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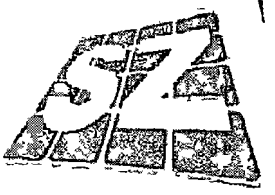

SKY ZONE™

FRANCHISE DISCLOSURE DOCUMENT

Sky Zone Franchise Group, LLC
A Missouri limited liability company
1201 West Fifth Street, Suite T-340
Los Angeles, California 90017
Phone 310-734-0300
Facsimile 310-734-0307
www skyzone com
admin@skyzonesports com

The franchisee will operate a Sky Zone Indoor Trampoline Park (each a "Park") that offers all trampoline walled Playing Fields to be used for sports, fitness and recreational activities, as well as other family entertainment attractions that franchisor designates or authorizes

The total investment necessary to begin operations of a Sky Zone franchised business is from $1,343,813 to $2,694,116, depending on the size of your park This includes $501,444 to $944 518 that must be paid to the franchisor and/or its affil ates, as applicable

The total investment necessary to operate multiple Parks under our form of area development agreement depends on the number of franchises we grant you the right to open The total investment necessary to enter into a development agreement for the right to develop three (3) Parks is $1,425,913 - $1,736,933, which includes a $140,000 development fee that is paid to us and your total investment to begin operation of your initial Park

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 Glenn T Lord Chief Operating Officer Sky Zone Franchise Group, LLC, at 1201 West Fifth Street, Suite T-340, Los Angeles, California 90017, 310-734-0300

The terms of your contract will govern your franchise relationship Don t rely on the disclosure document to understand your contract Read all of your contract carefully Show your contract and this disclosure document to an advisor like a lawyer or accountant

Buying a franchise is a complex investment The information in this disclosure document can help you make up your mind More information on franchising, such as 'A Consumer s Guide to Buying a Franchise," which can help you understand how to use this disclosure document is available from the Federal Trade Commission You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington 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

There may also be laws on franchising in your state Ask your state agencies about them

ISSUANCE DATE March 29, 2017

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STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit G for information about the franchisor, or about franchising in your state

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

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION, MEDIATION AND/OR LITIGATION ONLY IN MISSOURI OUT-OF-STATE ARBITRATION, MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE, MEDIATE OR LITIGATE WITH US IN MISSOURI THAN IN YOUR HOME STATE

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

3 YOU MUST SIGN A PERSONAL GUARANTY MAKING YOU LIABLE FOR THE OBLIGATIONS OF THE FRANCHISE THIS REQUIREMENT PLACES YOUR PERSONAL ASSETS AT RISK SPOUSE(S) OF FRANCHISE OWNERS MAY BE REQUIRED TO EXECUTE A PERSONAL GUARANTY MAKING SUCH SPOUSE(S) JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE WHETHER OR NOT SUCH SPOUSE(S) ARE INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AND SPOUSE(S) AT RISK

4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

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

See next page for State Effective Dates

See Exhibit C for specific State Addenda

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STATE EFFECTIVE DATES

The following states 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	March 31 2017
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of March 29, 2017

Exhibit C provides special provisions that relate to franchise offerings or sales in each referenced state The provisions of the appendices may supersede the language in the text of the following Franchise Disclosure Document

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THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

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

(A) A prohibition on the right of a franchise 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 this act This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims

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

(D) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value, at the time of expiration, of the franchisee's inventory, supplies, equipment fixtures, and furnishings Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation The subsection applies only if (i) the term of the franchise is less than five 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 shall not preclude the franchisee from entering into an agreement at the time of arbitration at a location outside this state

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

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

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

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

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

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

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

* * * *

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

* * * *

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000 00, the franchisor must at the request of the franchisee, arrange for the escrow of the 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 escrow

Any questions regarding the notice should be directed to the Department of the Attorney General, Consumer Protection Division, Franchise Section G Mennen Williams Building, 1st Floor, 525 West Ottawa Lansing MI 48913 (517-373-7117)

NOTE NOTWITHSTANDING SECTION (F) ABOVE, WE INTEND TO, AND YOU AGREE THAT WE AND YOU WILL ENFORCE FULLY THE PROVISIONS OF THE ARBITRATION SECTION OF OUR AGREEMENTS WE BELIEVE THAT SECTION (F) IS UNCONSTITUTIONAL AND CANNOT PRECLUDE US FROM ENFORCING THE ARBITRATION PROVISIONS

SKY ZONE FRANCHISE GROUP, LLC
FRANCHISE DISCLOSURE DOCUMENT

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B Area Development Agreement
C State Law Addenda
D Table of Contents of Manual
E List of Franchisees
F Audited Financial Statements
G List of State Agencies/Agents For Service of Process
H Letter Agreement
I Form of Purchase Order
J Receipts

APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT, AND MIGHT REQUIRE AN ADDENDUM TO THE FRANCHISE AGREEMENT THESE ADDITIONAL DISCLOSURES AND ADDENDA, IF ANY, APPEAR IN EXHIBIT C

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Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document "**Franchisor**", "**us**", "**our**", we or **SFG** means Sky Zone Franchise Group, LLC, the franchisor "**You**" and "**your**" means the person or entity to whom we grant a franchise If the franchise will be owned by a corporation, partnership or limited liability company, "**you**" and "**your**" also means the owners of the corporation, partners of the partnership or members and manager of the limited liability company and their spouses

The Franchisor

We are a Missouri limited liability company which was formed on November 18 2008 We maintain our principal place of business at 1201 West Fifth Street, Suite T-340, Los Angeles, California 90017 We do not currently do business under any name other than Sky Zone Franchise Group, LLC

We intend to offer franchises under the following names "Sky Zone" and 'Sky Zone Indoor Trampoline Parks' In certain international markets where the "Sky Zone" and "Sky Zone Indoor Trampoline Parks" are not readily available, or where we choose to not use such names, we may offer franchises under the mark 'Freedome

We began offering franchises in January 2009 We have not conducted a business of the type you will be operating and do not engage in any types of business activities other than franchising Sky Zone Indoor Trampoline Parks and providing services to our franchisees However, four (4) of our affiliates (as identified below) operate Sky Zone Indoor Trampoline Parks similar to the one you will operate under the Franchise Agreement (as described below) Neither we nor any of our affiliates have offered, or currently offer, franchises in other lines of businesses None of our affiliates have sold any franchises similar to your Park

Our agents for service of process are disclosed in Exhibit G

Our Parent, Predecessors and Affiliates

We have no parents or predecessors

An affiliate of ours is Sky Zone, LLC a Nevada limited liability company organized on March 15 2002 ("**Licensing**") Licensing owns the Intellectual Property (as defined below) and has granted us a worldwide license to grant franchises using the Intellectual Property Licensing is the only approved supplier for the Playing Fields SkySocks stickers wristbands and balls Licensing does not grant any franchises in this or any other line of business Licensing's principal business address is 1201 West Fifth Street, Suite T-340, Los Angeles California 90017

SkyMania Fun Centers LLC a Delaware limited liability company organized on March 17 2004 ("**SkyMania**"), an affiliate of ours, has operated a Sky Zone Indoor Trampoline Park (as defined below) at its principal place of business which is 4915 Steptoe Street Las Vegas, Nevada 89122 This location closed in June 2013 SkyMania does not grant any franchises in this or any other line of business SkyMania does not provide products or services to our franchisees

SkyZone Recreational Center 63005, LLC, a Delaware limited liability company organized on December 27, 2005 ("**Sky Zone Chesterfield**"), an affiliate of ours, has operated a Sky Zone Indoor

Trampoline Park at its principal place of business which is 17379 Edison Avenue Chesterfield Missouri 63005 Sky Zone Chesterfield does not grant any franchises in this or any other line of business Sky Zone Chesterfield does not provide products or services to our franchisees

SkyZone Recreational Center 95765, LLC, a California limited liability company organized on September 28 2007 (**Sky Zone Sacramento**"), an affiliate of ours, has operated a Sky Zone Indoor Trampoline Park at its principal place of business which is 1091 Tinker Road, Rocklin California 95765 Sky Zone Sacramento does not grant any franchises in this or any other line of business Sky Zone Sacramento does not provide products or services to our franchisees

Sky Zone LV2, LLC a Nevada limited liability company organized on February 20, 2013 ('**Sky Zone Las Vegas**"), an affiliate of ours, has operated a Sky Zone Indoor Trampoline Park at its principal place of business which is 7440 Dean Martin Dr #201, Las Vegas, NV 89139 Sky Zone Las Vegas does not grant any franchises in this or any other line of business Sky Zone Las Vegas does not provide products or services to our franchises

Sky Zone Indoor Trampoline Park 90248, LLC, a California limited liability company organized on May 24, 2011 ('**Sky Zone Gardena**"), an affiliate of ours, has operated a Sky Zone Indoor Trampoline Park at its principal place of business which is 1625 190th Street, Gardena California 90248 Sky Zone Gardena does not grant any franchises in this or any other line of business Sky Zone Gardena does not provide products or services to our franchisees

C2H INC an Iowa corporation organized on November 20, 2013 (**Sky Zone Cedar Rapids**") an affiliate of ours, has operated a Sky Zone Indoor Trampoline Park at its principal place of business, which is 5515 Council St NE, Cedar Rapids, IA 52402 Sky Zone Cedar Rapids does not grant any franchises in this or any other line of business Sky Zone Cedar Rapids does not provide products or services to our franchisees

SZ Orland Park LLC a Delaware limited liability company organized on June 24, 2016 ('**Sky Zone Orland Park**) an affiliate of ours, has operated a Sky Zone Indoor Trampoline Park at its principal place of business, which is 66 Orland Square Dr , Orland Park IL 60462 Sky Zone Orland Park does not grant any franchises in this or any other line of business Sky Zone Orland Park does not provide products or services to our franchisees

RPSZ Construction LLC was a Missouri limited liability company organized on November 18, 2008 and subsequently dissolved on September 30 2016 It was a subsidiary of Sky Zone LLC and, during its existence sold products to our franchisees and provided the installation of the Playing Fields Its principal place of business was 1201 West Fifth Street, Suite T-340 Los Angeles California 90017 RPSZ Construction LLC did not grant any franchises in this or any other line of business Subsequent to the dissolution of RPSZ Construction, LLC the approved supplier of Playing Fields (and for Playing Field Parts and the installation of Playing Fields) became Sky Zone, LLC

The Business

We are in the business of selling franchises to operate Sky Zone Indoor Trampoline Parks that offer all trampoline walled Playing Fields to be used for sports, fitness and recreational activities using the System and Intellectual Property as described in the Franchise Agreement which is attached as Exhibit A ("**Franchise Agreement**) '**Playing Field**' means the playing field including the trampoline, the padding nets and other related equipment ' Sky Zone Indoor Trampoline Park" means any facility that is operated under the System (as defined below) and Intellectual Property (as defined below) whether owned by us or our affiliate, or a licensee or franchisee of us or our affiliate

Our "**System**" includes a unique, specially developed method of operating a Sky Zone Indoor Trampoline Park using the Intellectual Property, as well as selling other services (such as food, beverages and parties) and products (including merchandise bearing the Marks), using certain procedures and methods, site evaluation criteria, layouts advertising, sales and promotional techniques, personnel training, trade secrets and any other matters relating to the operation and promotion of a Sky Zone Indoor Trampoline Park, as they may be periodically changed, improved, modified and further developed by us or our affiliates

"**Intellectual Property**" means the Marks, Patents, Copyrights and any of our trade secrets and know-how "**Marks**" means the service marks, trademarks trade dress, trade names and copyrights and all configurations and derivations, as may presently exist, or which may be modified, changed or acquired by us or our affiliates, in connection with the operation of the Sky Zone Indoor Trampoline Parks The Marks include "Sky Zone," "SZ and design" and "Skyrobics" '**Patents**" means any patents as may presently or in the future exist or which may be modified, changed or acquired by us or our affiliates, in connection with the operation of the Sky Zone Indoor Trampoline Parks "**Copyrights**' means any work entitled to copyright protection we license to you for use in connection with the operation of the Sky Zone Indoor Trampoline Parks and for which we or our affiliates claim copyright protection Please be advised that as of the Issue Date of this Disclosure Document, we do not have any active patents or patent applications as disclosed more fully in Item 14

You will do business under the fictitious or assumed name of 'Sky Zone or Sky Zone Indoor Trampoline Park", or any other name that we decide to use in the future The Sky Zone Indoor Trampoline Park you will operate according to the terms of the Franchise Agreement is referred to as the '**Park**' Sky Zone Indoor Trampoline Parks range in size, but are typically between 15,000 to 40,000 square feet and feature two (2) or more Playing Fields Regardless of the number of Playing Fields each Sky Zone Indoor Trampoline Park will contain party rooms and a concession area All of your employees must be thoroughly screened including conducting background checks for crimes against minors

This Disclosure Document describes our two franchise programs

1 **Single Unit Franchise Program** If we approve you as a franchisee, you must sign a Franchise Agreement, in the form attached as Exhibit A, to operate a single Sky Zone Indoor Trampoline Park

2 **Development Program** If you elect to participate in and are approved for the Development Program, you will execute an Area Development Agreement (the '**ADA**') in the form attached as Exhibit B Under the ADA, we will assign you a territory (**Development Area**) within which you must open and operate a designated number of Sky Zone Indoor Trampoline Parks ("**Units**") within the specified periods of time as set forth in Attachment B to the ADA (**Development Schedule**") In no event will you sign a Franchise Agreement for any Unit until we have complied with any applicable waiting periods prescribed by law You must sign a Franchise Agreement for your first Unit at the same time you sign the ADA and within the times specified in the Development Schedule you must execute a Franchise Agreement for each subsequent Unit

Under the Franchise Agreement and ADA, each of your shareholders partners or members (and their shareholders, partners or members if they are an entity) must sign execute a Guarantee of your monetary obligations and all other obligations under the respective Franchise Agreement and ADA (as applicable) Additionally your Operating Principal Owner (as described in Item 15 below) must execute the Guarantee

Market and Competition

The services offered by the Sky Zone Indoor Trampoline Parks are used by people of all ages and are not limited to any specific submarket Your Park will have to compete with other recreation and entertainment facilities, including, other indoor centers featuring trampolines most of which are individually or independently owned and operated However, other franchises will likely also operate businesses providing entertainment facilities that will compete with your guest base

Industry Regulations

There may be regulations specific to the operation of a Sky Zone Indoor Trampoline Park in your state that among other things, require you to maintain a certain ratio between supervisory employees and the number of jumpers on the Playing Field or in the party room You must comply with all local, state and federal health and sanitation laws and regulations

You should consult with your attorney and local, state, and federal government agencies before investing in a Sky Zone franchise to determine all of the legal requirements that you must comply with and consider their impact on you and the cost of compliance Building codes and requirements vary in different jurisdictions and it is important for you and your architect to be aware of and comply with all local laws as well as the federal laws including the Americans with Disabilities Act You may also be subject to certain health and safety requirements as well as licensing requirements in teaching and supervising children Many states and municipalities have laws and regulations regarding fitness center contracts with guests, operations and licenses Some state and local laws may regulate the membership contracts length and terms, advertising and limitations on pre-opening sales You may also have to obtain a bond to protect pre-paid membership fees you collect and there may be buyer s remorse cancellation rights and other types of cancellation rights There may be laws requiring you to have an employee at your Park who is certified in basic cardiopulmonary resuscitation or on the use of an automated external defibrillator There may be a requirement that you must have certain types of first aid equipment on the premises such as an automated external defibrillator You should check with your local attorney for advice on complying with applicable law before you purchase a franchise and during the operation of your Park You must investigate and satisfy and stay current on all local, state, and federal laws and regulations since they vary from place to place and can change over time

You must also comply with any standards issued by ASTM International as they relate to regulation and safety of indoor trampoline parks In the September/October 2013 issue of Standardization News, a new standard of practice was published for Design, Maintenance and Operation of a trampoline court We reserve the right to require additional ASTM upgrades if such standards change

Item 2

BUSINESS EXPERIENCE

Jeffrey Allen Platt President & Chief Executive Officer

Mr Platt has been our President & Chief Executive Officer since our inception in November 2008 From November 2008 to September 2016, Mr Platt was the President & CEO of RPSZ Construction LLC Since its inception in September 2007, Mr Platt has been the President of Sky Zone Recreational Center 95765, LLC Since its inception in December 2005, Mr Platt has been the President of Sky Zone Recreational Center 63005 Since January 2011, Mr Platt has been the President & CEO of Sky Zone, LLC

