condition to our approval of any propose assignment of this Addendum.

e. If at any time you decide to sell, transfer or otherwise dispose of all or part of your rights under this Addendum, you must deliver a bona fide, executed written offer to purchase to us. We then will have the right, for a period of 30 days from the date we receive the offer, exercisable by written notice to you, to purchase all of your rights under this Addendum at the price and on the terms and conditions contained in the offer. We may substitute cash for any form of payment proposed in the offer. If we do not exercise this right of first offer, you may accept the offer, subject to our prior written approval as provided in the Franchise Agreement.

6) **Miscellaneous**. We make no warranties or guarantees upon which you may rely and we assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advice, consent or services to you in connection with the Franchise Agreement or this First Right Addendum, or by reason of any neglect, delay or denial of any request you make of us.

The parties represent that this Addendum has been read and that it is fully understood and voluntarily accepted. This Addendum constitutes the entire agreement between the parties with respect to first rights of offer and supersedes all prior understandings among the parties with respect to such subject matter. This Addendum may not be modified or amended in a manner adverse to any party except by written agreement signed by that party.

This Addendum will benefit and bind the respective heirs, executors, administrators, successors, and assigns of the parties. This Addendum may be executed in counterparts.

This Addendum does not independently create a franchise relationship between you and us. Any franchise relationship between you and us is created solely by fully signed franchise agreements. This Addendum does not create a fiduciary relationship between you and us. We and you are and will be independent contractors and that nothing in this Addendum is intended to make either you or us a general or special agent, joint venturer, partner or employee of the other for any purpose. You agree to conspicuously identify yourself in all dealings with customers, suppliers, public officials, franchise personnel and others as the owner of the business under a franchise agreement we have granted and to place such notices of independent ownership on such forms, business cards, stationery and advertising and other materials as we may require from time to time.

You will not execute any franchise agreement, or construct or equip any franchise with a view to transfer or assign that franchise agreement or franchise to independent third parties.

IN WITNESS WHEREOF, the parties have executed this Agreement.

DATED this _____ day of _____, 202__.

("we/us"): **Shoot 360 Nation, LLC**

By: _____
Title: _____

("you"):_____

By: _____
Title: _____

By: _____
Title: _____

EXHIBIT A TO THE FIRST RIGHT OF OFFER ADDENDUM
FIRST RIGHT AREA

County_____

City_____

State_____

Zip Codes_____

SCHEDULE 10 TO THE FRANCHISE AGREEMENT

Multiple Franchise Purchase Addendum

The parties have contemporaneously executed **5** Franchise Agreements, including this Agreement, as part of a multiple franchise purchase. The franchise territories for **5** franchises are [the city limits as of October 31, 2020 for] the following counties in the following states:

Clark County, Nevada
Denver County, Colorado
_____ County, Colorado
_____ County Texas
_____ County Texas

The *gym site for each franchise must be in the relevant territory [the United States of America], legally available pursuant to state and federal franchise disclosure and registration laws and pursuant to our commitments to our franchisees, and in compliance with our franchise placement, market development and demographic criteria.*

You will commence in good faith to perform your obligations under the relevant franchise agreements and commence full and continuous operation of the relevant franchise premises within the following time periods after execution of this Agreement:

1st Franchise Premises	_____, 20___
2nd Franchise Premises	_____, 20___
3rd Franchise Premises	_____, 20___
4th Franchise Premises	_____, 20___
5th Franchise Premises	_____, 20___

This Agreement is number ___ of five.

[You must give us **45** days written notice before opening each new Franchise Premises.]

You agree to order the Shoot 360 Package immediately upon your execution of the lease for the Franchise Premises. You have paid **50%** of the minimum Shoot 360 Package Price upon your execution of this Agreement, **25%** is paid 90 days prior to the scheduled shipping date, **15%** upon shipping, and **10%** plus all additions, freight charges, and installer's travel are paid upon complete installation of the Shoot 360 Package at your Gym. Except as provided below, it is not refundable.

If actual construction of the Gym has not commenced within **90** days prior to the time frame expressed above (through no fault of ours), then we may terminate this Agreement. If so, the approved supplier(s) may retain **15** percent of the Shoot 360 Package Price (conditioned upon return of the Shoot 360 Package without wear or damage). In addition, you must secure a satisfactory location for the franchise, and open the franchise within the time frame expressed above. If the commencement of operations obligation is not fulfilled, we may terminate this Agreement. If so, the approved supplier(s) may retain up to **25** percent of the Shoot 360 Package Price (conditioned upon return of the Shoot 360 Package without wear or damage).]

In the event that you do not comply with the above gym opening and continuous operation requirements, we will have the right to terminate any of your franchise agreements representing franchises that have not yet opened for business. Any failure to commence operation caused by a war or civil disturbance, a natural disaster, a labor dispute, shortages or other events beyond your reasonable control (not including financial circumstances) will be excused for a period of time that we deem reasonable under the circumstances.

The parties have executed a number of franchise agreements contemporaneously with this Agreement as part of a multiple franchise purchase. Any material violation or breach of any such agreement, or of any other franchise agreement between the parties or of any other agreement between the parties related to the franchise system will be deemed a material violation of this Agreement, of all such other franchise agreements, and of all such other agreements. The non-breaching party then will be entitled to enforce the penalties of or to terminate this Agreement and any or all of such other franchise agreements and such other agreements as provided in this Agreement for enforcement or termination.

The initial franchise fees under the relevant franchise agreements will be paid upon the opening of each relevant franchise premises. We will have no obligation to provide franchise training to you at our expense except for the first franchise you open.

Except as specifically outlined or forbidden in the relevant franchise agreements, there are no understandings oral or written concerning the future placement of gyms by any party and concerning any territory protections granted to you.

If you have a potential site for the franchised center, you may propose the location for our consideration. We may consent to the site after we have evaluated it. If you do not have a proposed site, we will designate a geographic area in which you must locate the franchised center and we will furnish you with our general site selection criteria. Depending on your desired region, site selection for your franchised center may be based on a priority awarding system. The priority awarding system ranks franchisees within the applicable particular region (the regions are divided based on the territories, or in some cases, sub-divided territories, of our area representatives (i.e. area developers) and may be a particular region within a state, the entire state or possibly regions covering multiple states). The priority awarding system will rank franchisees based on the date each franchisee within the region and who is looking for a site location for their franchised center signed their franchise agreement, with those franchisees who have been waiting the longest (i.e. signed their franchise agreement the earliest) being ranked higher than those franchisees who signed their franchise agreement later on. In the event a franchisee changes its region, which such change will require our approval, its ranking will be based on the date it changed to the new region rather than the date it signed the franchise agreement. In the event a franchisee chooses a region which is subject to the priority awarding system, once a possible site is located within the region, whether by any franchisee, us or our area representatives, the site will be communicated to all franchisees who are seeking a site location within that region simultaneously via email. Each such franchisee will have 7 days from the receipt of the email notice to determine whether they are interested in the site as a location for their franchised center. During the 7-day period, franchisees may inspect the location and perform other diligence to determine whether they are interested in the location. At the end of the 7-day determination period, we, or our area representatives for that region, will contact the highest ranking franchisee on the list, and if that franchisee is not interested, proceed down the list of eligible franchisees until we find a franchisee that is willing to commit to

the location by immediately submitting a letter of intent to the landlord or other owner of the property. Once the letter of intent is submitted, the franchisee will then have a reasonable time, usually around 45 days, to finalize the lease or purchase agreement for the location. During this period of negotiation, the franchisee is removed from the priority list and therefore, does not have priority rights to any other location within the region that may become available to waiting franchisees. If, in our reasonable judgment, the franchisee that was awarded with the rights to the site location is not diligently pursuing the acquisition of the right to use the location, we may rescind the location award and offer to the next eligible person on the list who is interested in the location. If a franchisee does not close on the location for any reason, the franchisee is re-inserted back onto the list in the same position it was in prior to signing the letter of intent, for future locations that may become available (i.e. if the franchisee was at the top of the list, the franchisee will be re-inserted to the top of the list for future possible locations).

EXHIBIT D

FRANCHISE DISCLOSURE DOCUMENT
STATE LAW ADDENDUM

The following modifications and additions are part of **SHOOT 360 NATION, LLC**'s Franchise Disclosure Document ("**FDD**") and Franchise Agreement ("**FA**") as required by relevant state laws.