Glenn T Lord Chief Operating Officer

Mr Lord has been our Chief Operating Officer since January 2015 From October 2013 to December 2014, he was our Senior Vice President of Operations From April 2013 to September 2013, he was not employed From July 2011 to March 2013, he was Vice President International Business and Operations for Pinkberry Ventures, Inc located in Los Angeles, California Since January 2015, Mr Lord has been Chief Operating Officer of Sky Zone, LLC and, from January 2015 to September 2016, Chief Operating Officer of RPSZ Construction, LLC

David Matthew Lambeth Vice President of Construction

Mr Lambeth has been our Vice President of Construction since our inception in November 2008 From November 2008 to September 2016, Mr Lambeth was the Vice President of RPSZ Construction, LLC Since its inception in September 2007, Mr Lambeth has been the Vice President and General Manager of SkyZone Recreational Center 95765 LLC

Josh Cole Chief Marketing Officer

Mr Cole has been the Chief Marketing Officer since February of 2016 From December 2014 to February of 2016, he was our Senior Vice President of Marketing From October 2006 to December 2014, he was the Vice President of Digital Marketing and E-Commerce for NBC Universal located in Universal City, California

Joseph Sexton Director of Franchise Development

Mr Sexton has been the Director of Franchise Development since October 2015 From May 2014 to September 2015, he was the Executive Director Franchise Development of Mathnasium Center Licensing LLC in Los Angeles, California From January 2012 to April 2014, he was the Director of Franchise Development of Kidville Franchise Company in Solana Beach, California

Michelle Sandonato Vice President of Guest Insights and Experiences

Ms Sandonato has been the Vice President of Guest Insights and Experiences since January 2017 From March 2015 to January 2017 she was our Director of Training From August 2012 to March 2015, she was the Director of Field Operations of Massage Envy Franchising LLC in Scottsdale, AZ From August 2009 to August 2012 she was the Director of Field Training of Massage Envy Franchising LLC in Scottsdale, AZ

Julie Petritsch Chief Financial Officer

Ms Petritsch has been the Chief Financial Officer since November 2016 From March 2011 to November 2016, she was the Chief Financial Officer of Brighton Collectibles LLC in the City of Industry, CA

Item 3

LITIGATION

Richard Platt v Jeffrey Platt, et al Superior Court for the State of California, County of Los Angeles Case No BC558134 American Arbitration Association No 01-15-0002-6935 On September 18, 2014, Plaintiff Richard Platt filed a complaint against Defendants Jeffrey Platt Aron Shapiro, Richard Rothkopf, Brent Platt, Tom Collinger Sky Zone LLC ('Sky Zone'), Sky Zone Franchise Group, LLC ('Sky Zone

Franchise Group") and RPSZ Construction, LLC ('RPSZ") for injunctive relief, declaratory relief, appointment of a receiver and damages for breach of fiduciary duty Plaintiff alleged that the individual defendants improperly removed him from his positions of manager of Sky Zone and RPSZ and co-manager of Sky Zone Franchise Group Plaintiff sought, among other things to enjoin Defendants from refusing to recognize Plaintiff as manager of Sky Zone and RPSZ and co-manager of Sky Zone Franchise Group, and from denying Plaintiff access to the companies, a declaration that Plaintiff is the sole manager of Sky Zone and RPSZ, and co-manager of Sky Zone Franchise Group, that he is entitled to access to the companies, and that his ownership interests in the companies are more than company records show, and with respect to the breach of fiduciary duty claim, an unspecified amount of damages and punitive damages Plaintiff also sought to recover attorneys' fees and costs On January 5, 2015, the Court granted Defendants' motion to compel arbitration as to Plaintiff's claims against all Defendants except Sky Zone Franchise Group On March 10, 2016, the Court denied Plaintiff's motion to appoint a receiver over Sky Zone, Sky Zone Franchise Group and RPSZ

After an arbitration hearing was held from May 9 2016 through June 3, 2016 the Arbitrator issued a Final Award in October 2016 that resolved all of the claims referred to arbitration and concluded that (i) Sky Zone has been properly governed by its board of managers, (ii) Plaintiff was properly removed as a manager of Sky Zone (iii) Sky Zone's Third Operating Agreement is the correct governing document and Sky Zone's records of company ownership are accurate (iv) Sky Zone s board of managers operated by majority vote and operated with the consent of the members and (v) the board of managers managed Sky Zone and Sky Zone Franchise Group The Final Award also found in favor of the individual Defendants finding that they did not breach their respective fiduciary duties The Final Award found in favor of Plaintiff regarding his injunctive and declaratory relief claims related to RPSZ, finding that Plaintiff was the sole manager of RPSZ (prior to its dissolution on September 30, 2016) Plaintiff did not, however, file a memorandum as required by the Arbitrator and as such the Final Award did not award him legal fees pursuant to any defense or indemnification obligation On November 17, 2016 the Los Angeles Superior Court granted Defendant Sky Zone s petition to confirm the Final Award and, on November 23, 2016, the Court entered an order confirming the Final Award and entered a final judgment between Defendant Sky Zone and Plaintiff concluding that Plaintiff is to recover nothing from Defendant Sky Zone, and that each side shall bear its own attorneys' fees and costs Plaintiff did not file an appeal The case against Defendant Sky Zone Franchise Group is currently stayed until the Court conducts a status conference Defendant Sky Zone Franchise Group intends to vigorously defend against the claims asserted

Barclay Poole v Jeffrey Platt and Sky Zone Franchise Group, LLC, Circuit Court for the State of Missouri, County of Cole Case No 16AC-CC00572 On December 29 2016 Plaintiff Barclay Poole filed a petition against Defendants Jeffrey Platt and Sky Zone Franchise Group for breach of contract and breach of fiduciary duty seeking damages Plaintiff alleges that (i) Defendants breached the Sky Zone Franchise Group Operating Agreement by issuing certain equity interests in Sky Zone Franchise Group without the required consent of the members of Sky Zone Franchise Group, (ii) Defendant Jeffrey Platt breached his fiduciary duties owed to Plaintiff by preventing Rick Platt (another member of Sky Zone Franchise Group) from serving as manager, ceding all management authority to a board of managers using company funds to pay a law firm that provided advice to remove Rick Platt as manager, using company funds to pay for the legal funds in defense of removing Rick Platt as manager, issuing equity interests in Sky Zone Franchise Group to non-members without member consent, inappropriately issuing interests to himself and his designees, using company funds to pay a settlement to Brent Platt (another member of Sky Zone Franchise Group) making decisions that were not in the best interests of Sky Zone Franchise Group, making expenditures in excess of $25,000 without the consent of the members, and commencing a pre-emptive offering to attempt to correct the breaches of the Operating Agreement, which resulted in damages to Plaintiff Plaintiff seeks $25,000 in damages to cover his costs and attorneys fees, along with an unspecified amount of punitive damages The case is currently in discovery phase The case remains open and Defendants intend to vigorously defend against Plaintiff's claims

Other than as set forth above, no litigation is required to be disclosed in this Item

Item 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item

Item 5

INITIAL FEES

Franchise Agreement

Deposit under Letter Agreement

When you sign a Letter Agreement attached as Exhibit H to the Disclosure Document (the '**Letter Agreement**") with us for the operation of a Park under the Single Unit Franchise Program (as described in Item 1), you must pay us a deposit of $20,000 (the "**Deposit**") The Deposit Fee is deemed fully earned upon payment and is not refundable under any circumstances You must enter into a Franchise Agreement with us within two (2) weeks of the date you sign your Letter Agreement If you do not enter into a Franchise Agreement with us at that time, we reserve the right to terminate your LOI and retain your Deposit

Initial Franchise Fee

You will be required to pay us an initial franchise fee (the ' **Initial Franchise Fee**") (a) prior to us providing you with any design or layout templates or proposals for any site you propose in connection with your Park, and (b) six (6) months from the date your execute your Franchise Agreement, whichever occurs sooner (the **IFF Payment Date**') We will credit your Deposit to the Initial Franchise Fee provided you timely secure an approved site from which to operate your Park, such that you will owe us the balance of $40,000 on the IFF Payment Date

If you wish to enter into a Franchise Agreement with us for the right to own and operate an additional Park after you already own and operate one (1) or more existing Park(s) pursuant to a valid and existing Franchise Agreement with us, then you will (a) not be required to execute a Letter Agreement or pay us a deposit, and (b) be required to pay us a reduced Initial Franchise Fee amounting to $40,000 at the time you execute your Franchise Agreement for such an additional Park provided you are not in default of your existing Franchise Agreement(s) with us

The entire Initial Franchise Fee is deemed fully earned upon execution of your Franchise Agreement and is not refundable under any circumstances upon payment

Other Amounts Payable in Connection with a Single Park

You must also pay us or our affiliates for the Playing Fields equipment and installation all on-court sports equipment (e g balls), jump stickers, SkySocks SkyBands (equipped with radio-frequency identification (RFID)), mobile device applications (SkyApp) and other items we designate for use or resale at your Park We and our affiliates are the only approved suppliers for these products and services The costs of all of these items will range from (i) $427,195 to $870,489 payable to our affiliate and (ii) $13,849 to $14,029 (not including the initial franchise fee) payable to us These costs are nonrefundable

Area Development Agreement

If we determine to grant you the right to develop multiple Parks within a designated Development Area as described more fully in Item 1, you will be required to pay us a lump-sum development fee amounting to the sum of (i) $60,000 for the first Park you are granted the right to develop, and (ii) $40,000 for the second and each additional Park we grant you the right to develop (collectively, the "**Development Fee**) By way of example the Development Fee due in connection with a Development Agreement for right to develop three (3) Parks will be $140,000

The Development Fee is paid to us upon execution of your LOI for development rights at issue, and this fee is deemed fully earned and non-refundable upon payment Please be advised that you will be required to execute the Franchise Agreement that will govern the first Park you open within the Development Area at the same time you execute your ADA for the development rights

Item 6

OTHER FEES

TYPE OF FEE*	AMOUNT	DUE DATE	REMARKS
Royalty Fee (Notes 1 and 2)	6% of Gross Sales	Payable twice per month on the 16th and first day after month ends	Fees and sales report due Payments must be made via electronic funds transfer (EFT)
Advertising Fee (Notes 1 and 2)	Currently, 2% of Gross Sales	Payable twice per month on the 16th and first day after month ends	Payments must be made via electronic funds transfer (EFT) We have the right to increase your Advertising Fee to an amount equal to up to 2 5% of Gross Sales
On-line Marketing Tool Advertising Fee (Note 3)	Then-current fee charged by our approved or designated supplier Currently, $20 per month per user	Monthly	We have a mandatory marketing platform for all approved marketing resources This fee is charged based on the number of users at a given Park
Grand Opening Advertising	Minimum of $25,000	½ of this Grand Opening Advertising Amount to be spend before you open your Park and the remainder in the first month your Park is in operation	

TYPE OF FEE*	AMOUNT	DUE DATE	REMARKS
Local Advertising	Minimum of $12,000 per month during 2nd 3rd and 4th months of operation After your 4th month of operation minimum of 4% of the Gross Sales	Monthly Quarterly	Payable to local advertising suppliers Any advertising materials you want to use must first be approved by us We have the right to request that you provide us with invoices and/or other evidence to demonstrate you are making these expenditures
Transfer Fee Under Franchise Agreement	50% of the then-current Initial Franchise Fee	Prior to transfer	Payable by transferee when you transfer your Franchise Agreement, the assets of your Park or your ownership
Transfer Fee Under ADA	$25 000 per undeveloped Unit	Prior to transfer	Payable by you when you sell your area development rights
Renewal Fee Under the Franchise Agreement	25% of the then-current Initial Franchise Fee	At the time execution of the then current franchise agreement	Payable when you renew the Franchise Agreement
Additional Training (Note 4)	Currently, we reserve the right to charge $500 per day	Upon request or as we require	This is for additional training we may periodically provide or require
Additional Assistance (Note 4)	Currently we reserve the right to charge $500 per day	Upon request or as we require	This is for additional assistance that you need or request
Audit (Note 5)	Our costs and expenses of the audit including salaries professional fees travel, meals and lodging plus any understated amount with interest	Upon demand	Payable if audit or review shows an understatement of Gross Sales for the audited or reviewed period of 2% or more
Interest on Late Payments (Note 5)	Lesser of 18% annually or maximum legal rate we are able to charge (e g based on where the Park is located) subject to applicable laws	On all overdue payments	Payable on all overdue amounts Interest accrues from the original due date until payment is received in full

TYPE OF FEE*	AMOUNT	DUE DATE	REMARKS
Late Report Fee	$100 plus $100 for each day the report is late	Upon demand	Payable on your failure to timely send us financial reports when due We reserve the right to waive this fee if the report is late due to technical or communications errors
Testing for Alternate Supplier Approval	Not more than the actual cost of the test	Upon demand	Only if you propose a supplier to us for our approval
Product Purchases and Installation of Playing Fields (Note 6)	Varies based on the products ordered (e g , Playing Fields (including installation), balls stickers, wristbands and SkySocks)	As incurred and as set forth in the applicable Purchase Order (a form of which is attached to this Disclosure Document as Exhibit I)	Payment must include cost of goods, taxes shipping and handling
Online POS-Related Fees	Then-current fees charged by our approved supplier for point of sale (POS) system and related software Currently the POS-related fees are transaction-based and are calculated as follows $0 75 per transaction for the first 1 000 transactions, plus $0 50 per each additional transaction	As incurred	Payable to our approved supplier for POS-related software In addition to the transaction-based license fee, you must pay our approved supplier an annual service fee amounting to $5 044 to $6 697

TYPE OF FEE*	AMOUNT	DUE DATE	REMARKS
Technology Suite (Note 7)	Then-current technology or license fee we charge in connection with the any Technology Suite we develop and/or designate for use in connection with the System	As arranged	We have not currently developed or designated a Technology Suite to handle certain non-POS related technology within SKY ZONE Parks, but we reserve the right to do so in the future If we develop or designate such a Technology Suite in the future we may require you to implement that technology and pay us or our approved supplier a recurring fee for the Technology Suite access and use
Taxes (Note 8)	Actual costs	Upon demand	
Annual Convention	Up to $1,000 per person, plus expenses	15 days before convention begins If not paid by the required deadline the fee will be automatically debited from your bank account	At least one representative from each Park must attend the convention The cost of the convention does not include travel, lodging, meals or wages expenses for the attendee
Space Planning Fee	Then-current fee Currently $350 per floor plan	Upon delivery of the Space Plan	We will provide the first 3 Space Plans at no cost to you Each additional floor plan after the 3rd, if necessary will cost you $350 per Space Plan
International Association of Trampoline Parks (IATP) Membership Fees	Then-current fee charged by the IATP Currently $100 per location plus $200 per trampoline court in your Park	Annually	Under the Franchise Agreement membership in the IATP is required and the fee is payable to IATP

TYPE OF FEE*	AMOUNT	DUE DATE	REMARKS
Insurance	Cost of the premium plus a reasonable fee for our services in procuring the insurance	Upon demand	Payable to your insurance provider, payable to us only if you fail to maintain the minimum insurance we require and we choose to procure the required insurance for you
Indemnification	Amount of our liabilities, fines losses, damages, costs and expenses (including reasonable attorneys' fees)	Upon demand	Payable if we incur losses due to your breach of the Franchise Agreement or any other action or inaction by you or any other person (including, (employees, agents officers) relating to your Park
Attorneys' Fees for Review of Park Waivers	Actual costs	As incurred	If applicable to your state all franchisees located within the particular state will share the costs for the attorney to review the Park waiver for that state

* All fees are imposed by and are payable to us or our affiliates All fees are non-refundable All fees are uniformly imposed

Note 1 **Amount of Royalty Fee and Advertising Fee** You must pay us a Royalty Fee equal to 6% of Gross Sales and you will pay us 2% of Gross Sales for an Advertising Fee

Note 2 **Timing and Calculation of Royalty Fee and Advertising Fee** Royalty Fees and Advertising Fees are due and payable twice per month on the 16th and the first day after the month ends If the payment date falls on a holiday, the fees will be due on the next business day Any payment or report not received by us by the date due will be deemed overdue "**Gross Sales**" means the total amount of all sales of products, services, programs and merchandise sold from, through or in connection with the Park whether for cash, on credit, barter or otherwise, but not including applicable sales, use or service taxes You will comply with the procedures specified in the Manual or as otherwise communicated for any electronic funds transfer program and shall perform the acts and sign the documents, including authorization forms that we your bank and our bank may require to conduct payment by electronic funds transfer including authorizations for us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of Royalty Fees and Advertising Fees and other amounts, including interest payable to us In addition you will pay all costs associated with using an electronic funds transfer payment program If you fail to timely report to us in accordance with the procedures set forth in the Franchise Agreement and in the Manual in addition to any applicable late charge, we have the right, but not the obligation, to debit from your account an estimated amount equal to the fees due and payable to us according to the most recent reports you sent to us

Note 3 **Online Marketing Tool Advertising Fee** This monthly fee is for the Online Marketing Tool, which is used to host Sky Zone marketing and advertising collateral such as brochures, flyers, direct mail, and print advertising pieces

Note 4 **Training and Assistance Fees** We reserve the right to charge you a reasonable amount, up to $500 per day, for any training we provide to you or your managers or employees after we have provided the minimum required training we provide for in Item 11 You must pay for any travel, meal, incidental, and lodging expenses incurred by persons conducting the training programs and attending the training program We will make available continuing advisory assistance in a manner as we deem appropriate and we can charge a reasonable fee for it

Note 5 **Interest, Audit Fees and Late Report Fees** If you under-report your Gross Sales, in addition to paying us for the amount of unpaid Royalty Fees and Advertising Fees you must pay interest on any unpaid amounts at a rate equal to the lesser of 18% per annum or the maximum legal rate in the jurisdiction where your Park is located In addition, if the amount of Gross Sales you report for any calendar year is understated by 2% or more of the actual Gross Sales for that period you must reimburse us for all costs of the investigation or audit that uncovered the under reported sales including salaries, professional fees, travel, meals and lodging If you fail to send us your weekly reports when due, we can charge you, to the extent permitted by law, a late report fee of $100 plus $100 for each day your report is late If you fail to send us a report that is due on a quarterly basis or annual basis, we can charge you a late report fee of $100 plus $100 for each month your report is late

Note 6 **Product Purchases** You must purchase certain items such as the Playing Fields (including the nets, padding, and installation), balls, stickers, wristbands, party/event supplies SkySocks, SkyBands and other Sky Zone branded items from Sky Zone Franchise Group or our affiliates You may decide to purchase certain other products (such as promotional materials and merchandise) from us or our affiliates (See Item 8) The prices, terms, and conditions for these purchases are contained on the price list that we or our affiliates, will periodically supply to you ('**Price List**') We reserve the right, for ourselves and our affiliates to update the Price List and change the terms and conditions for these purchases at any time on 30 days' notice All of the individuals who guarantee the Franchise Agreement must also guarantee all of your purchases of products and equipment from us or our affiliates You must pay for all taxes shipping and handling costs If you fail to pay for any products or equipment when payment is due, we, or our affiliates, can require you to pay for future products and/or equipment on cash on demand basis or withhold shipment of products and/or equipment in addition to requiring you to pay late fees and interest

Note 7 **Technology Suite** SFG may, but is under no obligation to introduce a number of non-POS technology products or services at some point in 2017 for use in connection with the System and Park that may use or incorporate custom applications and technologies associated with the new SkyBand technology (which are fitness bands equipped with radio-frequency identification (RFID) SFG intends for new franchisees after the new system is launched, to use this technology suite We expect there will be a monthly fee, the exact amount of which is to be determined by SFG SFG expects that the costs associated will involve comparable but perhaps higher, costs that franchisees are currently required to expend on the same or similar technology

Note 8 **Taxes** You must pay us the amount of any state or local sales, use, gross receipts, or similar tax that the State or local government authority imposes on fees which you pay to us, without offset or deduction of any kind This does not include income-type taxes which a State or local government imposes on our income

Item 7

ESTIMATED INITIAL INVESTMENT

A YOUR ESTIMATED INITIAL INVESTMENT - FRANCHISEE

YOUR ESTIMATED INITIAL INVESTMENT 15,000 SQUARE FEET				
TYPE OF EXPENDITURE	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Initial Franchise Fee (including Deposit)	$60,000	Lump Sum	Upon signing the Letter of Intent	Us
Lease & Security Deposits (Note 1)	$21,000 - $47,250	Lump Sum	Upon signing the lease	Landlord
Leasehold Improvements/ Architect (Note 2)	$448,800 - $633,000	Lump Sum	Before Opening	Landlord, architect, construction company
Signage	$30,325 - $33 881	Lump Sum	Before Opening	Vendors
Playing Fields (Note 3)	$427,195 - $452,423	Lump Sum	Before Opening	Our affiliate
Furniture/Fixtures (Note 4)	$22,969 - $30,318	Lump Sum	Before Opening	Vendors
Computer Software License and Hardware (Note 5)	$69,088 - $71,171	Lump Sum	Before Opening	Vendors
Equipment and Supplies (Note 6)	$122,963 - $124,516	Lump Sum	Before Opening	Vendors
Licenses, dues, utility Deposits, etc	$3,000 - $6,000	Lump Sum	Before Opening	Government Agencies and Organizations
Inventory (Note 7)	$25 439 - $25,439	Lump Sum	Before Opening	Vendors and us or our affiliates
Travel Expenses/Pre-Opening Salaries	$28 535 $32,535	Lump Sum	Before Opening	Airlines, hotels etc
Professional Fees	$4,000 - $12 000	Lump Sum	Before Opening	Attorney, accountant
Insurance Deposit (Note 8)	$15,500 - $16,300	Lump Sum	Before Opening	Insurance agent
Additional Funds - 3 months (Note 9)	$40,000 - $80 000	As incurred	As incurred	Employees, suppliers utilities, etc

YOUR ESTIMATED INITIAL INVESTMENT 15,000 SQUARE FEET				
TYPE OF EXPENDITURE	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Grand Opening Advertising (Note 10)	$25,000 - $30,000	Lump Sum	Before opening and within the first month of operation	Advertising company
TOTAL (Note 11)	**$1,343,813 - $1,654,833**			

YOUR ESTIMATED INITIAL INVESTMENT 20,000 SQUARE FEET				
TYPE OF EXPENDITURE	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Initial Franchise Fee (including Deposit)	$60,000	Lump Sum	As set forth in Item 5 of this Disclosure Document	Us
Lease & Security Deposits (Note 1)	$26,000 - $61,600	Lump Sum	Upon signing the lease	Landlord
Leasehold Improvements/ Architect (Note 2)	$461,400 - $718 100	Lump Sum	Before Opening	Landlord, architect, construction company
Signage	$34,961 - $46 525	Lump Sum	Before Opening	Vendors
Playing Fields (Note 3)	$561,405 - $591,795	Lump Sum	Before Opening	Our affiliate
Furniture/Fixtures (Note 4)	$37,532 $39,089	Lump Sum	Before Opening	Vendors
Computer Software License and Hardware (Note 5)	$78,639 - $81 989	Lump Sum	Before Opening	Vendors
Equipment and Supplies (Note 6)	$131,679 to $149,521	Lump Sum	Before Opening	Vendors
Licenses, dues, utility Deposits etc	$3 000 - $6,000	Lump Sum	Before Opening	Government Agencies and Organizations
Inventory (Note 7)	$25,699 - $25,839	Lump Sum	Before Opening	Vendors and us or our affiliates
Travel Expenses/Pre Opening Salaries	$30 535 - $39,135	Lump Sum	Before Opening	Airlines, hotels etc

YOUR ESTIMATED INITIAL INVESTMENT 20,000 SQUARE FEET				
TYPE OF EXPENDITURE	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Professional Fees	$4,000 - $12 000	Lump Sum	Before Opening	Attorney, accountant
Insurance Deposit (Note 8)	$17 100 - $29 133	Lump Sum	Before Opening	Insurance agent
Additional Funds - 3 months (Note 9)	$50,000 - $90,000	As incurred	As incurred	Employees suppliers, utilities, etc
Grand Opening Advertising (Note 10)	$25,000 - $30,000	Lump Sum	Before opening and within the first month of operation	Advertising company
TOTAL (Note 11)	**$1,546,950 - $1,980,726**			

YOUR ESTIMATED INITIAL INVESTMENT 25,000 SQUARE FEET				
TYPE OF EXPENDITURE	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Initial Franchise Fee (including Deposit)	$60,000	Lump Sum	As set forth in Item 5 of this Disclosure Document	Us
Lease & Security Deposits (Note 1)	$31,500 - $78,908	Lump Sum	Upon signing the lease	Landlord
Leasehold Improvements/ Architect (Note 2)	$489,500 - $889 200	Lump Sum	Before Opening	Landlord, architect construction company
Signage	$38 885 - $53 760	Lump Sum	Before Opening	Vendors
Playing Fields (Note 3)	$694 673 - $731 197	Lump Sum	Before Opening	Our affiliate
Furniture/Fixtures (Note 4)	$41,327 - $49 066	Lump Sum	Before Opening	Vendors
Computer Software License and Hardware (Note 5)	$84 073 - $86,378	Lump Sum	Before Opening	Vendors

YOUR ESTIMATED INITIAL INVESTMENT 25,000 SQUARE FEET				
TYPE OF EXPENDITURE	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Equipment and Supplies (Note 6)	$135, 217 - $154,145	Lump Sum	Before Opening	Vendors
Licenses, dues, utility Deposits, etc	$3,000 - $6,000	Lump Sum	Before Opening	Government Agencies and Organizations
Inventory (Note 7)	$26 039 - $26,079	Lump Sum	Before Opening	Vendors and us or our affiliates
Travel Expenses/Pre-Opening Salaries	$31,535 - $40 185	Lump Sum	Before Opening	Airlines, hotels, etc
Professional Fees	$4 000 -$12,000	Lump Sum	Before Opening	Attorney, accountant
Insurance Deposit (Note 8)	$17 900 - $29,933	Lump Sum	Before Opening	Insurance agent
Additional Funds - 3 months (Note 9)	$60,000 - $100 000	As incurred	As incurred	Employees, suppliers, utilities, etc
Grand Opening Advertising (Note 10)	$25,000 - $30 000	Lump Sum	Before opening and within the first month of operation	Advertising company
TOTAL (Note 11)	**$1,742,650 - $2,346,850**			

YOUR ESTIMATED INITIAL INVESTMENT 30,000 SQUARE FEET				
TYPE OF EXPENDITURE	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Initial Franchise Fee (including Deposit)	$60 000	Lump Sum	As set forth in Item 5 of this Disclosure Document	Us
Lease & Security Deposits (Note 1)	$37 000 - $96,320	Lump Sum	Upon signing the lease	Landlord
Leasehold Improvements/ Architect (Note 2)	$523,400 $1,007,100	Lump Sum	Before Opening	Landlord, architect construction company
Signage	$48,954 - $65,920	Lump Sum	Before Opening	Vendors

YOUR ESTIMATED INITIAL INVESTMENT 30,000 SQUARE FEET				
TYPE OF EXPENDITURE	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Playing Fields (Note 3)	$828,480 - $870,489	Lump Sum	Before Opening	Our affiliate
Furniture/Fixtures (Note 4)	$53 020 - $63 445	Lump Sum	Before Opening	Vendors
Computer Software License and Hardware (Note 5)	$88 802 $96 575	Lump Sum	Before Opening	Vendors
Equipment and Supplies (Note 6)	$168,275 - $175,991	Lump Sum	Before Opening	Vendors
Licenses dues utility Deposits, etc	$3 000 - $6,000	Lump Sum	Before Opening	Government Agencies and Organizations
Inventory (Note 7)	$26 439 - $26,459	Lump Sum	Before Opening	Vendors and us or our affiliates
Travel Expenses/Pre-Opening Salaries	$38,235 - $42,285	Lump Sum	Before Opening	Airlines hotels etc
Professional Fees	$4 000 - $12,000	Lump Sum	Before Opening	Attorney accountant
Insurance Deposit (Note 8)	$30,733 $31,533	Lump Sum	Before Opening	Insurance agent
Additional Funds 3 months (Note 9)	$70 000 - $110,000	As incurred	As incurred	Employees, suppliers utilities etc
Grand Opening Advertising (Note 10)	$25 000 - $30 000	Lump Sum	Before opening and within the first month of operation	Advertising company
TOTAL (Note 11)	**$2,005,337 - $2,694,116**			

Explanatory Notes

THESE EXPENSES ARE MERELY ESTIMATES YOU ARE ENCOURAGED TO MAKE AN INDEPENDENT INVESTIGATION AND ANALYSIS OF THE POTENTIAL EXPENSES WHICH MAY BE INCURRED IN ORDER TO START YOUR PARK In most cases, the costs of these items can be higher based on market conditions

Note 1 **Lease and Security Deposit** The ideal size of your Park for two (2) or more Playing Fields should range between 15 000 and 30,000 square feet In most cases the landlord will require a security and/or rental deposit Usually the landlord will require you to pay the equivalent of at least one month s rent Rental rates or deposits on an unknown location cannot be predicted in advance However the deposit will most likely depend on the size and location of the Park These costs will vary greatly depending on

the area where the Park will be located The item in each table represents one month's rent as a security deposit and your first month's rent The low range in each table represents the least expensive deposit for a Park of the size described in the applicable Chart above, and the high range is the most expensive deposit for a Park of that size In most cases, franchisees rent rather than purchase property The initial investment assumes you will rent If you purchase the property, your initial expenses will dramatically increase

Note 2 Leasehold Improvements and Architect Fees When a site has been selected by you and approved by us in writing, you will contract with a Sky Zone Franchise Group approved architect who will provide you with a preliminary layout and suggestions for the design of a typical Park and then a full set of design plans You will then need the services of a local licensed architect to detail the layout into construction plans You will pay for the local architect's services directly This also includes the cost of a chain link fence and entrance platforms around the courts which can be installed by a local contractor

The cost of construction improvements or building varies widely by the size of the space the existing improvements and local construction rates For example, if the electrical outlets, bathrooms or heating/cooling are not already completed in the Site, your costs for leasehold improvements will be more Sometimes you may receive a construction allowance from the landlord and if so, the costs may be reduced accordingly The cost of leasehold improvements in the above Table do not include any of the items already listed in this Table entitled 'Furniture/Fixtures', "Playing Fields" or 'Equipment and Supplies" Until a specific site is located and evaluated, a reliable estimate of costs cannot be projected However we strongly suggest that the leasehold improvements and architect fees fall within this range In some cases, they may be significantly higher or lower depending on lease negotiations with local landlords We provide the first 3 Space Plans to you at no additional cost

Note 3 Playing Fields The low range includes the cost of 2 Playing Fields (1 large court and 1 Toddler/Dodge ball court) and 1 attraction while the high range includes the costs of 3 or more Playing Fields and at least 1 attraction including installation, labor, shipping and handling, insurance, engineering, replacement parts and tax These costs can fluctuate based on the square footage of each Playing Field and costs of steel and oil You must purchase the Playing Fields and the installation from us or our affiliates The cost of the playing fields does not include the entrance platforms

Note 4 Furniture/Fixture This range includes furniture, storage racks lockers, kiosk displays, slat wall and line dividers You must purchase these items from approved suppliers This range assumes that these items being purchased are new and the costs include installation

Note 5 Computer Equipment The type of POS System you must purchase is described in Item 11 You are required to purchase and install the POS system approved by Sky Zone Also included in this range is the cost of the register and the network The number of computer stations and certain additional extra equipment will determine the amount of this Item The low range assumes you will finance the POS System and the high range assumes you will pay the entire cost of the POS System which will include the additional computer stations and other additional equipment You must purchase the designated POS package from our approved vendor and all of the necessary modules that come with the program Additional information about the required POS System is included in Item 11

Note 6 Equipment and Supplies These amounts represent audio visual system, TVs clocks concession equipment and supplies, cleaning supplies and equipment, first aid equipment, filming and photography equipment telephone system, video surveillance camera system/security system shoe security system, radios and uniforms All of the costs assume these items are new and include any installation which is required

Your security camera system must monitor all of the playing fields including recording equipment to record and store video records of injuries for minimum of 365 days (ready access storage) Additionally the video system specification must allow for us and our insurance carrier to have direct access to your security cameras and video storage (365 days history) at all times

Note 7 **Inventory** These amounts represent the cost of your inventory including key tags, stickers various merchandise, party favors and supplies, wristbands, SkySocks, merchandise, concessions and uniforms $13,849 to $14 029 is payable to us