These states have statutes, which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of the Franchise:

ARKANSAS (Stat. Section 70-807)
CALIFORNIA (Bus. & Prof. Code Sections 20000-20043)
CONNECTICUT (Gen. Stat. Section 42-133e et seq.)
DELAWARE (Code, tit. 6, Ch. 25, Sections 2551 et seq.)
HAWAII (Rev. Stat. Section 482-E1)
ILLINOIS (815 ILCS 705/1-44)
INDIANA (Stat. Section 23-2-2.7)
IOWA (Code Sections 523H.1-523H.17)
MICHIGAN (Stat. Section 19.854(27))
MINNESOTA (Stat. Section 80C.14)
MISSISSIPPI (Code Section 75-24-51)
MISSOURI (Stat. Section 407.400)
NEBRASKA (Rev. Stat. Section 87-401)
NEW JERSEY (Stat. Section 56.10-1)
SOUTH DAKOTA (Codified Laws Section 37-5B)
VIRGINIA (Code 13.1-557-574, 13.1-564)
WASHINGTON (Code Section 19.100.180)
WISCONSIN (Stat. section 135.03)

These and other states may have court decisions which may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of the Franchise.

California

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

OUR WEBSITE IS www.Shoot360.com. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION, ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

FDD COVER PAGE

REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER.

FDD Item 6; FA

The highest interest rate allowed by law in California is 10% annually.

FDD Item 12; FA

You will not receive an exclusive territory. You may face competition from other franchisees, from facilities that we or our affiliate own, or from other channels of distribution or competitive brands that we control.

FDD Item 17; FA Sections 6, 8, and 10

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

(2) The 360 FA provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.).

() The 360 FA contains a covenant not to compete which extends beyond the termination of the Franchise. This provision may not be enforceable under California law.

(4) The franchise agreement requires binding arbitration. The arbitration will occur at Multnomah County, Oregon with the costs being borne by the party that does not prevail. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

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

(6) The franchise agreement requires application of the laws of the State of Oregon. This provision may not be enforceable under California law.

(7) Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form and containing information as the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing Franchise.

FDD Item 3

Neither the franchisor nor any person or Franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange,

as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

Georgia

DISCLOSURES REQUIRED BY GEORGIA LAW

The State of Georgia has not reviewed and does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

If, for any reason, any provision set forth in the franchise agreement (including those related to in-term and post-term covenants against competition and non-disclosure and non-use of confidential information) exceeds any lawful scope or limit as to duration, geographic coverage, specificity, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law. Indeed, the parties acknowledge their desire and intent that such provisions be modified by a court or arbitrator to comply with Georgia law if needed. The duration, geographic coverage and scope allowable by law or court of law will apply to this Agreement.

Hawaii

Paragraph 4110.01, Section 482E-6(3): Upon termination or refusal to renew the franchise the franchisee will be compensated for the fair market value, at the time of the termination or expiration of the franchise, of the franchisee's inventory, supplies, equipment and furnishings purchased from the franchisor or a supplier designated by the franchisor; provided that personalized materials which have no value to the franchisor need not be compensated for. If the franchisor refuses to renew a franchise for the purpose of converting the franchisee's business to one owned and operated by the franchisor, the franchisor, in addition to their remedies provided in this paragraph, will compensate the franchisee for the loss of goodwill. The franchisor may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of the franchisee's inventory, supplies, equipment, and furnishings pursuant to this requirement, and may offset from such compensation any moneys due the franchisor.

Idaho

FDD Item 17; FA Section 9

Pursuant to the requirements of the Idaho Code, Title 29, Chapter 1, Section 29-110 (Limitations on Right to Sue – Franchise Agreement), any stipulation or condition in a franchise agreement executed by a resident of Idaho or a business entity organized under the laws of Idaho, by which any party is restricted from enforcing its rights under the franchise agreement by the usual proceedings in the ordinary tribunals in Idaho, or which limits the time within which it may enforce its rights, is void to the extent it purports to waive venue or jurisdiction of the Idaho court system. Venue and jurisdiction will be in Idaho if the franchisee is an Idaho resident or a business entity organized under the laws of Idaho.

Illinois

FDD Items 3 and 6

The Illinois Franchise Disclosure Act prohibits discrimination among franchisees for payments made for Initial Franchise Fees, ongoing franchise fees, and the purchase of goods or services from the franchisor.

FDD Item 17

A franchisee's rights upon termination and non-renewal may be affected by Illinois law. (See Sections 19 and 20 of the Illinois Franchise Disclosure Act)

Releases executed by franchisees must comply with the Illinois Franchise Disclosure Act. Any attempt to waive compliance with Illinois law is void. (See Section 41 of the Illinois Franchise Disclosure Act, and Rule 200.609 of the Rules and Regulations).

The governing law and choice of law clauses contained in the franchise agreement are subject to the Illinois Franchise Disclosure Act.

Any provision in the franchise agreement and any ancillary agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois, provided that a franchise agreement may provide for arbitration in a forum outside of Illinois. (See Section 4 of the Illinois Franchise Disclosure Act, and Rule 200.608 of the Rules and Regulations).

FDD Item 17; FA Section 10

Section 4 of the Illinois Franchise Disclosure Act and Rule 200.608 of the Rules and Regulations promulgated there under dictate that “any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois, provided that the franchise agreement may provide for arbitration in a forum outside of Illinois.” Section 41 of the Act and Rule 200.609 void any attempt to waive compliance with Illinois law. Any governing law and choice of law clause granting authority to a state other than Illinois effectively negates the Illinois Franchise Disclosure Act. Therefore all provisions of the Franchise Disclosure Document and franchise agreement are amended to fully comply with and fully apply Illinois law as applicable to franchisees and the Franchises in Illinois.

Indiana

FDD Item 17; FA Sections 6, 8, 9, and 10

In Indiana, the reference to "members of their households or members of their immediate families" under the provisions of covenants not to compete will mean any person who has access to the information, including a spouse or any other person who lives within the household.

Pursuant to the requirements of the Indiana Deceptive Franchise Practices Law, IC 23-2.2.7 and the Indiana Franchise Disclosure Law, IC 23-2-2-2.5:

Any general release of claims against a franchisor is subject to the Indiana Deceptive Franchise Practices Law and the Indiana Franchise Disclosure Law.

The franchise agreement may not be unilaterally terminated unless there is a material violation of the franchise agreement and termination is not in bad faith.

Subject to Indiana Code 23-2-2.7-1(9), any post-term non-competitor covenants will have a geographical limitation of the territory granted to the franchisee.

Franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if such procedures or products were utilized by franchisee in the manner required by franchisor.

In the event of a conflict of law, the Indiana Franchise Disclosure Law, IC 23-2-2.5, and the Indiana Deceptive Franchise Practices Law will prevail.

Franchisee may commence litigation in Indiana for any cause of action under Indiana law.

Any arbitration between franchisor and franchisee shall be conducted in Indiana or a site mutually agreed upon.

Pursuant to Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted by the franchisee.

Maryland

FDD Item 5, FA Section 2.1

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

FDD Item 17; FA Sections 7.1, 7.3, 8.1, 9, and 10

Pursuant to COMAR 02.02.08.16L, the general release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any provision that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Section 14-216(c) (25) of the Maryland Franchise Registration and Disclosure Act requires a franchisor to file an irrevocable consent to be sued in Maryland. Notwithstanding anything to

the contrary in the Franchise Agreement or Franchise Disclosure Document, if the Maryland Franchise Registration and Disclosure Act applies to you, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Act.

This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

FA Section 10

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Our franchise agreement contains disclaimers of the occurrence or acknowledgment of the non-occurrence of acts that could constitute a violation of Maryland laws. These disclaimers, acknowledgments and representations 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.

Michigan

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are included in these franchise documents, the provisions are void for Michigan franchisees and cannot be enforced against Michigan franchisees. These provisions are:

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

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

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause will include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure the failure after being given written notice and a reasonable opportunity, which in no event need be more than 30 days, to cure the 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 months' advance notice of the franchisor's intent not to renew the franchise.

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

(f) A provision requiring that arbitration or litigation be conducted outside this state. This will 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 will 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 breach 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 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 the franchisee's obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the Attorney General does not constitute approval, recommendation or endorsement by the Attorney General. A franchisor whose most recent financial statements are unaudited and show a net worth

of less than $100,000 will, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of the escrow. Any questions regarding this notice should be directed to the Department of the Michigan Attorney General, 6520 Mercantile Way, Suite 3, Lansing, Michigan 48913; (517) 373-3800.

The name and address of the franchisor's agent in Michigan authorized to receive service of process is:

Michigan Department of Commerce
Corporation and Securities Bureau
Office of Franchise and Agent Licensing
525 West Ottawa Street
G. Mennen Williams Building, 6th Floor
PO Box 30213
Lansing, Michigan 48933
(517) 373-7117

Minnesota

Minnesota law prohibits requiring a franchisee to waive his or her rights to a trial or to consent to liquidated damages, termination penalties, or judgment notes; provided, that this part will not bar a voluntary arbitration of any matter if the proceeding is conducted by an independent tribunal under the rules of the American Arbitration Association. (Minn. Rules 2860.4400(J)).