Note 8 **Insurance** These amounts represent a 2 month deposit of the annual premium for the required insurance Many insurance companies will require you to pay this amount before opening and allow you to pay the remainder in monthly payments for an additional 10 months Typically, the annual premiums will range from $50 000 - $140,000 depending on the size of your park For your liability insurance you must use our approved supplier of insurance Insurance premiums are subject to increase at any time based on market conditions, and certain states may have higher premiums

Note 9 **Additional Funds** This item estimates your initial startup expenses during the initial period of the operation of your Park, which we estimate is three months These expenses include rent, payroll costs, benefits, utilities, additional inventory requirements, supplies, advertising and marketing costs after the first month the Park is open, etc , but do not include Royalty Fees and Advertising Fees and do not include an owner's salary or draw or any expenses which are listed in the above chart These figures are estimates, and you may have additional expenses to start the business Your costs will depend on factors similar to these how closely you follow our methods and procedures, your management skill experience and business acumen, local economic conditions, the local market for your products and services the prevailing wage rate, competition and sales level reached during the initial period

Note 10 **Grand Opening Advertising** As explained in Item 11, you must spend a minimum of $25,000 to $30,000 (depending on the area where your Park is located) (**"Grand Opening Advertising Amount"**) for grand opening advertising and sales promotions for your Park You must spend ½ of this Grand Opening Advertising Amount before you open your Park and the remainder in the first month your Park is in operation

Note 11 **Total** Costs and expenses can vary depending on factors like local real estate values, cost of labor and supplies These figures were based on the experience of our affiliates operating Sky Zone Indoor Trampoline Parks since 2001 as well as certain figures/estimates we have compiled regarding certain franchisee openings since 2004 The expenses may differ in other parts of the country None of the fees listed in this Item are refundable Your financial condition and arrangements negotiated by and the business decisions made by you will also affect these costs There can therefore be no assurance that the experience of a particular franchisee will correspond with the information presented above You should review these figures carefully with a business advisor before making any decision to purchase the franchise

We built an affiliate owned Park in 2016 that was approximately 28,664 square, which involved an initial investment that is significantly higher than the highest range quoted in the charts set forth above in this Item 7 The initial investment associated with this Park was not factored into the charts above because this Park tested new construction, design and equipment ideas and elements that are not part of our standard franchise offering Regardless, it is important that you are aware that total investment for your Park will depend on many factors and could be higher than the investment set forth in the charts above

We do not offer, either directly or indirectly, financing to you for any items (See Item 10 of this document) The availability of financing will depend upon various factors like the availability of financing generally,

your credit worthiness, other security that you may have, and the requirements of lending institutions concerning the type of business to be operated by you

B YOUR ESTIMATED INITIAL INVESTMENT - AREA DEVELOPER (3-PACK)[1]

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Development Fee (Note 2)	$140,000	Lump Sum	Upon execution of Development Agreement	Franchisor
Vehicle (3 months) (Note 3)	$2,100	As arranged with third party		
Estimated Investment to Open Initial Park (Note 4)	$1,283,813 - $1,594,833	See Chart A of this Item 7		
Total (Note 5)	**$1,425,913 - $1,736,933**	This is the total estimated initial investment to enter into an ADA for the right to own a total of three (3) Parks, as well as the costs to open and commence operating your initial Park for the first three months (as described more fully in Chart A of this Item 7)		

Explanatory Notes

Note 1 Generally All fees and payments are non-refundable, unless otherwise stated or permitted by the payee This Chart details the estimated initial investment associated with executing an ADA for the right to own and operate three (3) Franchised Businesses as well as the initial investment to open your first Park under your Development Schedule

Note 2 Development Fee The Development Fee is described in greater detail in Item 5 of this Disclosure Document, and this Development Fee is for the right to open and operate a total of three (3) franchised Parks (provided you comply with your development obligations under the Development Agreement) If you choose to open more than three (3) Parks your Development Fee will be higher

Note 3 Vehicle We expect that you will need a vehicle to view potential Sites oversee buildouts, supervise multiple Park locations etc We estimate that your vehicle costs will be $2,100 including gas, maintenance and monthly payments The amount you expend may be less if you use a vehicle that you already own to perform these tasks

Note 4 Estimated Investment to Open Initial Park This figure represents the total estimated initial investment required to open the initial Park you agreed to open and operate under the ADA The range includes all the items outlined in Chart 7 A of this Item for the Park that is 15 000 square feet in size, except for the Initial Franchise Fee (including Deposit) because you are not required to pay this Initial Franchise Fee once the Development Fee is paid The estimated investment range for your first Park will increase if your initial Park is going to be larger than 15,000 square feet The range does not include any of the costs you will incur in opening any additional Parks that you are granted the right to open and operate under your ADA The other costs to develop any Parks under the ADA may be affected by factors including inflation local labor costs, materials cost and other factors not within our control

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the Park according to our System and the operational standards as we may establish from time to time, which includes purchasing all products, services, supplies inventory, equipment, and materials required for the operation of the Park from manufacturers, suppliers or distributors we approve

Approved Suppliers

Our supplier specifications and standards are described in our Confidential Operations Manual (the "**Manual**") (as described in Item 10 below) or on our company intranet site Suppliers must demonstrate their ability to supply franchisees' needs in a timely and reliable manner and their products must meet our specifications and standards as to quality and appearance In some instances we, or our affiliates, may be approved suppliers or the sole approved suppliers for certain products (e g , for the Playing Fields (including installation) balls, stickers wristbands and SkySocks) and Technology Suite (if and when established) Our list of approved suppliers may be designated in the Manual or will otherwise be provided to you We may modify our list of approved brands, products and suppliers in our discretion and will notify you of any modification by updates, memoranda or by supplements to the Manual We have imposed these requirements to assure quality and uniformity of services and products sold to guests You must also purchase computer software (including Technology Suite) and hardware in accordance with our specifications and from approved suppliers

If you wish to purchase or lease any goods products, equipment or supplies, from a supplier not approved by us as meeting our specifications, you must first notify us in writing We may require you to submit sufficient information and samples to determine whether these goods, products, equipment, supplies or supplier meet our specifications With respect to the samples you provide, we may require that such samples from alternate suppliers be delivered to us or to a designated independent testing laboratory (or other place we determine) for testing before approval and use and in conjunction with such testing, we may also require you to pay a reasonable fee for any testing Our standards and specifications may impose minimum requirements for delivery, performance design and appearance We will advise you within 60 days whether these goods, products, equipment, supplies or supplier meet our specifications (if approval is not received within 60 days, this constitutes non approval) We periodically establish procedures for submitting requests for approval of items and suppliers and may impose limits on the number of approved items and suppliers Our criteria for suppliers of specific products are available upon your written request We may revoke our approval of a supplier at any time in our sole discretion We have no obligation to approve any request for a new supplier, product or service

Currently our affiliate, Sky Zone, LLC, is the only approved supplier for the purchase and installation of the Playing Fields for your Park We and our affiliates may also be the only approved supplier for SkySocks SkyBands, stickers wristbands balls and all other on court equipment/supplies In addition, we or our affiliates are approved suppliers for certain branded merchandise and certain items you will use in the marketing and promotion of your Park If we introduce our new Technology Suite system and software in 2017, we and our affiliates may be the only approved supplier of Technology Suite for use in your Park

Our affiliate, RPSZ Construction LLC, was the only approved supplier of Playing Fields and parts for Playing Fields prior to its dissolution on September 30, 2016 For the fiscal year ended December 31 2016, be advised that (1) RPSZ Construction, LLC s revenues from franchisees' required purchases or leases

amounted to $13,832,398, and (ii) Sky Zone, LLC's revenues from franchisees' required purchases or leases amounted to $4,380,367

For the fiscal year ended December 31 2016, our revenues from franchisees' required purchases or leases amounted to $11,598,800 (or 34 45% of our total revenues of $33 672,700)

Further, and as discussed in Item 11 below, we have a mandatory marketing platform for all approved marketing resources and approved supplier for this platform

We and our affiliates may derive revenue from your required purchases in connection with the operation of Parks Jeffrey A Platt and Glenn T Lord, two of our officers, have an interest in Sky Zone, LLC They along with Matthew David Lambeth another of our officers, have an interest in us None of our officers has any interest in any other approved supplier, but we retain the right to do so in the future

There are currently no purchasing or distribution cooperatives

We may receive discounts, rebates commissions promotional allowances and other benefits if you buy items from certain suppliers we designate based on the quantities of products you and other franchisees buy We and our affiliates reserve the right to negotiate with various vendors for quantity discount contracts which may include rebates under these contracts We reserve the right in the future to affiliate ourselves with suppliers, and/or receive revenues from purchases made by franchisees The purchase of products from approved sources will represent approximately 80% to 85% of your overall product purchases in opening the franchise and 10-15% of your overall product purchases in operating the franchise

We do not provide material benefits to you (for example renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers but you must use only approved suppliers

Insurance

In addition to the purchases or leases described above, you must buy and maintain, at your own expense insurance coverage that we require and to meet the other insurance-related obligations, all of which are described in detail in Section VII J of the Franchise Agreement The cost of coverage will vary depending on the insurance carrier's charges, the state where your Park is located terms of payment and your history All insurance policies must name us and our affiliates as additional insured parties

Item 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement (FA) and Area Development Agreement (ADA) It will help you find more detailed information about your obligations in the Franchise Agreement, Development Agreement, and in other items of this Disclosure Document

OBLIGATION	SECTION IN FRANCHISE AGREEMENT (*References to ADA in italics*)	ITEM IN DISCLOSURE DOCUMENT
(a) Site selection and acquisition/lease	Section II *Section I*	Items 6 and 11
(b) Pre-opening purchases/leases	Sections II and V B, VII E	Item 5 and 8
(c) Site development and other pre-opening requirements	Sections II and VII A and B	Items 6 7, 11
(d) Initial and ongoing training	Section VI	Item 11
(e) Opening	Section VII B	Item 11
(f) Fees	Section IV *Section IV*	Items 5 and 6
(g) Compliance with standards and policies/Operations Manual	Sections VII D and XIII	Item 11
(h) Trademarks and proprietary information	Sections IX and IX	Items 13 and 14
(i) Restrictions on products/services offered	Sections VII E	Item 16
(j) Warranty and customer service requirements	Section VII E	Item 16
(k) Territorial development and sales quotas	Section I *Section II*	Item 12
(l) Ongoing product/service purchases	Sections VII E and XII	Item 8
(m) Maintenance appearance and remodeling requirements	Section VII O	Item 11
(n) Insurance	Section VII J	Items 7 and 8
(o) Advertising	Section V	Items 6 7 and 11
(p) Indemnification	Section XV	Item 6
(q) Owner s participation/management/ Staffing	Section VII I and XV A	Items 11 and 15
(r) Records/Reports	Section VII L	Item 6
(s) Inspections/audits	Sections VII K	Items 6 and 11
(t) Transfer	Section XIV	Item 17

OBLIGATION	SECTION IN FRANCHISE AGREEMENT (*References to ADA in italics*)	ITEM IN DISCLOSURE DOCUMENT
	Section IV	
(u) Renewal	Section III	Item 17
(v) Post-termination obligations	Section XI C	Item 17
(w) Non-competition covenants	Section X	Item 17
(x) Dispute Resolution	Section XVI *Section X*	Item 17

Item 10

FINANCING

Neither we nor any agent or affiliate of ours offers direct or indirect financing to you, guarantees any of your notes leases or obligations or has any practice or intent to sell assign or discount to a third party all or part of any of your financing arrangements

We do not know whether you will be able to obtain financing for all or part of your investment and, if so, the terms of the financing We do not receive direct or indirect payments for placing financing

Item 11

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

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

Pre-Opening Obligations

1 Grant you the right to use our Intellectual Property in connection with the operation of your Park to be located at the Site (Franchise Agreement - Section I)

2 Designate your '**Assigned Territory**" (as further described in Item 12) at the time you sign your Franchise Agreement (Franchise Agreement - Section I)

3 Provide you with site selection criteria for your Park (as further described below) (Franchise Agreement Section II)

4 Approve or disapprove the location of your Park (as further described below) (Franchise Agreement Section II)

5 Provide you the first three Space Plans to you (as further described below) (Franchise Agreement - VII A)

6 Provide both an initial training program and training program for new management post-opening (management turnover) at such time and place that we designate for the operation of the Park to you, your designated management team (as further described in Item 11) (Franchise Agreement - Section VI A)

7 Loan you a copy of the Manual (as further described below) (Franchise Agreement - Section XIII)

Obligations After Opening

1 Administer the Advertising Fund (as described below) (Franchise Agreement - Section V)

2 Provide one of our representatives to assist you in the opening of the Park for at least five days when the Park opens for business We reserve the right to charge a reasonable fee to you (Franchise Agreement - Section VI B)

3 Furnish you at your request and as we deem appropriate, with additional guidance and assistance, and refresher training programs We reserve the right to charge a reasonable fee to you (Franchise Agreement - Section VI C)

4 At such times as we designate, conduct inspections of the Park premises and audit the Park business operation, including all books and records (Franchise Agreement - Section VII K)

5 May furnish you in our discretion, with marketing materials at a reasonable cost (Franchise Agreement - Section XII A)

6 Continue to loan you one copy of our Manual (Franchise Agreement - Section XIII)

Site Selection and Opening

The site for the Park is selected by you and must be approved by us You will select the proposed site for the location of the Park and working with our real estate department throughout as well as third party-real estate professionals designated by us submit to us the information we need to review the proposed site Within 30 days after receipt of this information, we will advise you whether the proposed site meets our minimum standards for an acceptable site Some of the factors that we consider in accepting or rejecting a proposed site include demographics of the trade area adjacency to retail traffic number and types of competition and overall financial terms We in our sole discretion may assist you in locating and obtaining a site however, you are solely responsible for finding and opening the park within the franchise agreement timeframes

We are not responsible for and do not make any warranty regarding the suitability of the site for a Sky Zone Indoor Trampoline Park, and our consent to a site means only that the site meets our minimum standards for a Sky Zone Indoor Trampoline Park If you and we cannot agree upon a site, we may provide you with three additional months, in our discretion to obtain an acceptable site If we cannot agree on a proposed site, we may elect to terminate the Franchise Agreement and retain all payments to us

You will either lease or sublease premises for the Park from a landlord, or use property you own You must investigate the site and have any leases or sale contracts for the site reviewed and approved by your attorney If you own the Site you must create a separate entity to own the Site and then sign a lease for the Site at its full rental value and on commercially reasonable terms for the term of the Franchise Agreement You must provide us a copy of the lease

If you intend to lease a site for the Park you must submit a copy of the proposed lease to us within 30 days of our consent to the site Within 10 days of signing the lease you must also provide us a copy of the lease The term of the lease plus all renewal option periods shall together equal or exceed the term of

the Franchise Agreement The lease must include substantially the terms in the Addendum to Lease which is Exhibit II of the Franchise Agreement You must also sign a Collateral Assignment of Lease which is Exhibit III of the Franchise Agreement where you agree to assign your rights to the lease to us if your Franchise Agreement is terminated or expires or if there is a default under the lease

You must sign a lease for your Park within six (6) months of signing the Franchise Agreement We estimate that the typical length of time between signing of the Franchise Agreement and the opening of a new Sky Zone Indoor Trampoline Park averages to be about 1 year Factors affecting the length of time usually include obtaining a satisfactory site, design and architectural drawings, zoning and governmental requirements financing arrangements, building improvements, and purchase and installation of equipment fixtures and signs The opening of the Park may be delayed only if the delay is caused by contingencies not within your control, such as acts of God, governmental restrictions, strikes or labor disputes You will use your best efforts to cure any delay and any delay in opening shall be for a period of days equal to number of days during which the event actually prevents completion You must notify us of any delays promptly If you fail to sign the lease for the Park within six (6) months of signing the Franchise Agreement, we may terminate the Franchise Agreement and retain your Deposit

You may open a Unit under an ADA only by signing a Franchise Agreement for that Unit You will sign a Franchise Agreement for the first Unit at the same time you sign the ADA

Manual

The Manual will be in a format determined by us (i e , in writing, on CD-ROM, via electronic media through a secure website, etc) and all other supplemental bulletins, notices, revisions, modifications, or supplemental information, either in document or electronic form, concerning the System are considered part of the Manual The Manual is confidential and remains our property You will operate your Park in strict compliance with those required operational systems, procedures, policies, and methods found in the Manual (Franchise Agreement - XIII)