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subds. 3, 4, and 5, which require (except in certain specified cases) that a franchisee be given **90** days' notice of termination (with **60** days to cure) and **180** days' notice for non-renewal of the Franchise Agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) 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 the jurisdiction.

FDD Item 13; FA Section 6

Minnesota Statutes Section 80C.20, Subdivision 1(g) allows the Minnesota Commissioner of the Department of Commerce to issue a cease and dismiss order or issue an order denying, suspending or revoking any registration, amendment or exception on finding any of the following . . . that the method of sale or proposed method of sale of franchises or the operation of the business of the franchisor or any term or condition of the franchise agreement or any practice of the franchisor is or would be unfair or inequitable to franchisees. Pursuant to this section, the Commissioner requires all franchisors registering in the state of Minnesota to state that the franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logo types or other commercial symbols or indemnify the franchisee from any loss, cost or

expenses arising out of any claim, suit or demand regarding the use of the name. We intend to comply with the Minnesota statute and to protect the franchisee's rights and indemnify the franchisee for any losses to the full extent required by relevant state law.

360 FA Section 10; CBA Terms and Conditions

Pursuant to Minnesota Statutes Section 80.C.21, this agreement will not in any way abrogate or reduce any rights of the franchisee as provided for in Minnesota Statutes, Chapter 80.C, including, but not limited to, the right to submit matters to the jurisdiction of the courts in Minnesota.

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release. Any general release provisions in the franchise agreement are void and unenforceable in the state of Minnesota.

New York

1. The following information is added to the cover page of the Franchise Disclosure Document:

> 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.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the 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 injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. 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.

4. 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.

5. 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

FDD Item 17(c); FA Section 7.1

The Commissioner has determined that requiring franchisees to sign a general release upon renewal of the franchise agreement to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment law. The general release provision in Section 6.1 of the 360 Franchise Agreement is void and unenforceable in the state of North Dakota.

FDD Item 9; FA Section 6.1

Under North Dakota law, no modification or change the franchisor makes to the Best Practices Manual or Shoot 360 System may materially affect the franchisee's status, rights, or obligations under the franchise agreement.

FDD Item 17(r); FA Section 6

The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code are unfair, unjust, or inequitable within the intent of the North Dakota Franchise Investment Law (Section 51-19-09). Thus, covenants not to compete are considered unenforceable in the State of North Dakota.

FDD Item 17(i); FA Section 7

Pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law, a requirement that franchisees consent to liquidated damages or termination penalties in the event of termination of the franchise agreement is considered void and unenforceable.

FDD Item 17(w); FA Section 10

Apart from civil liability as set forth in section 51-19-12 N.D.D.C, which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud) the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents, and is unfair to franchise investors to require them to waive their rights under North Dakota Law. Thus, the North Dakota Franchise Investment Law (Section 51-19-09) requires that the franchise agreement will be governed by the laws of North Dakota, which laws will prevail.

FDD Item 17(u) and (v); FA Section 10.9

Pursuant to the North Dakota Franchise Investment Law (Section 51-19-09), an arbitration or mediation locations which are remote from the site of the franchisee's business are unfair, unjust, or inequitable. Therefore, the site of arbitration or mediation must be agreeable to all parties.

Pursuant to the North Dakota Franchise Investment law (section 51-19-09), requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust, or inequitable. Thus, all issues or disagreements relating to this Agreement will be tried, heard and decided within the jurisdiction of courts in the state of North Dakota.

Ohio

The Ohio Business Opportunity Plan Law requires a notice of the purchaser's right to cancel the agreement in at least ten-point boldface type, in the following form and in close proximity to the space reserved in the agreement for the signature of the purchaser:

"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."

A completed form, in duplicate, captioned "notice of cancellation," must be attached to the agreement signed by the purchaser and be easily detachable and must contain in ten-point boldface type, the following statement:

"**NOTICE OF CANCELLATION**

(Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five 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 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 twenty 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, or send a telegram, to (name of seller), at (address of seller's place of business), or send a fax to (name of seller) at (seller's facsimile number) or an e-mail to (name of seller) at (seller's electronic mail address), not later than midnight of (enter date).

I hereby cancel this transaction.

..... **.....**

(Date) **(Purchaser's signature)"**

FDD Item 17; FA Section 9

Ohio's Business Opportunity Plan Law, Section 1334.06 provides that in connection with the sale or lease of a business opportunity plan, any provision in an agreement restricting jurisdiction or venue to a forum outside of the state of Ohio, or requiring the application of laws of another state other than the state of Ohio, is void with respect to a claim otherwise enforceable under Sections 1334.01 to 1334.15 of the Revised Business Opportunity Plan Law.

The Ohio Business Opportunity Plan Law requires that certain provisions contained in the franchise agreement be amended to be consistent with Ohio Law:

In the event of a conflict of laws, Ohio law will prevail.
Any claim or action may be brought in the appropriate state or federal court in Ohio.
The statutes of limitations under Ohio Law will apply.

Rhode Island

FDD Item 17; FA Section 10

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act.”

South Dakota

FDD Item 17; FA Section 7

Under South Dakota law, termination provisions covering breach of the franchise agreement, failure to meet performance and quality standards and failure to make payments contained in the Franchise Disclosure Document and franchise agreement must afford a franchisee thirty (30) days' written notice with an opportunity to cure the breach prior to termination.

FA Sections 6 and 10

The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this Agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement, and interpretation under the governing law of the State of Oregon.

Covenants not to compete upon termination of the franchise agreement are generally unenforceable in the State of South Dakota. Pursuant to SDCL 37-5B, any acknowledgement provision, disclaimer, or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate this chapter or a rule or order under this chapter.

In the event that either party will make demand for arbitration, such arbitration will be conducted in a mutually agreed-upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association.

Any provision in a franchise agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.

Virginia

FDD Item 8

In Virginia, notice of approval or disapproval of a proposed supplier will be issued by us within 45 days after the franchisee has delivered all required materials.

FDD Item 1, Receipt Page

The Clerk of the State Corporation Commission, 13300 East Main Street, Richmond Virginia 23219, is our registered agent authorized to receive process in Virginia.

FDD Item 17; FA Section 8

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 do 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

FDD Item 17; 360 FA Sections 7, 8 and 10

Risk Factor:
Use of Franchise Brokers. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington

The franchisee acknowledges receipt of this Addendum.

Wisconsin

FDD Item 17

The applicable laws of Wisconsin may require notice periods greater than those set forth above for termination, cancellation, non-renewal, or the like, and may limit the reasons or causes for termination, cancellation, non-renewal, or the like. To the extent any provisions of the franchise agreement provide for periods of notice or for termination, cancellation, non-renewal, or the like other than in accordance with the applicable law, such provisions will not be effective, to the extent such are not in accordance with applicable law, and the franchisor will comply with the applicable law.

The Wisconsin Fair Dealership Law (Wisconsin Statutes, 1983-84, Title XIV-A, Chapter 135) supersedes any provision of a franchise agreement inconsistent with the law.

It is agreed that the applicable provisions of this state law addendum for the state of _____, supersedes any inconsistent portion of the Franchise Agreement (of this same date) to which this addendum is attached between **SHOOT 360 NATION, LLC** ("We/Us") and _____ (jointly and severally "You"), and of our Franchise Disclosure Document. All terms of the Franchise Agreement, including these State Law Addendum provisions for the relevant state, have been agreed to at the time the Franchise Agreement was signed. However, this addendum will have effect only if the Franchise Agreement or our relationship with you satisfies all of the jurisdictional requirements of the relevant state's franchise laws, without considering this addendum.

DATED this __ day of _____, 20__.

("We/Us"): **SHOOT 360 NATION, LLC** ("You"): _____

By:_____ Signature: _____

Title:_____ Print Name: _____,an individual

By: _____

Title: _____

FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

EXHIBIT E

WARRANTIES AND DISCLAIMERS FORM

WARRANTIES AND DISCLAIMERS BY PROSPECTIVE FRANCHISEES OF SHOOT 360

Shoot 360 Nation, LLC ("we/us"), through the use of this Franchisee Closing Questionnaire, desires to verify certain information about the sales process and to confirm that we and our employees have complied with applicable franchise disclosure laws. We further desire to confirm that you fully understand that the purchase of a Shoot 360 franchise is a business decision involving the evaluation of many risks. Our policy is to verify and confirm that in making your decision you are not relying upon any oral statement, representation, promise or assurance made during the negotiations for the purchase of a Shoot 360 franchise by any of our directors, officers, employees, agents, or representatives (each, a "Representative") that is not specifically reported in our then-current Franchise Disclosure Document, including all of the exhibits attached to it (the "Franchise Disclosure Document").