You must treat the Manual any other manuals or written materials provided by us or our affiliate for use in the operation of the Park, and the information contained in them, as confidential and must use all reasonable efforts to maintain this information as secret and confidential You must not copy, duplicate record or otherwise reproduce these materials, in whole or in part or otherwise make them available to any unauthorized person The Manual will remain our sole property and must be kept in a secure place within your Park It must be returned to us upon termination or expiration of your Franchise Agreement

We have the right to make additions to, deletions from or revisions to the Operations Manual which you have to comply with at your own cost You must make sure that the Manual is kept current at all times If there is any dispute as to the contents of the Manual the terms of the master copy maintained by us at our principal office will be controlling A table of contents of the Manual, including allocation of pages to each subject may be included as Exhibit D to this Disclosure Document Currently there are over 334 pages in the Manual (excluding the Appendix)

Advertising

Advertising Fund

We have established an Advertising Fund to which you must contribute bi-weekly Advertising Fees in an amount equal to 2% of Gross Sales The Advertising Fund may be used for advertising on television, radio direct marketing mailings, the newspaper and for any tournaments or events that we feel are appropriate We have the right to determine the type of advertising and the media in which it will appear

We have the sole right to formulate and make policy decisions concerning every aspect of the advertising and franchise expansion program, consistent with applicable law (Franchise Agreement - IV C, and V)

We reserve the right to increase or decrease the Advertising Fee upon at least thirty (30) days' notice to you up to a maximum of 2 5% We agree that all Advertising Fees will be used for the payment of all costs associated with the creation, production, distribution, media placement and administration of local, state, regional or national advertising programs and for any taxes incurred on this Advertising Fund In addition the Advertising Fund can be used to pay administrative expenses, including, without limitation, material services, salaries and overhead incurred by us or our Affiliates, in connection with administering the Advertising Fund

You acknowledge that the Advertising Fund may not benefit you proportionately to the Advertising Fees you paid, that advertising may benefit some geographic areas more than others, and that we are not obligated to spend any amount on advertising in your area or other territories separate from the Advertising Fund We do not have to spend the Advertising Fees during any specific time period Advertising may be handled by the outside advertising agency which we select or in-house

We will not use the Advertising Fund for the sale or attempted sale of new franchises

We are under no obligation to continue selling or offering franchises We have the sole right to formulate and make policy decisions concerning every aspect of the advertising and franchise expansion program consistent with applicable law Unaudited financial statements of the Advertising Fund will be made available to franchisees annually on reasonable request If we do not use all of the funds in a particular fiscal year the remaining funds will be carried over to the next fiscal year and be included in that year s advertising budget We are entitled to reimbursement from the Advertising Fund to cover our administrative and overhead expenses associated with operating the Advertising Fund All franchisees and any affiliate-owned Sky Zone Indoor Trampoline Parks will contribute to the Advertising Fund on an equal basis

In the calendar year ending December 31, 2016, the Advertising Fund contribution was used as follows (i) 42% toward media, search engine, and social media marketing, (ii) 19% toward content asset creation and production, (iii) 13% toward website maintenance and site creation, (iv) 6% toward non-media (e g research analytics, advertising professional services support), and (v) 20% toward other expenses

Advisory Council

We have a Franchise Advisory Council (FAC) that works with us to improve the System including the products and services offered advertising campaigns, and other matters of interest to us and our franchisees to improve the System The FAC is made up of seven members from the franchise network Four of the seven franchise members of the council are nominated by and voted for by the Franchise Partner Network on a global basis (not based on geography) The remaining two franchise members are given seats on the FAC as a result of them being recognized by Sky Zone Franchise Group as the Franchise Partner of the year This annual award to goes to one Franchise Partner/group whom best represents/lives by the Sky Zone culture/values/brand For further information about the FAC membership please see FAC bylaws If you participate on an advisory council, you must pay any expenses you incur related to your participation including travel, lodging and meals expenses to attend council meetings We will have the right to form change, merge or dissolve any advisory council at any time

Grand Opening Advertising

In addition to the other advertising expenditures you must make, you must conduct a grand opening advertising and sales promotion program for your Park and you must spend a minimum of $25,000 for this program You must spend 50% of the Grand Opening Advertising Amount before your Park opens for business and the remainder during the first month of operations You must also provide to us, within three months after the opening of the Park, proof of your grand opening advertising and sales promotion expenditures in the form, and including the details and copies of the advertising and materials and receipts as we request (Franchise Agreement - V B)

Your Own Advertising

You must spend certain amounts for advertising and promotion of your Park in addition to the Grand Opening Advertising described above and the required Advertising Fund contributions In the second, third and fourth month in which your Park is open, you must spend a minimum of $12 000 per month on local advertising (depending on the size of your Park and its location) After your fourth month, you must spend a minimum of 4% of your Park's monthly Gross Sales on local advertising on a quarterly basis

We currently have a third-party mandatory marketing platform for all approved marketing resources You must have proof of your expenditures if we request to review your books and records If you develop advertising for your own use, you must submit it to us for our prior consent at least 20 days before you plan to use them Unless we notify you that the proposed materials are disapproved, the materials are considered approved You may not advertise or use the Marks in advertising or other form of promotion without the appropriate copyright, trademark and service mark registration symbols for those Marks which are registered, nor may you use them in a manner which would misuse or dilute the Marks or damage the goodwill associated with the Marks All advertising and promotional materials you use must be completely factual, comply with all applicable laws and conform to the highest standards of ethics and quality We reserve the right to require you to include certain language in your local advertising materials such as "Franchises Available" and our Website address and telephone number

You may not advertise or use our Marks on the Internet except with our consent and in accordance with the specifications described in the Manual or otherwise provided You shall not use the Marks (or any marks or names confusingly similar to the Marks) as an Internet domain name or in the content of any World Wide Website You may not establish a Website related to the Marks or our System without our prior written consent, which we do not have to provide We may require that your only presence on the Internet related to your Park will be a web page on our corporate Website You are strictly prohibited from promoting your Park or using the Marks on any social or networking Websites, such as Facebook LinkedIn, MySpace or Twitter, without our prior written consent If you wish to post any videos on the internet, the videos must first be approved by us and, if they are approved the videos must be posted to our YouTube website and nowhere else All marketing must comply with the Marketing Policy as reflected in the Manual

We reserve the right to require you to participate with other Sky Zone Indoor Trampoline Parks in placing advertisements in Internet and/or telephone directories which cover the location of your Park and you will pay for your proportionate share of the cost for any directory advertising The costs associated with directory advertising does count toward your minimum local advertising obligation

Computer System

You must use the computer system we require ("**POS System**") You will need to enter into an agreement with SFG to obtain the right to use the customized software we have developed and the cost of the installation The standard package of both hardware and software includes on-site installation, training, technical support for the first year and 3 year warranty from Dell on the hardware The hardware components in this package typically range from $40,297 to $53,493, while the initial costs associated with the required software ranges from $27,013 to $54,841 The hardware currently includes a server 2-3 back office computers and 3-5 POS Stations (receipt printer, credit swiper, card scanner with Sticker printers) The software currently includes the POS License, Manager Console License, Group and Birthday License and Digital signage license All are required purchases We estimate that the annual fees for maintenance and technical support will be between $5,044 to $6,697 In addition, you must pay a transaction-based license fee for the POS license on a monthly basis that is currently calculated as follows $0 75 per transaction for the first 1,000 transactions, $0 50 per each additional transaction

Neither we nor any of our affiliates will provide you with any ongoing maintenance, repairs, upgrades or updates for the POS System

You must also purchase and install a surveillance camera system for your building security, unless applicable law does not permit you to install a surveillance camera system We may require you to purchase this system from a single approved vendor Prices range from $47,261 to $54 435 Your surveillance system must be in good working order at all times and must cover all angles of your trampoline courts and the park (inside and out) Additionally, the system must contain 365 days of storage capacity All recorded injuries must be downloaded and retained separately, and a copy of the video must be provided to us on our request

We may revise our specifications for hardware and software as we determine necessary to meet the needs of the System and there is no contractual limitation on our ability to require the hardware or software to be changed, improved or upgraded We reserve the right to require different or additional software programs and hardware at any time in the future and you must pay for the cost of any new, modified or updated programs and the hardware There is no limitation in the Franchise Agreement on either our right to require you to obtain updates or upgrades or the cost of any updates or upgrades

The types of business information which will be collected by the POS System will be sales reports, scheduling of events and programs, labor functions all on a daily, weekly and monthly basis It will also include gathering guest information In addition the POS System can provide customized reports if we request this information We will have the right to have independent access to all information or data in the POS System and the surveillance system, and there are no limitations on our rights to do so We will also have the right to use and publish the information we collect from your POS System in our discretion, including for purposes of disclosure in our Franchise Disclosure Document We are not obligated to provide or to assist you in obtaining the above item or services In the future, you may be required to change upgrade or modify the type of computer hardware and software you must use at your expense

Training

All of the designated training for franchisees is mandatory and must be completed to our satisfaction after you have signed the Franchise Agreement and before you are approved by the Operations team to open your Park If your Management Team and/or Operating Principal Owner (as described below) fail to complete the training program to our satisfaction we may elect to postpone the opening of the Park, or terminate the Franchise Agreement and keep the entire Initial Franchise Fee If you currently operate a

Sky Zone Indoor Trampoline Park, the training program is required for any additional Parks you commit to open and for new management hired for your existing parks (management turnover)

We will provide an initial training program for the operation of the Park for your Operating Principal Owner and the Park management team (minimum of 3 managers and 1 additional leader for FRANCHISEE) ("**Management Team**") The initial training program will take place at one of our certified Sky Zone Training Parks and will last anywhere from seven (7) to 21 days Currently, we have 2 certified Sky Zone Training Parks located in Los Angeles, California and Grand Rapids Michigan We do not charge for the initial training program but you must pay for the wages, travel and living expenses for you and your employees Training will be conducted for your Management Team and/or Operating Principal Owner after the Franchise Agreement has been signed and while your Park is being developed Training is provided on a monthly basis and a training schedule is provided on our intranet Additional training requirements may be added to the schedule on an as-needed basis You must open the park with a minimum of four approved managers that have completed and been certified as having completed our training program If there are not four certified managers in place you will not be allowed to or approved to open the Park

We will, at our expense, also provide on-site, opening assistance, consisting of at least one (1) to two (2) persons, for a minimum period of five (5) days at your Park's location when it opens Even if you currently operate a Sky Zone Indoor Trampoline Park, the initial training and the on site opening assistance is mandatory

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING		HOURS OF ON-THE-JOB TRAINING	LOCATION
	eLearning Hours	Experience Hours		
Sky Zone Culture & Core Values	0 5	5 0	1 0 (Ongoing)	Sky Zone University (Online) & Your Park
Park Ops & Programming Overview	0	1 5	1 0	Certified Training Park
Court Monitor & the Guest Experience	1 0	4 0	4 0	Certified Training Park
Cashier & the Guest Experience	5	4 0	4 0	Certified Training Park
Events & the Guest Experience	1 5	5 0	4 0	Certified Training Park
MOD & the Guest Experience	0	4 0	2 0	Certified Training Park
MOD Rotations	0	1 0	3 0	Certified Training Park
Interpersonal Communication for Managers	0	1 0	1 0	Certified Training Park
Hiring Team Members	0	3 0	1 0 (Ongoing)	Certified Training Park & Your Park

SUBJECT	HOURS OF CLASSROOM TRAINING		HOURS OF ON-THE-JOB TRAINING	LOCATION
	eLearning Hours	Experience Hours		
Training Team Members	0	30	10	Certified Training Park
Retaining Team Members	0	15	10	Certified Training Park
Risk Management	10	30	10	Certified Training Park
Service Recovery (HEART)	10	10	Ongoing	Certified Training Park & Your Park
Sales Basics	10	20	30	Certified Training
TOTAL	**65**	**40+**	**27+**	

* Note that some subjects may be intermingled and time periods and subject matter may be subject to change The hours listed for On the Job will typically include more than one subject matter It is the nature of this business that all aspects of training are integrated The above are merely estimates

The training programs are managed and provided by our professional training team The minimum experience of our training team and the instructors in the field that is relevant to the subject taught and our operations will typically be two (2) years

We may also provide refresher programs to experienced managers These programs are not mandatory at this time, but may be in the future If you hire a new manager he or she must satisfactorily complete the training program before managing your Park We may charge a reasonable fee for the training and you must pay for the employee s travel, lodging, meals, personal expenses and salary We may elect to charge a reasonable fee for any training provided after the opening of the Park You or your employees must pay the compensation of the trainee as well as the trainee's travel, lodging and personal expenses The location, duration, and content of these programs have not been determined yet

Item 12

TERRITORY

Franchise Agreement

Assigned Territory

You must operate your Park at a specific location, which is selected by you and consented to by us (the "**Site**") To operate an additional Sky Zone Indoor Trampoline Park you must sign a separate Letter Agreement and Franchise Agreement for that Park and pay us the initial fees due in connection with that Park It is within our sole discretion whether to offer or grant additional locations to you

You will be granted an "**Assigned Territory**" that will be described in Exhibit I of the Franchise Agreement This is your exclusive territory where you will enjoy certain territorial rights as described more fully below in this Item 12 Typically, your Assigned Territory will be described in terms of contiguous zip codes, and will include a population of between 100 000 and 500 000 people We use the U S Census Bureau and other similar resources for determining population data

If you are not in default under your Franchise Agreement, we and our affiliates will not locate operate, or grant a franchise for another Sky Zone Indoor Trampoline Park within the Assigned Territory You expressly acknowledge that we or our affiliates or other franchisees may compete with you for guests within and outside of the Assigned Territory, although no other franchisees may solicit within your Assigned Territory You will operate your Park only from the Site and market only within the Assigned Territory, except as otherwise described in this Item 12

You are not permitted to distribute individual advertising items (i e , coupons, circular advertising, etc) outside of the Assigned Territory All advertising must meet our Marketing Policy guidelines as established in our Manual and periodically updated You must comply with any and all changes to the Marketing Policy unless you use a form of advertising which is not programmed to restrict delivery to the Assigned Territory, such as direct mail advertising by outside contractors based on a zip code You may send individual advertising items to guests or potential guests within areas where no assigned territory exists for another Sky Zone Indoor Trampoline Park with SFG's prior written consent However, nothing shall be deemed to grant you any protected area outside of your Assigned Territory and we are free to establish other franchised and/or company or affiliate owned Sky Zone Indoor Trampoline Parks in areas which are not currently assigned If a Sky Zone Indoor Trampoline Park is established in an area that is not currently assigned, you must immediately stop distributing advertising items in that area You acknowledge that we, our affiliates and other franchisees may advertise in unassigned territories

We must consent to any relocation of your Park Any relocation must be within your Assigned Territory The factors we consider in accepting or rejecting a proposed relocation site include existing competition, lease rates and the demographics of the location

Our Reserved Rights

We, on our behalf and on behalf of our affiliates, reserve all rights not specifically granted to you under your Franchise Agreement, including the following rights

1 To open and operate or license or franchise others to open and operate businesses within the Assigned Territory and outside of the Assigned Territory which operate under trademarks or service marks different from the Marks or operate under a system that is different from the System,

2 To operate, or license or franchise others to operate Sky Zone Indoor Trampoline Parks anywhere outside of the Assigned Territory,

3 To use or grant others the right to use the Playing Field within and outside of the Assigned Territory

4 To develop merchandise, promote, sell and license others to sell products or programs bearing the Marks through other channels of distribution within and outside of the Assigned Territory including at special events athletic contests temporary locations and through catalog sales the Internet and similar methods of distribution, and

5 To use the Marks and System to conduct any other activity not specifically prohibited by your agreement(s) with us

We and our affiliates also have the right to purchase, merge acquire or affiliate with an existing competitive or non-competitive franchise network chain or any other business regardless of the location of

that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as "Sky Zone Indoor Trampoline Parks" operating under the Marks or any other marks following our purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be within your Assigned Territory, near your Assigned Territory or near your Park)

We are not required to pay you if we exercise any of the rights specified above

Continuation of your franchise or your territorial protection does not depend on your achieving a minimum sales quota market penetration or other contingency, but you must comply with your Franchise Agreement You are not granted any right of first refusal to purchase additional territories or franchises There are no circumstances under which the boundaries of your Assigned Territory can be changed

You may not establish a separate website for your Park using the Marks, but we will provide you with a web page within our website for your Park You must comply with our requirements related to postings on your web page You may not change any content on your webpage without our prior written consent You may sell jump tickets, gift cards and book birthday parties through your web page on our website, and you must fulfill all of these orders You must use our approved vendor for customer relations management system and point-of-sale software platforms

Area Development Agreement

Development Area

Under the ADA you are granted the right to develop two or more Sky Zone Indoor Trampoline Parks solely in a specified Development Area, which may be one or more cities, counties, states or some other defined area

During the term of the ADA, if you are in compliance with the terms of the ADA, we will not own, operate franchise or license any other franchisee or area developer in your Development Area If you fail to meet any of your obligations under the ADA, including the development of Units according to the Development Schedule, or if you breach any Franchise Agreement signed by you for a Unit developed under the ADA, we may terminate the ADA The termination of your development rights in the Development Area will not automatically terminate any rights granted under the Franchise Agreements then in effect between you and us, if you are in compliance with those Franchise Agreements After the expiration or termination of your ADA, we may own, operate franchise or license others to operate additional Units anywhere without restriction, including in your Development Area except for any Assigned Territory under your Franchise Agreement(s) which remain in effect

Our Reserved Rights

We on our behalf and on behalf of our affiliates reserve all rights not specifically granted to you under your ADA including the following rights

1 To open and operate or license or franchise others to open and operate businesses within the Development Area and outside of the Development Area which operate under trademarks or service marks different from the Marks or operate under a system that is different from the System,

2 To operate, or license or franchise others to operate Sky Zone Indoor Trampoline Parks anywhere outside of the Development Area,

3 To use or grant others the right to use the Playing Field within and outside of the Development Area,

4 To develop, merchandise, promote, sell and license others to sell products or programs bearing the Marks through other channels of distribution within and outside of the Development Area including at special events, athletic contests, temporary locations and through catalog sales, the Internet and similar methods of distribution, and

5 To use the Marks and System to conduct any other activity not specifically prohibited by your agreement(s) with us

We are not required to pay you if we exercise any of the rights specified above inside your Development Area

You have no options, rights of first refusal or similar rights to acquire additional franchises except as provided in the ADA Continuation of your rights to the Development Area does not depend on your achieving a minimum gross sales amount, but you must obtain the required market penetration by developing Units according to your Development Schedule

Item 13

TRADEMARKS

We will grant you the right to operate your Park under the name of "Sky Zone" You may also use our other current or future Marks to operate your Park, if we permit you to do so

Our affiliate, Sky Zone LLC, has registered or been assigned ownership of the following principal trademarks and service marks, which are registered on the Principal Register of the United States Patent and Trademark Office ('**USPTO**')

Mark	Application Date	Serial Number	Registration Date	Registration No
SKY ZONE	7/8/1996	75/132,259	3/31/1998	2 148 279
Sky Zone	11/26/2013	86/130 005	8/5/2014	4 579,253
SKYROBICS	1/31/2005	76/630 088	8/1/2006	3 122,435
SZ AND DESIGN	3/24/2008	77/430,248	10/21/2008	3,520,145
SKYMANIA	10/10/2005	78/729 809	10/17/2006	3,157,653
HAVE FUN FLY SAFE!	11/23/2011	85/480 238	7/24/2012	4,178,790
SKYSOCKS	7/3/2013	86/001,855	9/9/2014	4 602,835
ULTIMATE DODGEBALL	3/19/2013	85/880 191	6/10/2014	4 549,384
SKYFIT	6/19/14	86/315,360	10/28/2014	4,628,886
#IDRATHERBE@SKYZONE	10/28/2015	86/802791	July 12, 2016	1 290,310

Neither we nor Licensing has any state registrations nor have we or Licensing filed for any state registration for the above Marks or any other marks Licensing intends to make all applicable filings to

retain its rights in the Marks Licensing has filed all required affidavits and renewed its registration for the SKY ZONE Mark

We have entered into a license agreement effective January 1, 2009, with Licensing for a 50-year term The License Agreement grants us the right to use promote and license the Marks in connection with the grant of franchises to franchisees If there is a default that is not cured under this license agreement between Licensing and us, you will still be able to use the Marks and System until the end of the term and any renewal term of your Franchise Agreement There are no other agreements currently in effect which significantly limit our right to use or license the use of the Marks in any manner material to the franchise

You must follow our rules and our quality control standards when you use the Marks You cannot use a name or mark as part of a corporate name or with modifying words, designs or symbols except for those which we license to you You must also operate your franchise in a high quality manner and adhere to all applicable laws and regulations You may not use the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us You cannot use the Marks (or any marks or names confusingly similar to the Marks) as an Internet domain name or in the content of any World Wide Website You will not register or attempt to register any of the Marks (or any marks or names confusingly similar to the Marks)

Sky Zone LLC filed Opposition Proceeding No 91208346 in the Trademark Trial and Appeal Board on December 7 2012 under the caption and style *Sky Zone LLC v Jump Sky Park, LLC* On March 20, 2013, the TTAB issued a judgment by default sustaining the opposition and registration to Jump Sky Park, LLC was refused Other than this action, we are not aware of any effective material determinations of the USPTO the TTAB, the trademark administrator of any state or any court in the United States regarding the Marks In addition to the foregoing we have sent 'Cease and Desist' letters to multiple companies that we believe are infringing on our Marks and we will continue to vigorously defend our Marks

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or any claim by any person of any rights in any Mark We will have the sole discretion to take action as we deem appropriate and the right to exclusively control any litigation or administrative proceedings arising out of any infringement, challenge or claim You must sign any and all instruments and documents, provide any assistance, and take any action that may be necessary or advisable to protect and maintain our interest in any litigation or other proceeding or otherwise to protect and maintain our interest in the Marks The Franchise Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a Mark or if the proceeding is resolved unfavorably to you

You agree that, neither during nor after the term, you will not challenge any of our Marks or any applications or registrations relating thereto

If we decide to modify or discontinue the use of the Marks and/or to use one or more additional or substitute names or marks you must make the changes at your own expense and without claim against us You will need to comply within a reasonable time of the request

We do not actually know of either superior prior rights or infringing uses that could materially affect a franchisee's use of the Marks in any state

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Former U S Patent No 5,624,122 entitled "Sport Game and Field" ("**'122 Patent**") was issued to Karin-Maria K Winkelhorn on April 29, 1997 Licensing was assigned ownership of this patent on September 7, 2004 The '122 Patent describes the process of a design for a playing field and the use of that playing field in a new competitive sport The '122 Patent was renewed on April 20, 2009 and expired on July 17, 2016

Now that the '122 Patent has expired, we do not have any interest in any patents or pending patent applications that are related to the operation of a Park or this franchise offering With that said, we still have an agreement with Licensing that permits us to use and license others the right to use, the Playing Fields as part of the franchise system and as otherwise contemplated in this Disclosure Document

We and our affiliates have copyright rights in the Copyrights Although neither we nor any of our affiliates have filed an application for a copyright registration for these materials, we and our affiliates have copyright rights and the information is proprietary Item 11 describes limitations on the use of the Manual by you and your employees

There are currently no effective determinations for any material proceeding and no pending infringement, opposition or cancellation proceedings pending in the USPTO or the United States Copyright Office Now that the '122 Patent has expired, we do not have any pending or concluded litigation involving any active patents or pending patent applications that are material to the Park or the franchise offering that must be disclosed in this Item Prior the expiration of the 122 Patent, be advised that we initiated a patent infringement suit in 2011 against various defendants, and we also sent a number of cease and desist demand letters to third parties in an effort to enforce and protect the former 122 Patent

Other than as we have explained above, we do not actually know of any infringement of the Copyrights that could materially affect a franchisee's use of the Copyrights We need not protect or defend our Copyrights, although we intend to do so if it is in the franchise system's best interest We may control any action we choose to bring, even if you voluntarily bring the matter to our attention We need not participate in your defense and/or indemnify for damage or expenses in a proceeding involving a copyright

You must notify us immediately of any apparent infringement or challenge to your use of the Intellectual Property We will have the sole discretion to take action as we deem appropriate and the right to exclusively control any litigation or administrative proceedings arising out of any infringement challenge or claim You must sign any and all instruments and documents provide any assistance, and take any action that may be necessary or advisable to protect and maintain our interest in any litigation or other proceeding or otherwise to protect and maintain our interest in any Intellectual Property The Franchise Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving any Intellectual Property or if the proceeding is resolved unfavorably to you

If we decide to (a) modify or discontinue the use of certain Intellectual Property associated with the franchised business and/or (b) use one or more additional or substitute Intellectual Property you must make the changes at your own expense and without claim against us You will need to comply within a reasonable time of the request

You acknowledge that the System and the methods of operation licensed by us for the operation of a Sky Zone Indoor Trampoline Park are proprietary, confidential trade secrets of ours, and you will maintain

the confidentiality of all materials and information lent or otherwise furnished to you by us at all times, including after the termination or expiration of the Franchise Agreement, for any reason

In addition, you shall not, during the term of the Franchise Agreement (other than as necessary to operate the Park) or after its expiration or termination, for any reason, communicate or divulge to any others, any information or knowledge concerning the System and any trade secrets except those in the public domain You also must exercise the highest degree of diligence and to make every effort to maintain the absolute confidentiality of all trade secrets and proprietary rights during and after the term of the Franchise Agreement

The Franchise Agreement also provides that all ideas, concepts techniques, or materials concerning the Park whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property part of the System, and works made-for-hire for us If any item does not qualify as a ' work made-for-hire" for us, you must assign ownership of that item and all related rights to that item to us and must take whatever action (including signing assignments or other documents) we request to show our ownership or help us obtain intellectual property rights in the item

You agree that, neither during nor after the term you will not challenge any of our Intellectual Property or any applications or registrations relating thereto

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You recognize the importance of the Operating Principal Owner's participation in the management of the Park and that the Operating Principal Owner's agreement to participate in the management of the Park is a material inducement for us to enter into the Franchise Agreement **Operating Principal Owner"** means you, if you are a sole proprietor, your majority shareholder (over 50% equity ownership or if there is no shareholder with 50% or greater equity ownership, the shareholder(s) with the greatest percentage equity ownership) if you are a corporation a partner owning a major share of the partnership if you are a partnership, or the member owning the majority interest or the manager of a limited liability company if you are a limited liability company Therefore, the Operating Principal Owner must use his or her best efforts and is personally responsible for the management of the Park on a day-to day basis, unless otherwise approved by us We in our sole discretion, require that you open with a minimum of 4 qualified managers approved by us to operate the day-to-day affairs of the Park however you must remain actively involved in the operations and management of the Park The Operating Principal Owner and the manager must satisfactorily complete all required training programs The Operating Principal Owner must carefully monitor and be responsible for the performance of anyone designated to manage the operation of the Park The designated manager who will operate the Park as well as other supervisory personnel must sign a confidentiality and non competition agreement in a form acceptable to us The Operating Principal Owner must be able to dedicate his/her full time focus to the success of the Sky Zone Park(s) (cannot have another full time job) and must either live in territory and/or be present in the Park every week

If you are a corporation, limited liability company or partnership your owners must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations including the covenant not to compete and confidentiality provisions The Guarantee is included in the Franchise Agreement

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those goods, services and programs that we have approved We have the right to change the types of required and/or authorized products services and programs, and, in the event of such change, you will be notified by written notification or will be sent updates via supplements to the Manual You are prohibited from offering or selling any products services or programs not authorized or approved by us and from using the premises for any other purpose than the operation of a Sky Zone Indoor Trampoline Park in compliance with the Franchise Agreement We, in our discretion, may approve or deny your request to eliminate some or add other services products or programs, including but not limited to arcade games You have the right to set the prices at which you sell your products, services and programs provided that we may set minimum and/or maximum prices you may charge to the extent permitted by law You also must add any equipment and make alterations we require, at your expense, as may be necessary to equip the Park for sale of the products services or programs we may require You recognize that you may need to make an additional investment to do so

You are not permitted to solicit business through the distribution of individual advertising items, such as coupons and circular advertising outside of your Assigned Territory without our consent, except as provided in Item 12

Other than as described in this Item, we do not impose any restrictions or conditions that limit your access to guests

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Franchise Agreement, ADA and related agreements You should read these provisions in the agreements attached to this Disclosure Document

PROVISION	SECTION IN FRANCHISE AGREEMENT (References to the ADA is in italics)	SUMMARY
a Length of the franchise term	Section III *Section III*	10 years from signing the Franchise Agreement *Your development rights begin on the date you sign the ADA and pay the Development Fee and terminate on the day you open the last Unit listed in the Development Schedule or the last date set forth in the Development Schedule*

PROVISION	SECTION IN FRANCHISE AGREEMENT (References to the ADA is in italics)	SUMMARY
b Renewal or extension of the term	Section III *Section III*	1 additional term for 10 years subject to Section IV of Franchise Agreement However, if you continue to operate the Park after expiration of the term the Franchise Agreement continues on a month-to-month basis with either party having the right to terminate *No right to renew or extend*
c Requirements for franchisee to renew or extend	Section III *Not Applicable*	Give notice not be in default, sign then current franchise agreement which may contain different terms and conditions materially different from those in your previous franchise agreement, remodel your Park, pay a renewal fee, and sign a release *Not Applicable*
d Termination by franchisee	Section XI B *Not Applicable*	If we breach and do not cure or attempt to cure after notice *No right for you to terminate the ADA*
e Termination by franchisor without cause	Not Applicable *Not Applicable*	Not Applicable *Not Applicable*
f Termination by franchisor with cause	Section XI A *Section VII A*	If you fail to satisfactorily complete training open within 1 year after the Franchise Agreement is signed, or generally breach the Franchise Agreement *Generally for a material breach of the ADA*
g "Cause" defined - curable defaults	Section XI A 1 and 2 *Section VII A*	You have 10 days to cure monetary defaults and 30 days to cure all others except those listed in Section XI A 3 *If you materially breach any Franchise Agreement and do not cure the breach within the cure period provided for in that Franchise Agreement*

PROVISION	SECTION IN FRANCHISE AGREEMENT (References to the ADA is in italics)	SUMMARY
h "Cause" defined - non-curable defaults	Section XI A 3 *Section VII A*	Non-curable defaults conviction of a felony or moral turpitude, abandonment, giving insufficient funds checks and bankruptcy *If you fail to meet the Development Schedule you transfer or encumber your rights in violation of the ADA or you are bankrupt*
I Franchisee's obligations on termination or non-renewal	Section XI C *Section VII C*	Stop using Intellectual Property and System complete de-identification and payment of amounts due, return materials and Manual, direct transfer of phone and lease, if requested *No rights to open additional Units you must continue to operate the Units according to any existing Franchise Agreements that are not terminated*
J Assignment of contract by franchisor	Section XIV A *Section VI B*	No restrictions on right to assign *No restrictions on right to assign*
k "Transfer' by franchisee - defined	Sections XIV B *Section VI A*	Transfer of contract or assets or ownership change *Transfer of contract or ownership change*
l Franchisor approval of transfer by franchisee	Section XIV B *Section VI A*	Right to approve all transfers *We have the right to approve all transfers*
m Conditions for franchisor approval of transfer	Section XIV B *Section VI A*	Transferee qualifies transfer fee is paid, new franchise agreement signed training of transferee, release signed not in default, transferee assumes liabilities, remodel the Park *Transferee qualifies you pay all amounts owed to us and our affiliates transfer fee paid release signed training of transferee economically reasonable sale terms We may require you to transfer all of the Units being operated by you*

PROVISION	SECTION IN FRANCHISE AGREEMENT (References to the ADA is in italics)	SUMMARY
n Franchisor's right of first refusal to acquire franchisee's business	Section XIV D *Not Applicable*	We can match any offer for your business or an ownership interest in you with similar terms *Not Applicable*
o Franchisor's option to purchase franchisee's business	Section XI D *Not Applicable*	After termination we can purchase your personal property at fair market value *Not Applicable*
p Death or disability of franchisee	Section XIV C *Not Applicable*	Heir must be approved but no right of first refusal *Not Applicable*
q Non-competition covenants during the term of the franchise	Section X A *Not Applicable*	No involvement in a competitive business except as duly licensed by us *Not Applicable*
r Non-competition covenants after the franchise is terminated or expires	Sections X B and X C *Not Applicable*	No involvement in a Competitive Business except as duly licensed by us for 2 years at Site, within 15 miles of any Sky Zone Indoor Trampoline Park and your Park *Not Applicable*
s Modification of the agreement	Sections XVII C *Section X*	No modification generally but Manual and system subject to change *Amendments must be in writing and signed by you and us*
t Integration/merger clause	Section XVII C *Section IX*	Only the terms of the Franchise Agreement Manual and related agreements are binding (subject to federal law) Any representations or promises made outside of the Disclosure Document and Franchise Agreement may not be enforceable *Only the terms of the Area Development Agreement are binding (subject to federal law) Any representations or promises made outside of the Disclosure Document and Area Development Agreement may not be enforceable*