The purpose of this certification is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

BACKGROUND AND GENERAL INFORMATION

1. Please state your name and address:

_____

_____

_____

2. Please state the full name of each individual and entity that will be an owner of the Franchise and an owner of an entity that owns the Franchise:

_____

_____

_____

3. What is the location of the Franchise you are purchasing?

_____

_____

_____

4. Franchisee is (check applicable box[es]):

- ☐ An individual
- ☐ A corporation
- ☐ A limited liability company
- ☐ A general partnership
- ☐ A limited partnership

5. If Franchisee is other than or in addition to an individual, indicate the capacity in which the undersigned is authorized to act on behalf of the Franchisee (check applicable box):

☐ Officer (insert title): _____
☐ General Partner
☐ Other (please explain): _____

6. Have you received a copy of our most current Disclosure Document?

Yes ☐ No ☐

7. On what date did you receive the Disclosure Document? _____

I. PROPOSED OWNERSHIP INTEREST

The undersigned proposes to become (initial all that apply):

_____ 1. An individual owner of the Franchise.

_____ 2. A co-owner with _____.

_____ 3. A shareholder holding ____**%** of the shares of a corporate franchisee. The corporate franchisee will be qualified to do business under the name of _____ in the State of _____.

_____ 4. A partner holding ____**%** interest in a partnership franchisee. The Partnership will operate under the name of _____ in the State of _____.

II. FRANCHISE LOCATION AND RELATED WARRANTIES

A. Location

_____ You have applied for and am in the process of receiving a Franchise to an Shoot 360 franchise to be located at _____ in the city of _____, State of _____ ("the Site").

B. Warranties

_____ You are am exclusively responsible to locate and secure the franchise Site. We ("Shoot 360 Nation, LLC") have assisted you in Site location and negotiation. You have personally reviewed the Site and have had the opportunity to obtain independent

professional advice and assistance to select and secure the Site. You have sought the assistance of independent legal, real estate, land use planning, zoning, architectural and accounting experts as you have formed your own opinion in selecting the Site. You understand that \we do not guarantee the success of your franchise at the Site or at any other location.

C. Disclaimer of Reliance in Site Selection

_____ No Representative of ours has made any representation about the value of the Site, or represented to you what amount of sales or net earnings the Site will or should generate as a Shoot 360 franchise. You have received and read the Shoot 360 Franchise Disclosure Document.

III. LEASE TERMS

A. Warranty

_____ You personally have reviewed the proposed lease or contract of purchase of the Site. You have had the opportunity to consult with independent legal, accounting and real estate experts to help form your own opinion of the acceptability of the lease or purchase contract to the Site.

B. Disclaimer

_____ You have not relied upon us, or our Representatives, or upon any representations or opinions expressed by them in agreeing to or in authorizing execution of the lease or contract to purchase of the Site.

IV. FRANCHISE

A. Warranty

_____ You personally have read the Franchise Disclosure Document and Shoot 360 Agreement. You have had the opportunity to consult with independent legal, accounting and franchise advisory experts before signing the Shoot 360 Agreement.

B. Disclaimer

_____ You disclaim that we or anyone associated with us has made any oral or written statements or representations about the terms or conditions of the Franchise Agreement, except those contained in it. No officer, employee or agent of ours has advised you of other terms or conditions effecting or modifying the Franchise Agreement.

C. Representations

1. Except as explicitly set forth in the Franchise Agreement or a written Addendum to it, no promises, agreements, contracts, commitments, representations, understandings, "side deals" or otherwise have been made to or with me with respect to any matter. This includes, but is not limited to, any representations or promises regarding advertising, marketing, Site location, operational assistance or other services, except as follows (if no exceptions, write “None”):

   _____
   _____
   _____

2. No oral, written or visual claim or representation, promise, agreement, contract, commitment, understanding or otherwise which contradicts or is inconsistent with the Disclosure Document or the Franchise Agreement has been made to you, except as follows (if no exceptions, write “None”):

   _____
   _____
   _____

3. Except as contained in your Franchise Disclosure Document – including Item 19, no oral, written, visual or other claim or representation has been made to you by any person or entity, which states or suggests any actual, average, projected or forecasted sales, gross receipts, operating costs, revenues, income, profits, expenses, cash flow, tax effects, earnings, or otherwise, that is not contained in the Franchise Disclosure Document, except as follows (if no exceptions, write “None”):

   _____
   _____
   _____

4. You acknowledge and agree that your decision to purchase a Shoot 360 franchise is in no manner predicated upon any representations, assurances, warranties, guarantees or promises made by a Representative as to the likelihood of success of a Shoot 360 franchise, except as follows (if no exceptions, write “None”):

   _____
   _____
   _____

5. You acknowledge that a Representative has not made any statement, promise or assurance concerning the likelihood of success that you should or might expect to achieve from developing and operating a Shoot 360 franchise. If you believe that one of these statements, promises or assurances has been made, please describe the statement, promise or assurance in the space provided below or write “None”.

   _____
   _____
   _____

6. You acknowledge that a Representative has not made any statement, promise or assurance concerning the advertising, marketing, training, support services or assistance that Shoot 360 will furnish you that is contrary to, or different from, the information contained in the Franchise Disclosure Document. If you believe that one of these statements, promises or assurances has been made, please describe the statement or promise in the space provided below or write "None".

_____
_____
_____

7. You acknowledge that a Representative has not made any other statement, promise or assurance concerning any other matter related to a Shoot 360 franchise that is contrary to, or different from, the information contained in the Disclosure Document. If you believe that one of these statements, promises or assurances has been made, please describe the statement, promise or assurance in the space provided below or write "None".

_____
_____
_____

VI. WARRANTIES REGARDING PARTICIPATION

_____ A. You will faithfully and fully perform all duties required of the Franchise Agreement.

_____ B. You warrant that your purchase of the franchise is for your own account and is not made with a view to or for resale.

_____ C. You acknowledge that your decision to obtain a Shoot 360 franchise has been based upon the Shoot 360 Franchise Disclosure Document and Franchise Agreement and your own investigations, upon which you rely.

ACKNOWLEDGEMENT

By signing below, you acknowledge that you have personal knowledge of the foregoing and following facts and representations and that they are all true, complete, accurate, and correct:

1. You acknowledge that you received the Disclosure Document at least 14 calendar days before you signed a binding agreement with or made a payment to us or our affiliate in connection with the proposed franchise sale, or sooner if required by state law.

2. You acknowledge that you received the Franchise Agreement (if applicable) at least 7 calendar days before signing them.

3. You acknowledge that you have personally and carefully reviewed the Disclosure Document, that you understand all of the information in the Disclosure Document and that you have been advised by to have professional advisors of your own, including legal counsel, review the Disclosure Document and consult with you regarding the risks associated with the purchase and operation of a Shoot 360 franchise.

4. You acknowledge that you have made your own independent determination as to whether you have the capital necessary to fund a Shoot 360 franchise.

5. You recognize and understand that the success or failure of a Shoot 360 franchise is subject to many variables, including, but not limited to, (a) geographic location; (b) competition from other businesses in the market; (c) advertising effectiveness based on market saturation; (d) whether you assume the sales position or hire a sales manager; (e) your product and service pricing; (f) vendor prices on materials, supplies and inventory; (g) salaries and benefits to non-business personnel; (h) business personnel benefits (life and health insurance, etc.); (i) weather conditions; (j) employment conditions in the market; (k) inflation, and (l) lease terms and costs and other business factors. You acknowledge your willingness to undertake these business risks and that it is your responsibility to manage your Shoot 360 franchise. You understand that the success or failure of your Shoot 360 franchise depends primarily upon your efforts and not those of Shoot 360.

Neither we nor our Representatives have advised you to fill in and complete this Questionnaire except as based upon your personal knowledge and experience. You do so acknowledging that we may rely upon your complete candor, honesty, and truthfulness.

Dated this ___ day of _____, 202__.

_____
An Individual

EXHIBIT F
SHOOT 360 NATION, LLC
CONFIDENTIALITY, NON-DISCLOSURE, AND NON-COMPETE AGREEMENT

THIS AGREEMENT has been entered this _____ day of _____ 202__. It is by and between**,** **SHOOT 360 NATION, LLC**, a Washington limited liability company, ("we, us") and _____ ("you").

We own proprietary ideas and other confidential information related to the ownership and operation of "**Shoot 360**" gyms that include use of our basketball shooting, passing and ball handling training equipment and related software. Through rigorous testing and training, we have developed a unique and uniform concept of décor and service. We have certain rights to and intend to continue to develop products, services, valuable goodwill, expertise, proprietary ideas, confidential information, service marks, methods, procedures, techniques, guidelines, and materials connected with the operation, promotion, and advertising of our gyms that include use of our basketball shooting, passing and ball handling training equipment and related software (collectively these are called the "Method of Operation").

You and we desire to discuss the offer and sale of a franchise and potentially to enter into related commercial relationships. In the course of these discussions and our relationship it will be necessary for us to disclose Confidential Information to you.

THEREFORE, in consideration of the following mutual promises and covenants, the parties agree as follows:

1 PROTECTION OF CONFIDENTIALITY

1.1 **Confidential Information Defined**. In this Agreement, "Confidential Information" shall mean:

a) Any information that relates to our proprietary ideas, trade secrets, business, products, technology, customers, finances, plans, proposals, or practices of us, including, but not limited to, plans and specifications for new products, discoveries, ideas, know-how, research and development, inventions, techniques, marketing strategies, customer lists, financing sources and suppliers, non-public financial information, budgets, data, and projections;
b) Our proprietary information and information we mark or designate as confidential;
c) Information, whether or not in written form and whether or not designated as confidential, which is known to you as being treated by us as confidential;
d) Information provided to us by third parties, which we are obligated to keep confidential.

The Confidential Information shall include information in any form in which such information exists, whether oral, written, film, tape, computer disk, digital, or other form of media.

1.2 **Our Exclusive Property**. You acknowledge and agree that our Method of Operation and all Confidential Information is and shall continue to be our sole and exclusive property, whether or not disclosed or entrusted to you in connection with your relationship with us. Nothing in this Agreement will give you or others any right, title, or interest whatsoever in or to them. The Confidential Information shall be considered our trade secrets and shall be entitled to all protections provided by applicable law to trade secrets.

1.3 **Conflicting or Competing Interests**. Neither you nor your owners, shareholders, members, partners, directors, officers, managers, employees, consultants, distributors, or agents, nor the members of your or their immediate families or households (who have access to or knowledge of the Confidential Information or Method of Operation), will directly or indirectly participate as an owner, shareholder, partner, director, officer, employee, consultant, distributor, or agent, or serve in any other capacity in any business (including business in formation) engaged or to be engaged in the offering or sale or rental of products or services that are the same as, or substantially similar to, the products and services that are part of the Method of Operation.

You will assure that you and your owners, shareholders, partners, directors, officers, employees, and agents, and the members of their immediate families or households (who have actual knowledge of or access to the Operations Manual or Method of Operation), will not directly or indirectly participate as an owner, shareholder, director, partner, officer, employee, consultant, franchisor, franchisee, distributor, advisor or agent, or serve in any other capacity in any business engaged directly or indirectly in the offer, sale, rental, Internet dissemination, or promotion of gyms that include use of basketball shooting, passing and ball handling training equipment and related software, products or services or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the Method of Operation. This covenant applies within a **150**-mile radius of any location where we operate or have granted the franchise to operate a Shoot 360 business, and at any location within the United States of America, and at any location within North America for so long as you own any interest in an entity that owns or operates a Shoot 360 franchise and for a period of **720** days thereafter.

You acknowledge and confirm that the time, content and geographical restrictions contained in this Section are fair and reasonable. They are not the result of overreaching, duress, or coercion of any kind by us. You further acknowledge and confirm that your observance of the covenants contained in this Agreement will not cause you any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained in this Agreement will not impair your ability to obtain employment commensurate with your abilities and on terms fully acceptable to you, or otherwise to obtain income required for the comfortable support of your family and the satisfaction of your creditors. Your knowledge of the Method of Operation would cause our franchise system serious injury and loss if you use the knowledge to the benefit of a competitor or to compete with us or our franchisees.

The running of the periods of time specified by this Section will be tolled and suspended for any period of time during which a court or arbitrator determines you to have been in violation of this Section.

If, for any reason, any provision set forth in this Subsection exceeds any lawful scope or limit as to duration, geographic coverage, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law. The duration, geographic coverage and scope allowable by law or court of law shall apply to this Agreement.

2. COVENANT OF NON-DISCLOSURE You specifically acknowledge that you will receive valuable specialized and Confidential Information, including information regarding our operational, sales, promotional and marketing methods and techniques and the Method of Operation. You agree not to disclose Confidential Information to any third party and to limit disclosure within your association to designated employees approved by us. Disclosures to designated employees will be done on a “need to know” basis to the extent necessary for them to perform the duties of their employment with you. Unless required by court order or applicable law, you agree not to copy,

download, send, or divulge any Confidential Information directly or indirectly to any other person or enterprise outside of our system. You will never communicate, divulge, or use in any manner, either for your benefit or the benefit or any other person, persons, partnerships, associations, companies or corporations any Confidential Information or proprietary information, knowledge or know-how concerning the Method of Operation or any information we have communicated to you in written, verbal or electronic form, including intranet passwords, for the operation of your business.

3 COVENANT OF NON-USE You agree not to use Confidential Information or the Method of Operation, except as authorized by us. You will obligate your owners, managers, your employees, and your agents to the same non-use covenant. We must approve in writing any use of Confidential Information or Method of Operation by you or your owners or your directors or employees.

4 RECIPROCAL OBLIGATION Should discussions between you and us require or entail disclosure of any of your confidential or proprietary information to us, we agree to the same obligations of confidentiality and non-use as are imposed on you by this Agreement.

5 MISCELLANEOUS

5.1 **Duration**. The obligations set forth in this Agreement will continue during and beyond the term of your relationship with us and for as long as you possess Confidential Information.

5.2 **Waiver**. A waiver of any breach of any provision, term, covenant, or condition of this Agreement will not be a waiver of any subsequent breach of the same or any other provision, term, covenant, or condition. Any waiver to this Agreement's provisions must be made in signed writing by the granting party.

5.3 **Construction**. This document is the entire agreement between the parties. It supersedes all prior or contemporaneous written and oral agreements or understandings with respect to the subject matter of this Agreement. It may not be modified or amended except by signed written agreement. This Agreement benefits and binds the respective heirs, executors, administrators, successors, and assigns of the parties.

5.4 **Enforcement**. The prevailing party (the party who recovers the greater relief) in any arbitration, insolvency proceeding, bankruptcy proceeding, suit, or action to enforce this Agreement will recover its arbitration, proceeding, and court costs and reasonable attorney fees. These will be set by the arbitration, proceeding, or court, including costs and attorney fees on appeal or review from the arbitration, proceeding, suit, or action.

5.5 **Acknowledgments**. No person has made any other representation that is not expressly set forth in this Agreement to induce you to accept and execute this Agreement.

6 SIGNATURES IN WITNESS, the parties have executed this Agreement on the date written above.

("We/Us"): **Shoot 360 Nation, LLC**

By:_____
Craig Moody, President

(jointly and severally "You"):

, LLC

By:_____
, managing member

By:_____
, managing member

_____
, an individual

_____
, an individual

EXHIBIT G

SAMPLE TRANSFER, TERMINATION, RENEWAL AND INCORPORATION AGREEMENTS

TRANSFER [TERMINATION], MUTUAL RELEASE, AND CONFIDENTIALITY AGREEMENT

This Transfer [Termination], Mutual Release, and Confidentiality Agreement ("Agreement") is made this _____ day of _____, 202__. It is among **SHOOT 360 NATION, LLC**, a Washington limited liability company ("Shoot 360"), _____, an individual, and _____, a _____ corporation (jointly and severally "_____"), and _____, an individual, and _____, a _____ corporation (jointly and severally "___").

On or about _____, Shoot 360 and _____ entered into a Shoot 360 franchise Agreement (the "Franchise Agreement") for the operation of a Shoot 360 franchise at the following location:

_____ desires to cease operations under the Franchise Agreement and to transfer _____'s rights in the franchise to _____. _____ desires to acquire _____'s rights in the Franchise Agreement and to operate the franchise at the following location:

Shoot 360 desires to consent to the transfer of the Franchise Agreement from _____ to _____, as follows, subject to and pursuant to the provisions of the Franchise Agreement and agrees to enter into a new franchise contract with _____ for the location set forth above.

[[_____ has suffered serious, unexpected health problems.] The parties have mutually decided to terminate the Franchise Agreement.]

_____ desires to release Shoot 360 from any and all claims whatsoever arising out of the offer of, negotiation, execution, delivery, and performance of the Franchise Agreement.

[Since _____ is an existing Shoot 360 franchisee, _____ desires to release Shoot 360 from any and all claims whatsoever arising out of the offer of, negotiation, execution, delivery, and performance of _____'s existing Franchise Agreements with Shoot 360.]

Now, therefore, in consideration of the mutual covenants set forth below, the parties agree as follows:

1. Termination of Franchise Agreement. The Franchise Agreement between Shoot 360 and _____, including all appurtenant addenda, certificates, exhibits, options, and obligations of the parties are terminated, as between them. The provisions of the Franchise Agreement concerning the obligations of _____ upon termination will continue in full force and effect. The parties agree that this Agreement fully and completely expresses the present understanding between the parties.

Shoot 360 enters into this Agreement, in part, in reliance upon the individual or collective character, skill, attitude, business ability and financial capacity of _____.

2. Commitments and Obligations. The parties covenant and agree:

The Franchise Agreement is terminated. The parties agree that the provisions of the Franchise Agreement concerning the obligations of **Franchisee** upon termination will continue in full force and effect. These obligations are more fully described, below.