PROVISION	SECTION IN FRANCHISE AGREEMENT (References to the ADA is in italics)	SUMMARY
u Dispute resolution by arbitration or mediation	Section XVI *Section X*	Except for certain claims, all disputes must be arbitrated in St Louis County Missouri * *Except for certain claims all disputes must be arbitrated in St Louis County Missouri* *
v Choice of forum	Section XVII G *Section VIII G*	Litigation must be in St Louis County, Missouri * *Litigation must be in St Louis County Missouri* *
w Choice of law	Section XVII G *Section VIII G*	Missouri law applies * *Missouri law applies* *

*Subject to state law If a state regulator requires us to make additional disclosures related to the information contained in this Disclosure Document, these additional disclosures are contained in a State Law Addenda included in this Disclosure Document as Exhibit C

Item 18

PUBLIC FIGURES

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

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

Since we do not own any Sky Zone Indoor Trampoline Parks, the information contained in this Item 19 is based upon the financial performance of Sky Zone Indoor Trampoline Parks that are owned and operated by our franchisees The operations of the franchisees are similar to the operations that are contemplated by franchises described in this Franchise Disclosure Document Certain material differences in the economic or market conditions known to or reasonably ascertainable by us are more fully described below However, no two Sky Zone Indoor Trampoline Parks are exactly alike and there are differences in certain aspects of the Sky Zone Indoor Trampoline Parks as more fully described below

Part I of this Item discloses revenue and expense information for certain franchisee-owned parks that were open from January 1, 2016 through December 31, 2016 (the "Measurement Period") The results from a total of 85 (79%) of the 107 franchisee owned parks that were open and operating over the Measurement Period are disclosed in Part I of this Item

To gather the data associated with Part I, we provided a standard template to franchisees and requested that they complete it Franchisees populated their own data and returned the completed templates to us We aggregated this data to determine the average revenue and expense line items as described below The information provided is not a forecast, projection or prediction of how your franchise will perform These figures should not be relied upon as the actual or potential revenue that you will realize It is likely that your revenue will differ from the information in this financial performance representation These statements have not been audited, and may not be based on generally accepted accounting principles All revenue is expressed in US Dollars or equivalents We have not audited the franchisee data

A total of 22 of the 107 parks are not included below because they either (i) were not required to submit in accordance with their individual Franchise Agreements (8 parks), or (ii) did not submit their respective historical information at the time we compiled this information for inclusion in this Item 19 (14 parks) We also have excluded the data concerning five Affiliate-owned parks that were open and operating as of December 31 2016 All information included below is for franchisee-owned parks operating in the United States only

We have included averages for all 85 parks disclosed in this Item 19 (**"All Parks '**) in Part I as well as the following sub-categories based on the jumper capacity of parks (a) parks with jumper capacity of less than 135 jumpers (b) parks with jumper capacity between 135 and 165, and (c) parks with jumper capacity of greater than 165 Jumper capacity is often tied to the overall square footage of the park but in certain cases, utilization of the space may enable variations in jumper capacity As such, we have used jumper capacity as the most relevant reference point for sub-categories [1]

In Part II of this Item, we compare the average monthly revenue generated by (i) the 23 new franchisee owned Parks that opened in 2016, and that were open for at least 90 days as of December 31 2016 (the ' 2016 New Parks), and (ii) the 14 franchisee-owned Parks that opened at some point in 2015, and that were open for at least 90 days as of December 31, 2015 (the "2015 New Parks") In Part II we excluded the any Park that opened in 2015 or 2016, but was not opened for at least 90 days as of the applicable calendar year end

All amounts in Parts II and II of this Item 19 are expressed in US Dollars or equivalents We have not audited the franchisee data Some outlets have sold or earned this amount Your individual results may differ There is no assurance you will sell or earn as much

PART I 2016 REVENUE & EXPENSE AVERAGES

January 1, 2016 through December 31, 2016

	ALL PARK AVG (85)[1]	CAPACITY <135 (16)	CAPACITY 135-165 (38)	CAPACITY >165 (31)
REVENUE				
Total Open Jump Revenue[2]	**$1,269,294** (38)[1]	**$1,019,848** (7)	**$1,225,977** (20)	**$1,451,140** (13)
Total Event Revenue[3]	**$533,938** (27)	**$348,637** (8)	**$529,464** (11)	**$635,062** (12)
Total Non Jumping Revenue[4]	**$310,829** (33)	**$244,948** (8)	**$301,678** (16)	**$356,051** (14)
TOTAL REVENUE	**$2,114,062** (35)	**$1,613,432** (9)	**$2,057,118** (15)	**$2,442,253** (13)
EXPENSES				
COGS[5]	$195,384	$150,397	$197,182	$216,400
Advertising & Promotion - Ad Fund[6]	$33,396	$25,009	$30,556	$41,206
Advertising & Promotion - All Other[7]	$108,186	$100,758	$107,409	$112 971
Amortization & Depreciation[8]	$129,994	$109,733	$110,776	$164,008
Current POS System Expense[9]	$8,856	$7,152	$8 423	$10,266
Cleaning, Building/Facility Supplies	$23,694	$21,498	$22,506	$26,284
Credit Card Fees Expense	$30,452	$24,624	$30,499	$33 402
Insurance Expense General Liability	$97,473	$84,431	$96 321	$105,618
Insurance Expense – Other[10]	$17,858	$17,746	$17 245	$18,666
Interest Expense[11]	$47,923	$33 981	$48,367	$54 576
Labor (Management Labor Including Payroll Taxes)	$175,843	$163 028	$185 680	$170 398
Labor (Non Management Labor Including Payroll Taxes)	$379,517	$299,957	$367 791	$434,954

	ALL PARK AVG (85)[1]	CAPACITY <135 (16)	CAPACITY 135-165 (38)	CAPACITY >165 (31)
Owner Compensation/Management Fees[12]	$87 934	$53 117	$70,727	$126,997
Office Expense[13]	$15,812	$8,823	$16 811	$18,195
Party Expense[14]	$35,127	$20,332	$36,498	$41 083
Rent Expense[15]	$268,409	$195 164	$262,005	$314,063
Replacement Parts / Court Maintenance	$20,757	$17,752	$20,702	$22 374
Royalties	$126,562	$96,411	$122,660	$146 907
Utilities Expense (including Telephone)	$59 639	$47,726	$56,616	$69 492
Other Expenses[16]	$73,720	$54,133	$69,540	$88 953
TOTAL EXPENSES[17]	**$1,936,535**	**$1,531,772**	**$1,878,314**	**$2,216,813**
OPERATING INCOME[18]	**$177,527** (36)	**$81,661** (8)	**$178,804** (16)	**$225,441** (16)
EBITDA[19]	**$355,444** (35)	**$225,375** (7)	**$337,947** (16)	**$444,024** (15)
EBITDA + OWNERS COMPENSATION[20]	**$443,378** (36)	**$278,492** (7)	**$408,674** (15)	**$571,021** (15)
NUMBER OF PARKS	**85**	**16**	**38**	**31**

Explanatory Notes to Part I of this Item

Note 1 At the time we developed our method of tracking this data we had three sub-categories because there was an even split among parks falling into each sub-category Currently there are a larger number of parks in the middle category (between 135 and 165) because while we have maintained our three sub-categories for consistency, more parks have opened in the range of this sub-category

Please note that the number in parentheses next to "All Park Avg' and the other primary headings in the chart above indicate the number of Parks that comprise that subset

If there is a number next to a given figure in any of the other rows in the chart above (for example the number 38 in the first cell under the 'All Park Avg" heading), this figures represents the number of Parks within the subset at issue that exceeded the average amount set forth in that cell

Note 2 Total Open Jump Revenue includes jump time purchased for open jump

Note 3 Total Event Revenue includes birthday parties, private parties, corporate events, and other special events hosted at Sky Zone parks

Note 4 Non-Jump Revenue includes concessions Sky Socks lockers, merchandise, and other non-jumping related sales

Note 5 COGS includes all costs of goods sold exclusive of Party Expenses, which is itemized separately in this chart SkySocks, concessions, and other items are included here

Note 6 Franchisees whose data is included in this Item 19 were required to pay 1-2% of Gross Sales Advertising Fee Our current FDD and Franchise Agreement requires franchisees to pay 2% of Gross Sales Advertising Fee

Note 7 Franchisees whose data is included in this Item 19 were required to spend 4-5% of Gross Sales on local marketing Our current FDD and Franchise Agreement requires franchisees to pay 4% of Gross Sales toward local marketing

Note 8 Amortization and Depreciation is included as an expense line item but is added back into the EBITDA calculation

Note 9 Over the 2016 calendar year, our required POS and Customer Relations Management system was provided by a third party Please be advised that we may, but are no under no obligation to, develop or otherwise designate a Technology Suite that will contain certain non-POS technology that we determine (a) is appropriate for use in connection with the System, and (b) should be included as part of the Technology Suite that you license from us or our approved supplier

Note 10 All other insurance premiums other than general liability, to include business interruption crime commercial property, professional liability business auto, umbrella liability workers compensation and employers' liability and any other insurance coverage required by your state

Note 11 Interest is included as an expense line item but is added back into the EBITDA calculation

Note 12 Franchisees are solely responsible for determining Owner Compensation and Management Fees Some franchisees choose not to take Owners Compensation or Management Fees

Note 13 Includes back office supplies such as stamps, printer ink paper, and other items

Note 14 COGS associated with event revenue (paper goods, food and beverage etc)

Note 15 Rents are likely to vary greatly by market Lease rates fluctuate based on economic conditions This average includes leases that were signed in varying markets and economic conditions and is not necessarily representative of the fair market value rates in your market This average also includes non-retail locations that are not representative of our current real estate strategy and may not be reflective of retail rates Due to these factors, it is likely that rent in your market will be higher than the average represented

Note 16 Any reported expense that does not fall into the prescribed categories in this chart For example, this may include the expense of team building activities for team members

Note 17 Total Expenses means the total of all the amounts listed under the heading Expenses in this chart

Note 18 Operating Income means Total Revenue for a given subset less Total Expenses for that subset

Note 19 The term EBITDA for a given subset is calculated by taking the Operating Income figure for that subset and adding that figure to amounts set forth for (a) Amortization and Depreciation, and (b) Interest Expense for that same subset

Note 20 EBITDA + Owners Compensation is calculated by adding EBITDA for a given subset to the Owners Compensation figure for that subset

Written substantiation of the data presented in this financial performance representation will be made available to you upon reasonable request

A new franchisee's individual financial results may differ from the results stated in the financial performance representation above

Some Parks have sold this amount Your individual results may differ There is no assurance you ll sell as much

Actual results may vary from location to location and area to area You are likely to achieve results that are different from those stated in this Item 19

PART II AVERAGE DAILY REVENUE GENERATED BY THE 2016 NEW PARKS COMPARED TO 2015 NEW PARKS

Parks	Average Daily Revenue	Number of New Parks that Met of Exceed this Average
2016 New Parks	$6 089[1]	11 (or 48% of the 23 2016 New Parks)
2015 New Parks	$5 542[2]	8 (or 53% of the 15 2015 New Parks)

Explanatory Notes to Part II of this Item

Note 1 In calculating Average Daily Revenue for the 23 2016 New Parks disclosed in Part II above, we (i) took the total revenue generated by each 2016 New Park in the 2016 calendar year and divided that figure by the number of total days that this 2016 New Park was open and operating over the 2016 calendar year (each a '2016 New Park Daily Average), and (ii) added the 2016 New Park Daily Average for all 23 Parks in this subset and divided that figure by 23

Note 2 In calculating Average Daily Revenue for the 15 2015 New Parks disclosed in Part II above, we (i) took the total revenue generated by each 2015 New Park in the 2015 calendar year and divided that figure by the number of total days that this 2015 New Park was open and operating over the 2015 calendar year (each, a "2015 New Park Daily Average"), and (ii) added the 2015 New Park Daily Average for all 15 Parks in this subset, and divided that figure by 15

General Notes to Item 19

You must develop your own business plan for your Park, including capital budgets, financial statements, projections and other elements appropriate to your particular circumstances We encourage you to consult with your own accounting, business, and legal advisors to assist you and to help you identify the expenses you are likely to incur in connection with your Park, to prepare your budgets and to assess the likely or potential financial performance of your Park In developing the business plan for your Park, you are cautioned to make necessary allowance for changes in financial results to income, expenses, or both that may result from operation of your Park during periods of, or in geographic areas suffering from economic downturns, inflation, deflation, unemployment, or other negative economic influences

A statement of historical sales will not necessarily correspond to future results because of factors such as inflation, deflation and other variables All information should be evaluated in light of current market conditions including such information as may then be available A newly opened business cannot be expected to achieve sales similar to those of an established business

Operating expenses of a Sky Zone Indoor Trampoline Park can vary widely depending on numerous factors The information on the operating expenses that have been incurred at All Parks (as defined above) in this Item 19 is not intended to be an estimate of the costs and expenses for your particular operation The following are typical expenses that you are likely to incur advertising, automobile bank/credit fees, subscriptions, equipment, insurance advertising, insurance, payroll/employee benefits, license/permits interest, postage/delivery, printing, accounting, professional fees, rent, COGS-parties COGS-SkySocks, COGS-concessions repairs/maintenance, court repairs office supplies, supplies/upgrades, travel/meals/lodging, uniforms, royalty/ad fee, utilities and taxes

Other than the preceding financial performance representation, Sky Zone Franchise Group, LLC does not make any financial performance representations We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Glenn Lord, Sky Zone Franchise Group LLC, at 1201 West Fifth Street Suite T-340, Los Angeles, California 90017, 310-734-0300, the Federal Trade Commission and the appropriate state regulatory agencies

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table No 1
Systemwide Outlet Summary
For years 2014 through 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	48	88	+40
	2015	88	112	+24
	2016	112	140	+28
Company-Owned*	2014	4	4	0
	2015	4	4	0
	2016	4	5	+1
Total Outlets	2014	52	92	+40
	2015	92	116	+24
	2016	116	145	+29

*All of the Company-owned outlets are actually outlets owned by our affiliates as discussed in Item 1

Table No 2
Transfer of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2014 through 2016

State	Year	Number of Transfers
Arizona	2014	0
	2015	0
	2016	0
Indiana	2014	1
	2015	0
	2016	0
Michigan	2014	0
	2015	0
	2016	1
Massachusetts	2014	0
	2015	0
	2016	1
Connecticut	2014	0
	2015	0
	2016	1
TOTAL	2014	1
	2015	0
	2016	3