_____ agrees to pay to Shoot 360 $_____. This amount includes:

Termination of the Franchise Agreement
$_____
Past due payments through _____, 202___ $_____
Estimated payments from _____ to _____ $_____
Past due Advertising payments through _____
$_____
Estimated Advertising payments from _____ to _____ $_____
Shoot 360 out of pocket costs and legal fees related to this Agreement $_____

TOTAL $_____

Payment will be delivered by _____ to Shoot 360 on or before _____, 200___, in a cashier's check payable to Shoot 360. Upon payment, _____'s debts owed to Shoot 360 will be fully and finally satisfied and resolved.

a. All obligations of _____ in connection with the Franchise Agreement and the franchise are assumed by _____. _____ will remain bound by its covenants in the Franchise Agreement that neither it nor its owners, officers, partners, or other persons enumerated in the Franchise Agreement will disclose confidential information nor compete with Shoot 360 or Shoot 360's franchisees.

b. All now ascertained or liquidated debts in connection with the franchise have been paid by _____.

c. _____ is not in default in any way under the Franchise Agreement or any other agreement between it and Shoot 360.

d. _____ has already completed to Shoot 360's satisfaction the training programs now required of new franchisees. _____ or _____ have submitted to Shoot 360, upon execution of this Agreement, a Transfer Fee in the amount of $10,000. Shoot 360 acknowledges receipt of this Fee in consideration for Shoot 360's legal, accounting, credit check and investigation expenses incurred as a result of this transfer.

e. _____ agrees to fully assume and to be bound by the terms, covenants and conditions of the Franchise Agreement as if _____ had been named as the original franchisee in the Franchise Agreement. _____ will execute all documents Shoot 360 or _____ may reasonably require to complete the transfer and assumption of the Franchise Agreement, including but not limited to execution of a new franchise contract in the form currently being used by Shoot 360. The new franchise contract may contain economic and general terms which are materially different from those contained in the Franchise Agreement.

f. _____ has met the standards established by Shoot 360 for quality of character, financial capacity and experience required of a new or renewing Shoot 360 franchisee. _____ and _____ have provided to Shoot 360 such information as Shoot 360 reasonably requested to evidence that _____ meets these standards.

g. The lessor or sublessor of the Gym has consented to the assignment or sublease of the Gym to _____, if applicable.

h. _____ and _____ agree to subordinate to _____'s obligations to Shoot 360 (including, without limitation, the payment of all franchise fees) any obligations of _____ to _____.

i. _____ will maintain a sufficient inventory and sufficient supplies on hand to provide for normal business operations until _____ assumes control of the businesses and the Gym.

j. _____ and _____ have entered into this Agreement for the transfer of _____'s rights under the Franchise Agreement after their own independent investigation. The transfer of the franchise rights and the amount of consideration for them have been determined by them independently. _____ and _____ acknowledge that they have not relied upon any representation, warranty, promise or other consideration from or by Shoot 360 in entering into this Agreement or in evaluating the advisability of the transfer or the value of the franchises, any of the franchise rights or the franchise locations. Shoot 360 has made no representation or guarantee of revenue or profitable results in the future.

3. Communication of Confidential Information. Neither _____ nor its owners, officers, directors, or other persons enumerated in the Franchise Agreement will communicate or divulge to any person or entity the contents of this Agreement, the contents of the Franchise Agreement, the substance of the Shoot 360 franchise Best Practices Manuals, or any other nonpublic information related to the operation of the Shoot 360 franchise system. _____ represents and warrants that neither it nor any listed individual has communicated or divulged any such information to anyone prior to the date of this Agreement. _____ will continue to comply with all the confidentiality requirements of the Franchise Agreement.

Nothing contained in this Agreement will preclude Shoot 360 or _____ from disclosing the fact of this Agreement or the amount paid by _____ to Shoot 360 or to _____.

4. _____ to Cease Using Shoot 360 Trade Names, Service Marks, and Logos. Upon completion of the transfer, _____ will immediately cease using Shoot 360's trade names, service marks, logos, and other marks, symbols or materials indicating that _____ is or was related to Shoot 360 in any way, except as otherwise provided in writing. _____ acknowledges that all such names, service marks, logos, and symbols are the exclusive property of Shoot 360 and that _____ has been allowed to use them, only in conjunction with the franchise relationship as outlined in this Agreement. _____ will remain jointly and severally bound to comply with the covenants in the Franchise Agreement which expressly or by reasonable implication are intended to apply to _____ after termination of the Franchise Agreement, including any applicable non-disclosure requirements. _____ will:

a. deliver to _____ or Shoot 360 all copies of the Shoot 360 Best Practices Manuals, training tapes and franchise related materials in _____'s custody, control or possession;
b. take action as required to transfer to _____ all registrations relating to the use of all assumed names;
c. notify the telephone company and all listing agencies of the transfer of _____'s rights to use the franchise names and logos and classified and directory listings of the franchise;
d. cease use of the franchise trademarks, service marks, trade names, copyrights, and other intellectual or intangible property;
e. refrain from doing business in any way that might tend to give the public the impression that _____ still is or was a franchisee in the Shoot 360 System;

f. [assign and deliver the Gym over to Shoot 360 or its designee.] [decharacterize the Gym to render it not confusingly similar to other Shoot 360 locations. This will include removal of all Shoot 360 graphics, logos, signs and identifying colors. Franchisee will retain all interest Franchisee has in any lease or sublease for the Gym. Franchisee will make the required modifications and alterations to the Gym. If Franchisee fails or refuses to comply with the requirements of this Agreement, Shoot 360 may enter upon the Gym, without being guilty of trespass or any other tort, to make or cause to be made such changes as may be required at the expense of Franchisee which expense Franchisee agrees to pay upon demand.]
g. fully comply with all provisions of the Franchise Agreement that relate to its expiration or termination.

_____ acknowledges that all copyrights, names, service marks, logos, and symbols related to the Franchise are the exclusive property of Shoot 360 and that _____ has been allowed to use them only with the franchise relationship outlined in the Franchise Agreement.

In further consideration for this Agreement, _____ will deliver to Shoot 360 all Shoot 360 signs and sign fronts in _____'s custody, care or possession. Shoot 360 will arrange and pay for removal, shipping and handling of the signs and sign fronts. This will be done as soon as possible and before _____, 202___.

_____ agrees that Shoot 360 may have one or more of its representatives visit and fully inspect the Gym to verify these requirements have been met. These visits and inspections may occur any time after _____, 202___ upon at least 48 hours prior written notice. The notice may be sent by regular mail, facsimile transmission or delivered by express mail to the Gym.

5. <u>Releases</u>. In consideration of the covenants and understandings set forth in this Agreement, _____ does release and discharge Shoot 360 and its owners, partners, directors, officers, employees and agents from all obligations, duties, covenants and responsibilities to be performed under the Franchise Agreement.

In consideration of the covenants and understandings set forth in this Agreement, _____ does release and discharge Shoot 360 and its current and former owners, partners, directors, officers, members, employees and agents from any and all claims, demands, actions or causes of action of every name, nature, kind and description whatsoever, whether in tort, in contract or under statute, arising directly or indirectly out of the offer of, negotiation of, execution of, performance of, nonperformance, or breach of the Franchise Agreement and any related agreements between the parties and out of any other action or relationship between the parties arising prior to the date of this Agreement.

_____ represents that this release has been read and that it is fully understood and voluntarily accepted. The purpose of this release is to make a full, final and complete settlement of all claims against Shoot 360, known or unknown, arising directly or indirectly out of the Franchise Agreement and the relationship between the parties through the date of this Agreement, including, but not limited to, economic loss.

In consideration of the covenants and understandings set forth in this Agreement, _____ does release and discharge Shoot 360 and its current and former owners, partners, directors, officers, members, employees and agents from any and all claims, demands, actions or causes of action of every name, nature, kind and description whatsoever, whether in tort, in contract or under statute, arising directly or indirectly out of the offer of, negotiation of, execution of,

performance of, nonperformance, or breach of _____'s existing franchise or license agreement(s) with Shoot 360 and any related agreements between the parties and out of any other action or relationship between the parties arising prior to the date of this Agreement.

_____ represents that this release has been read and that it is fully understood and voluntarily accepted. The purpose of this release is to make a full, final and complete settlement of all claims against Shoot 360, known or unknown, arising directly or indirectly out of _____'s existing franchise or license agreement(s) with Shoot 360 and the relationship between the parties through the date of this Agreement, including, but not limited to, economic loss.

It is expressly understood and agreed that this release is intended to cover and does cover not only all known losses and damages but any further losses and damages not now known or anticipated but which may later develop or be discovered, which arose under the Franchise Agreement, _____'s existing franchise or license agreement(s), or the relationship between the parties before the date of this Agreement, including all the effects and consequences thereof.

This release is intended to waive, release and discharge all claims against Shoot 360, other than those expressly reserved herein, with the express waiver of any statute, legal doctrine or other similar limitation upon the effect of general releases. In particular, the releasing parties waive the benefit of any applicable statutory provision such as by illustration, California Civil Code Section 1542, which states:

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

This release will not apply to any liability under the [Maryland Franchise Registration and Disclosure Law]. The releasing parties, with the advice of legal counsel, waive the benefit of both statute and any other legal doctrine or principle of similar effect in any jurisdiction.

6. <u>Miscellaneous Provisions</u>. This writing constitutes the entire agreement between the parties. It supersedes all prior understandings among the parties with respect to its subject matter. This Agreement may not be modified or amended in a manner adverse to any party except by written agreement signed by that party.

Time is of the essence of this Agreement.

Any party may seek and obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any covenant contained in this Agreement. The prevailing party in any suit or action to enforce this Agreement will be entitled to recover its court costs and reasonable legal fees to be set by the court, including costs and legal fees on appeal.

If a dispute arises between the parties, the parties agree to participate in at least **6** hours of mediation in accordance with the Mediation Procedures of the American Arbitration Association, or any similar organization that specializes in the mediation of commercial franchise business disputes. The parties agree to equally share the costs of mediation.

This Agreement is accepted in the State of Oregon and will be governed by the laws of Oregon, which laws will prevail, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.) and except in those states whose - franchise laws require exclusive application of those laws. This choice of laws will not include and does not extend the scope of application of the Oregon franchise or business opportunity laws. Any portion of this Agreement that requires enforcement in any other state, and is enforceable under the laws of that state but not of Oregon, will be construed and enforced according to the laws of that state. This choice of laws will not include and does not extend the scope of application of any franchise or business opportunity laws. All issues or disagreements relating to this Agreement, will be mediated, tried, heard, and decided in Multnomah County, Oregon.

This Agreement will benefit and bind the respective heirs, executors, administrators, successors, and assigns of the parties.

This Agreement has been prepared by attorneys representing Shoot 360. _____ and _____ have each had opportunity to have this Agreement reviewed by attorneys of their own choice.

This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the parties have executed this Agreement.

SHOOT 360 NATION, LLC ("Shoot 360")

By:_____

Title:_____

_____, an individual, and _____, a _____ corporation ("_____")

By:_____
_____, an individual

_____.

By:_____
_____

Title: _____

and _____, a _____ corporation ("_____")

By:_____
_____, an individual

_____.

By:_____
_____

Title: _____

RENEWAL [INCORPORATION] AND RELEASE AGREEMENT

This Renewal [Incorporation] and Release Agreement ("Agreement") is made this __ day of _____, 202__. It is between **SHOOT 360 NATION, LLC** ("We/Us") and _____ and _____ (jointly and severally "You").

On or about the following date, you and we entered into a Shoot 360 Nation, LLC Franchise Agreement (the "Franchise Agreement") for the operation of a **SHOOT 360 Nation** franchise at the following location:

_____.

You desire to renew the franchise on the terms of our current Franchise Agreement forms.

[The parties desire to add New Corporation to the Franchise Agreement, subject to and pursuant to the provisions of the Franchise Agreement.]

You desire to release us from any and all claims whatsoever arising out of the negotiation, execution, delivery, and performance of the Franchise Agreement.

Now, therefore, in consideration of the mutual covenants set forth below, the parties agree as follows:

1. Renewal of Franchise Agreement.

A. The Franchise Agreement, including all appurtenant addenda, certificates, exhibits, options, and obligations of the parties is terminated. The provisions of the Franchise Agreement concerning your obligations upon termination and renewal will continue in full force and effect. The parties agree that this Agreement fully and completely expresses the present understanding between the parties.

B. Contemporaneously with execution of this Agreement, you agree to execute our current Franchise Agreement forms. These forms may vary materially from the Franchise Agreement. Fees, Local Advertising Contributions and other fees will be set at the currently prevailing rates and terms. There is no fee for renewal of the franchise. The Gym must remain at the location designated in the Franchise Agreement.

C. You will reimburse us for the following reasonable out-of-pocket costs we incur concerning the renewal:

D. You will refurbish, remodel, and replace the Gym, fixtures, and equipment to conform to the current Best Practices Manual and Shoot 360 System. This includes:

E. You or your designated manager will attend and successfully complete the following retraining programs at your expense, including travel, meals, lodging, and our current training fee of **$**_____:

[**1. Continuation of Franchise Agreement**. The Franchise Agreement and all other or prior agreements between Shoot 360 and _____, including all appurtenant addenda, certificates,

exhibits, options, and obligations of the parties shall continue in full force and effect and completely expresses the present understanding between the parties. New Corporation shall be a party to the Franchise Agreement and its addenda as though New Corporation had executed the Franchise Agreement on the date it was created.

Shoot 360's consent to this Agreement shall not constitute a waiver of any claims it may have against _____.

_____ and New Corporation covenant and agree:

a. _____ shall remain fully bound by its covenants in the Franchise Agreement.
b. Shoot 360 is not in default in any way under the Franchise Agreement or any other agreement between _____ and Shoot 360.
c. New Corporation agrees to fully assume and to be bound by the terms, covenants and conditions of the Franchise Agreement as if New Corporation had been named the original _____ in the Franchise Agreement. New Corporation shall execute all documents Shoot 360 or _____ may reasonably require to complete the assumption of the Franchise Agreement.
d. The lessor or sublessor of the Gym has consented to the inclusion of New Corporation as a lessee of the Gym.
e. _____ and New Corporation shall provide to Shoot 360, upon demand, a current list of all owners, shareholders, directors, officers, partners, and employees of New Corporation, together with a summary of their respective interests in the franchise.
f. Neither _____ nor New Corporation shall make any public or private offering of its stock or of any other securities without first receiving the written consent of Shoot 360. Consent may not be unreasonably withheld.
g. _____ continuously will own a majority of the issued and outstanding shares of each class of stock of New Corporation.]

2. **Communication of Confidential Information**. Neither you nor your owners, officers, directors, or other persons enumerated in the Franchise Agreement will communicate or divulge to any person or entity the contents of this Agreement, the contents of the Franchise Agreement, the substance of the **SHOOT 360** franchise best practices manuals, or any other nonpublic information related to the operation of the **SHOOT 360** franchise system. You represent and warrant that neither nor any listed individual has communicated or divulged any such information to anyone prior to the date of this Agreement. You will continue to comply with all the confidentiality requirements of the Franchise Agreement.

3. **Release**. You do release and forever discharge us and our current and former owners, partners, directors, officers, members, employees and agents from any and all claims, demands, actions or causes of action of every name, nature, kind and description whatsoever, whether in tort, in contract or under statute, arising directly or indirectly out of the offer of, negotiation of, execution of, performance of, nonperformance, or breach of the Franchise Agreement and any related agreements between the parties and out of any other action or relationship between the parties arising prior to the date of this Agreement.

You represent that this release has been read and that it is fully understood and voluntarily accepted. The purpose of this release is to make a full, final and complete settlement of all claims, known or unknown, arising directly or indirectly out of the Franchise Agreement and the relationship between the parties including, but not limited to, economic loss.

It is expressly understood and agreed that this release is intended to cover and does cover not only all known losses and damages but any further losses and damages not now known or anticipated but which may later develop or be discovered, which arise under the Franchise Agreement, including all the effects and consequences thereof.

These releases are intended to waive, release and discharge all claims, other than those expressly reserved herein, with the express waiver of any statute, legal doctrine or other similar limitation upon the effect of general releases. In particular, the parties waive the benefit of any applicable statutory provision such as by illustration, California Civil Code Section 1542, which states:

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

The parties, with the advice of their respective counsel, waive the benefit of both statute and any other legal doctrine or principle of similar effect in any jurisdiction.

4. Miscellaneous Provisions. This writing constitutes the entire agreement between the parties. It supersedes all prior understandings among the parties with respect to its subject matter. This Agreement may not be modified or amended in a manner adverse to any party except by written agreement signed by that party.

Time is of the essence of this Agreement.

Any party may seek and obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any covenant contained in this Agreement. The prevailing party in any suit or action to enforce this Agreement will be entitled to recover its court costs and reasonable legal fees to be set by the court, including costs and legal fees on appeal.

If a dispute arises, you and we agree to participate in at least six hours of mediation in accordance with the mediation procedures of the American Arbitration Association, or any similar organization that specializes in the mediation of commercial franchise business disputes. You and we agree to equally share the costs of mediation.

This Agreement will be governed by the laws of Oregon, which laws will prevail, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.). This choice of laws will not include and does not extend the scope of application of the Oregon franchise or business opportunity laws. All issues or disagreements relating to this Agreement, will be mediated, tried, heard, and decided in Multnomah County, Oregon.

This Agreement has been prepared by attorneys representing Shoot 360. _____ [and New Corporation] have been advised to and have had the opportunity to have this Agreement reviewed by legal counsel and advisors of their choosing and at their choice.

This Agreement will benefit and bind the respective heirs, executors, administrators, successors, and assigns of the parties.

This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the parties have executed this Agreement.

SHOOT 360 NATION, LLC ("We/Us") _____ and _____ ("You")

By:_____ By:_____

Title: _____ , an individual

By:_____

_____, an individual

EXHIBIT H

SHOOT 360 NATION, LLC
BEST PRACTICES MANUAL
TABLE OF CONTENTS

(This is an online manual – the number of pages is an approximation)

About the Manual (2 pages)
What's New (1 pages)
More Information (1 pages)
Best Practices Manual Confidentiality(1 pages)

Introduction (12 pages)
- Welcome to the Team!
- Our Mission
- Shoot 360 Core Values
- Our Company History
- The Shoot 360 Training Philosophy
- Services Provided to the Franchise
- Franchisee Best Practices
- Paying Other Fees
- Visits from the Home Office

Pre-Opening Procedures (39 pages)
- Pre-Opening Timeline and Checklist
- Establishment of Business Form
- Business Planning
- Competitive Analysis
- Choosing Your Site
  - Site Selection Criteria
  - Market Analysis
  - Selecting the Prime Sites
  - Site Acceptance
  - Lease Considerations
- Setting Up Your Shoot 360 Facility
  - Design Specifications
  - Working with an Architect
  - Developing Working Drawings
  - Selecting a Contractor
  - Monitoring Construction
  - Finish Miscellaneous Projects
  - Final Details Completed
- Shoot 360 University
  - Qualification and Management
- Assessment
  - Leadership Training
  - Go-live Training
- Recommended List of Equipment
- Initial Inventory
- Contracting with Required Utilities and Services
- Obtaining Required Licenses, Certifications and Permits
- Setting Up Bank Accounts
- Procuring Required Insurance
- Conducting a Grand Opening
  - Pre-Sales Activities
  - A VIP Event
- Meeting Your Tax Obligations

People Development (34 pages)
- EEOC Guidelines for Hiring Employees
- Wage and Labor Laws
- Laws Regarding Harassment
- Immigration Reform/Control Act
- Americans with Disabilities Act (ADA)
- Profile of the Ideal Shoot 360 Staff
- Recruiting Employees
- The Interview Process
  - Conducting the Interview
  - EEOC Pre-Employment Inquiry Guidelines
  - Reference Check Procedures
  - Background Checks
- Job Descriptions
  - Head Facility Coach (Facility Manager)
  - Assistant Facility Coach
  - Head Training Coach
  - Floor Coach
  - Player Experience Coach
  - First Impressions Coach
  - Customer Care Coach
- Employee Orientation
- Training Employees
- Developing Personnel Policies
- Coaching Your Staff
- Time Tracking Procedures

Operating Procedures (70 pages)
- Suggested Hours of Operation
- Daily Procedures
  - Opening the Facility
  - Daily Cash Drawer Procedures
  - Facility Reset
  - Facility Manager Priorities
  - Manager Checklist
  - Shift Tasks
  - Bank Deposit Procedures
  - Closing the Facility
- Customer Service
  - Athlete Interaction
  - Maintaining a Positive Facility Environment
  - Answering the Phone
  - Handling Complaints
  - Handling Refund Requests
  - Terminating a Customer
  - Obtaining Feedback
- Front Desk Procedures
- Court Scheduling
  - Scheduling Guidelines
  - Member Court Reservations
  - Scheduling Complimentary "New Shooter" Evaluations
  - Scheduling Personal Training
  - Scheduling Clinics
  - Scheduling Classes
  - Scheduling Walk-ins
  - Court Rental Reservations
- Memberships
  - New Memberships
  - Membership Support
  - Changes to Membership
  - Membership Suspensions
  - Membership Cancellations
  - Cancellation and Suspension Requests
- Billing and Transaction Procedures
  - Membership Payments
  - Accepting Payment
  - Credit Card Security

- Cash and Check Handling and Security
- Gift Cards
- Collection Procedures
- Recommended Cleaning and Maintenance
- Managing the Shoot 360 Retail Area
- Managing Staff
- Operational and Financial Reporting
  - The Dashboard
  - Financial Statements
  - Basic Principles of Accounting
  - Training Unit Fee Payment
  - Electronic Funds Transfer
- Inventory Management
- Safety and Security
  - Accident Reporting and Investigation
  - Building Safety
  - Fire Safety
  - Robbery
  - Burglary

Coaching and Education (18 pages)

- The Shoot 360 Experience
- Product Knowledge
- Floor Coaching
- Personal Training
- Programs
  - Classes
  - Class List
  - Team Clinics
  - Shooting Leagues
  - King of the Cage
  - Summer Camps

Sales and Marketing (27 pages)

- The Shoot 360 Sales Philosophy
- Lead Generation Procedures
  - Foundational Lead Generation
  - Second Tier Lead Generation
  - Third and Fourth Tier Lead Generation
- Lead Follow-up
- Handling Inquiries
- Marketing Tools
  - Your Marketing Plan
  - Guidelines for Using Shoot 360 Marks
  - Signage and Logo Specifications
  - Email and Text Guidelines
  - Social Media Best Practices
  - Public Relations

Additional Resource (20 pages)

- Shoot-A-Way Service Manual

Forms and Documents (50 pages)

EXHIBIT I

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin. This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending (org-338087)
Florida	Pending (BF52747)
Hawaii	Pending
Illinois	Pending (#1249-19)
Indiana	Pending
Kentucky	October 29, 2019 (B-5291)
Maryland	Pending (FR20175651)
Michigan	Pending
Minnesota	Pending (F-9108)
Nebraska	September 24, 2019
New York	Pending (#19-0493)
North Dakota	Pending (FR0314)
Rhode Island	Pending
South Dakota	Pending
Texas	September 26, 2019 (#2019-0393)
Utah	Pending (#11467640-BSOE)
Virginia	Pending (#6057)
Washington	Pending
Wisconsin	Pending (#624165)

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

EXHIBIT J
ACKNOWLEDGMENT OF RECEIPT
SHOOT 360 NATION, LLC

THIS FRANCHISE DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS FRANCHISE DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF **SHOOT 360 NATION, LLC** OFFERS YOU A FRANCHISE, **SHOOT 360 NATION, LLC** MUST PROVIDE THIS FRANCHISE DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT OR MAKE A PAYMENT WITH THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE. NEW YORK LAW REQUIRES A FRANCHISOR TO PROVIDE THE FRANCHISE 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 **SHOOT 360 NATION, LLC** DOES NOT DELIVER THIS FRANCHISE DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND TO THE STATE AUTHORITIES IDENTIFIED IN EXHIBIT A.

The name, principal business address, and telephone number of each franchise seller offering the franchise follows: **Craig Moody, Frederick Jones,** and **Joshua Hall**, 12403 NE 60th Way, #D-1, Vancouver, Washington 98682, 360-433-9841.

FDD Date of Issuance: **November 23, 2020**.

Our authorized agents for service of process are identified in Exhibit A of this Franchise Disclosure Document.

I have received a disclosure document dated **November 23, 2020** that included the following Exhibits:

- A: Agents for Service of Process and Regulatory Authorities
- B: Financial Statements
- C: Shoot 260 Gym Franchise Agreement and Schedules
  - Schedule 1 – Franchise Location
  - Schedule 2 - Lease Assignment Form
  - Schedule 3 - SBA Lending Form
  - Schedule 4 - Conditional Assignment
  - Schedule 5 - Abandonment, Relinquishment, Termination of Name
  - Schedule 6 – ACH Form
  - Schedule 7 – Monthly Training Fee
  - Schedule 8 – Basketball Training Equipment Purchase
  - Schedule 9 – First Right of Offer Addendum
  - Schedule 10 – Multiple Franchise Purchase Addendum
- D. State Law Addendum
- E: Warranties and Disclaimers Form
- F. Confidentiality, Non-Disclosure, and Non-Compete Agreement
- H. Sample Transfer, Termination, Renewal, and Incorporation Agreements
- I. Best Practices Manual Table of Contents
- J. State Effective Dates

DATED this ____ day of _____, 202__.

Signatures of All Prospective Franchisees:

Individuals: _____ _____

Name of Corporation/LLC/Partnership: _____
By: _____ Title: _____

Retain this copy for your records

ACKNOWLEDGMENT OF RECEIPT

ACKNOWLEDGMENT OF RECEIPT

EXHIBIT J
ACKNOWLEDGMENT OF RECEIPT
SHOOT 360 NATION, LLC

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Return this copy to Shoot 360 Nation, LLC

ACKNOWLEDGMENT OF RECEIPT