Table No 3
Status of Franchised Outlets
For years 2014 through 2016

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
AL	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
AR	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	1	0
	2016	0	0	0	0	0	0	0
AZ	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
CA	2014	7	0	0	0	0	0	7
	2015	7	1	0	0	0	0	8
	2016	8	3	0	0	0	0	11
CO	2014	0	2	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	1	0	0	0	0	3
CT	2014	0	2	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	1	0	0	0	0	3
DE	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
FL	2014	3	2	0	0	0	0	5
	2015	5	4	0	0	0	0	9
	2016	9	3	0	0	0	0	12
GA	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	3	0	0	0	0	6
IL	2014	0	1	0	0	0	0	1
	2015	1	1	0	0	0	0	2
	2016	2	2	0	0	0	0	4
IN	2014	3	2	0	0	0	0	5
	2015	5	1	0	0	0	0	6
	2016	6	1	0	0	0	0	7
IA	2014	1	0	0	0	0	0	1
	2015	1	1	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
	2016	2	0	0	0	0	0	2
KS	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
KY	2014	1	1	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
LA	2014	0	0	0	0	0	0	0
	2015	0	2	0	0	0	0	2
	2016	2	1	0	0	0	0	3
MD	2014	1	1	0	0	0	0	2
	2015	2	1	0	0	0	0	3
	2016	3	2	0	0	0	0	5
MA	2014	3	1	0	0	0	0	4
	2015	4	1	0	0	0	0	5
	2016	5	0	0	0	0	0	5
MI	2014	3	2	0	0	0	0	5
	2015	5	1	0	0	0	0	6
	2016	6	1	0	0	0	0	7
MN	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
MO	2014	1	1	0	0	0	0	2
	2015	2	2	0	0	0	0	4
	2016	4	0	0	0	0	0	4
NE	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
NH	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
NJ	2014	0	3	0	0	0	0	3
	2015	3	3	0	0	0	0	6
	2016	6	1	0	0	0	0	7
NY	2014	2	4	0	0	0	0	6
	2015	6	0	0	0	0	0	6
	2016	6	1	0	0	0	0	7
NV	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
	2016	1	0	0	0	0	0	1
NC	2014	0	3	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	1	0	0	0	0	4
ND	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	1	0	0	0	0	2
OH	2014	3	3	0	0	0	0	6
	2015	6	1	0	0	0	0	7
	2016	7	1	0	0	0	0	8
OK	2014	1	0	0	0	0	0	1
	2015	1	1	0	0	0	0	2
	2016	2	0	0	0	0	0	2
PA	2014	3	4	0	0	0	0	7
	2015	7	2	0	0	0	0	9
	2016	9	0	0	0	0	0	9
RI	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
SC	2014	1	1	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
SD	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
TN	2014	2	0	0	0	0	0	2
	2015	2	1	0	0	0	0	3
	2016	3	0	0	0	0	0	3
TX	2014	1	3	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
VA	2014	1	0	0	0	0	0	1
	2015	1	1	0	0	0	0	2
	2016	2	2	0	0	0	0	4
WI	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	1	0	0	0	0	2
WA	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
	2016	0	1	0	0	0	0	1
Totals	2014	48	40	0	0	0	0	88
	2015	88	25	0	0	0	1	112
	2016	112	28	0	0	0	0	140

Table No 4
Status of Company-Owned Outlets
For years 2014 to 2016

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
CA	2014	2	0	0	0	0	2
	2015	2	0	0	0	0	2
	2016	2	0	0	0	0	2
IL	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	1	0	0	0	1
MO	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
NV	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Totals	2014	4	0	0	0	0	4
	2015	4	0	0	0	0	4
	2016	4	1	0	0	0	5

Table No 5
Projected Openings as of December 31, 2016

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Alabama	0	1	0
Arizona	0	1	0
Arkansas	0	0	0
California	2	1	0
Florida	4	4	0

Georgia	1	1	0
Illinois	3	2	0
Maryland	2	1	0
Michigan	1	0	0
Minnesota	1	1	0
Mississippi	1	1	0
Missouri	3	2	0
Nebraska	1	0	0
Nevada	2	0	0
New Jersey	3	2	0
New York	3	1	0
North Carolina	2	1	0
Ohio	1	1	0
Pennsylvania	2	2	0
South Carolina	1	0	0
Texas	2	2	0
Virginia	1	1	0
West Virginia	1	1	0
Wisconsin	1	1	0
Canada	2	0	0
Guam	1	0	0
Total	**41**	**27**	**0**

Exhibit E lists the names addresses and telephone numbers of all current franchisees In addition, Exhibit E lists the name, city and state and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet transferred, 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**

During the last 3 fiscal years, we have signed confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about all or certain aspects of their experience with us We do not have any trademark specific franchisee organization

Item 21

FINANCIAL STATEMENTS

Audited financial statements as of December 31, 2014, December 31, 2015 and December 31, 2016 are included in Exhibit F Our fiscal year end is December 31st

Item 22

CONTRACTS

The following agreements are Exhibits to this Disclosure Document

Exhibit A - Franchise Agreement
Exhibit B - Area Development Agreement
Exhibit H - Letter Agreement
Exhibit I - Form of Purchase Order

Item 23

RECEIPTS

Exhibit J contains detachable documents acknowledging your receipt of this Disclosure Document Two copies of the receipt are attached You must sign both copies, keep one copy for your records and return one copy to us at Glenn T Lord, Chief Operating Officer 1201 West Fifth Street, Suite T-340, Los Angeles, California 90017

EXHIBIT A TO THE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

SKY ZONE FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT

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EXHIBIT VI	FRANCHISEE QUESTIONNAIRE

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SKY ZONE FRANCHISE GROUP, LLC

FRANCHISE AGREEMENT

This Franchise Agreement (the "**Agreement**) is entered into this _____ day of _____, 20___ by and between SKY ZONE FRANCHISE GROUP LLC a Missouri limited liability company ("**SFG**"), and _____ a _____ ("**FRANCHISEE**")

WHEREAS, SFG and its Affiliates have developed and refined a method of operating recreational centers that offer all trampoline walled Playing Fields (as defined below) to be used for sports fitness and recreational activities,

WHEREAS, SFG's Affiliate, Sky Zone LLC, has granted SFG the right to license the Intellectual Property and the System in connection with the sale of franchises for the operation of ' Sky Zone Indoor Trampoline Parks", and

WHEREAS, FRANCHISEE recognizes the benefits to be derived from being identified with, and licensed by, SFG and desires to enter into the business of establishing and operating a Sky Zone Indoor Trampoline Park using the System and Intellectual Property and SFG is willing to grant a franchise to FRANCHISEE on the terms and conditions set forth in this Agreement

NOW, THEREFORE, the parties agree as follows

Capitalized terms are defined in Appendix A, attached hereto

I GRANT OF FRANCHISE

A **Grant of License** Subject to the terms and conditions herein, SFG hereby grants to FRANCHISEE, and FRANCHISEE hereby accepts from SFG a non-exclusive right to operate one (1) Sky Zone Indoor Trampoline Park (the '**Park**') to be located at the location listed in Exhibit I attached hereto (' **Site**") and to use the System and Intellectual Property in connection therewith

If a particular Site has not been selected and approved at the time this Agreement is signed, Exhibit I will describe an approved area in general terms, which is FRANCHISEE'S non-exclusive area in which to search for a site In that case, after SFG has approved a Site for FRANCHISEE S Park within the approved area, (i) SFG will unilaterally modify Exhibit I and set forth the specific address of the Site in Exhibit I (as if originally set forth in Exhibit I) instead of the general description of the approved area, (ii) SFG will specify FRANCHISEE'S Assigned Territory, based on SFG s then-current standards in Exhibit I ("**Assigned Territory**") and (iii) at that time the approved area description will be of no further consequence

If FRANCHISEE desires to operate additional Sky Zone Indoor Trampoline Park(s) it must do so pursuant to separate Franchise Agreement(s) (which may require payment of an additional initial fees and which may contain other terms different from the terms contained in this Agreement) It is within SFG's sole discretion whether to offer or grant FRANCHISEE the right to operate additional Sky Zone Indoor Trampoline Parks

B **Assigned Territory Protection** FRANCHISEE must operate the Park only from the Site So long as this Agreement is in force and effect and FRANCHISEE is in compliance with its terms, SFG

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and its Affiliates will not itself locate or operate, or grant a franchise for another to operate, a Sky Zone Indoor Trampoline Park within the Assigned Territory The Assigned Territory granted under this Agreement does not in any way grant or imply any other area, market or territorial rights to FRANCHISEE

FRANCHISEE agrees not to distribute individual advertising items (i e , coupons, circular advertising, etc) outside of its Assigned Territory unless FRANCHISEE both seeks and obtains written permission from the SFG Marketing Department ("**SFG Marketing**") and uses a form of advertising which is not programmed to be restricted to the Assigned Territory, such as direct mail advertising by outside contractors based on zip code Notwithstanding the foregoing, FRANCHISEE may seek permission from SFG Marketing to do so and, upon approval, may send individual advertising items to guests or potential guests within areas where no assigned territory for another Sky Zone Indoor Trampoline Park is assigned However, nothing herein will be deemed to grant FRANCHISEE any protected area outside of its Assigned Territory In the event that a Sky Zone Indoor Trampoline Park is established in an area which was not currently assigned, FRANCHISEE must immediately stop distributing advertising items in that territory FRANCHISEE acknowledges that SFG its Affiliates and other franchisees may be able to advertise in unassigned territories

The advertising FRANCHISEE is authorized to conduct as described above does not include any advertising through or using the World Wide Web or the Internet If FRANCHISEE wishes to conduct or place any advertising or in any manner promote its Park and/or use the Marks on the Internet, FRANCHISEE shall obtain SFG's express prior written consent to such materials and the location(s) where the posting is to be made FRANCHISEE understands and acknowledges that any and all advertising promotions and/or postings made on-line must be pre-approved by SFG in writing

All promotional marketing programs which are initiated by FRANCHISEE must be submitted and approved by SFG Marketing before being executed

C **Rights Reserved** SFG on behalf of itself and its Affiliates, reserves all rights not specifically granted to the FRANCHISEE pursuant to this Agreement, including, but not limited to those set forth below

1 To acquire be acquired by, open and operate, or license or franchise others to open and operate, businesses within and outside of the Assigned Territory which operate under trademarks or service marks different from the Marks or operate under a system that is different from the System,

2 To operate, or license or franchise others to operate Sky Zone Indoor Trampoline Parks anywhere outside of the Assigned Territory,

3 To use or grant others the right to use, the Playing Fields within and outside of the Assigned Territory,

4 To develop merchandise, promote, sell and license others to sell products or programs bearing the Marks through other channels of distribution within and outside of the Assigned Territory, including, at special events athletic contests, through temporary locations, and through alternative distribution channels such as the Internet catalog sales and telemarketing, and

5 To conduct any other activities utilizing the Marks or System components that is not expressly prohibited by this Agreement

SFG is not required to pay FRANCHISEE any compensation or other amounts if SFG exercises any of the rights specified in this Section I C within the Assigned Territory

D **Sale** FRANCHISEE agrees and affirms that SFG and its Affiliates have the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as "Sky Zone Indoor Trampoline Parks ' operating under the Marks or any other marks following SFG's purchase, merger, acquisition or affiliation regardless of the location of such facilities (which FRANCHISEE acknowledges may be within the Assigned Territory, proximate thereto, or proximate to the Site) SFG and its Affiliates may sell themselves, their assets, their Marks and/or their System to a third party, may go public, may engage in a private placement of some or all of their securities, may merge, acquire other corporations or entities or be acquired by another corporation or entity, and/or may undertake a refinancing recapitalization, leveraged buyout or other economic or financial restructuring

II LOCATION AND LEASE

A **Leasing and Construction** FRANCHISEE will either lease the Site for the Park from a landlord, or will construct or purchase its own building (as further detailed in Sections VII A and VII B below) The Site and lease are subject to the consent of SFG The lease for the Site must be signed and fully executed within six (6) months of signing the Franchise Agreement

B **Site Selection and Demographic Study** The Site is selected by FRANCHISEE, subject to SFG's consent FRANCHISEE will select the proposed site for the location of the Park and submit the proposed site to SFG for consent Within thirty (30) days after receipt of the site, SFG will advise FRANCHISEE whether the proposed site meets SFG s minimum standards for an acceptable site SFG is not responsible for and does not make any warranty regarding, the suitability of the Site, and SFG's consent to a Site or approval of the vendor of any demographic study means only that the Site meets SFG's minimum standards for an acceptable Site or vendor FRANCHISEE is primarily responsible for investigating the site, selecting the vendor to provide demographic studies FRANCHISEE will be required to pay SFG the amounts described in Section IV A of this Agreement before SFG (i) provides any design or layout templates or proposals with respect to any Site proposed by FRANCHISEE in connection with this Agreement

C **Site Acquisition** If FRANCHISEE intends to lease a Site, FRANCHISEE will submit a copy of the proposed lease to SFG within thirty (30) days of SFG's consent to the Site Within ten (10) days of execution of the lease, FRANCHISEE must provide SFG with a copy of the executed lease SFG's consent to the lease means only that the lease meets SFG's minimum standards Such consent by SFG of the lease is not a warranty as to the appropriateness of the lease or any of its terms SFG may require FRANCHISEE's lease for the Site to include substantially the same terms as set forth on Exhibit II attached hereto In addition FRANCHISEE will execute a Collateral Assignment of lease as set forth in Exhibit III whereby FRANCHISEE agrees to assign its rights to the lease to SFG in the event of a termination or expiration of this Agreement or a default under the lease at the request of SFG SFG recommends that FRANCHISEE hire a professional leasing agent to assist in site location and lease negotiations and an attorney to handle the legal aspects of the transaction

D **Proof of Ownership** If FRANCHISEE intends to own the Site, FRANCHISEE will furnish to SFG proof of ownership or an executed sale contract within ninety (90) days after SFG consents to the Site FRANCHISEE'S submission of proof of ownership or an executed sale contract will be deemed a warranty by FRANCHISEE that the Site can be utilized for the Park in accordance with the terms of this Agreement FRANCHISEE must create a separate entity to own the Site and then lease the Site to FRANCHISEE at its full rental value and on commercially reasonable terms for the term of this Agreement

E **Relocation** So long as FRANCHISEE is not in default under this Agreement, FRANCHISEE may relocate the Park to an approved location within the Assigned Territory with the prior written consent of SFG Regardless of the reason for relocating, FRANCHISEE agrees to pay all costs and expenses of relocating the Park including but not limited to the cost and expenses incurred by SFG in reviewing the proposed site and any lease or proof of ownership documents in connection therewith

III TERM AND RENEWAL

A **Term** The initial term of this Agreement commences on the date first listed above and, unless sooner terminated in accordance with the provisions hereof, expires ten (10) years from the date hereof References to "term ' in this Agreement mean the "initial term" and any "renewal term" as set forth in Section III B below

B **Renewal Term** FRANCHISEE has the right to renew the initial term of this Agreement for an additional term of ten (10) years provided that FRANCHISEE is not in default under this Agreement, is able to retain possession of the Site and executes the then-current franchise agreement being utilized by SFG The then-current franchise agreement may contain significantly different terms than this Agreement Notwithstanding the foregoing, SFG may, in its discretion, refuse to renew this Agreement if FRANCHISEE has been notified of defaults (even if subsequently cured) under this Agreement more than three (3) times during the initial term or more than three (3) times during any renewal term, even if FRANCHISEE is not in default at the time of such renewal FRANCHISEE agrees to give SFG no less than six (6) months, nor more than eighteen (18) months written notice of an election to renew the franchise, prior to the end of the initial term and SFG will comply with any notice requirements imposed on it by applicable law with regard to renewals SFG may treat such a failure to give notice as FRANCHISEE's election not to renew the franchise FRANCHISEE must also pay SFG a renewal fee of twenty-five percent (25%) of the then current Initial Franchise Fee (including then current Deposit) As a condition of renewal, SFG may require FRANCHISEE to, at FRANCHISEE'S expense, remodel and upgrade the Park, including but not limited to equipment and improvement, to meet the current standards of SFG and execute a general release to the extent permitted by applicable law, of any and all claims against SFG and its Affiliates and their respective shareholders, officers, directors, employees, agents, successors and assigns arising under or from this Agreement and any related agreement between the parties or under any applicable law, rule or regulation Additionally SFG may require FRANCHISEE to, at FRANCHISEE'S expense upgrade the Park to then System standards which upgrade expense shall not exceed One Hundred Thousand Dollars ($100,000)

C **Continuation** If FRANCHISEE continues to operate the Park with SFG's express or implied consent following the expiration of this Agreement, the continuation will be a month to-month extension of this Agreement, unless otherwise set forth in writing All provisions of this Agreement will apply while FRANCHISEE continues to operate the Park This Agreement will then be terminable by either party on 30 days written notice to the other party

IV FEES

A Deposit, Initial Franchise Fee

1 FRANCHISEE has paid SFG a deposit amounting to Twenty Thousand Dollars ($20,000) upon execution of the Letter Agreement, which the parties agree and acknowledge was deemed fully earned upon payment and is not refundable under any circumstances

2 FRANCHISEE must pay SFG an Initial Franchise Fee (a) prior to SFG or its designees providing FRANCHISEE with any design or layout proposals or templates with regards to a Site

that FRANCHISEE has proposed under Section II of this Agreement, or (b) six (6) months from the date this Agreement is executed, whichever occurs sooner (the "**IFF Payment Date**") The Deposit will be credited towards the Initial Franchise Fee such that FRANCHISEE will owe a balance of $40,000 on the IFF Payment Date (subject to Section 4(A)(3) below)

3 If FRANCHISEE (i) already owns and operates one (1) or more Sky Zone Indoor Trampoline Park(s) pursuant to one or more valid and existing franchise agreement(s) with SFG and (ii) FRANCHISEE is not in material breach of these franchise agreement(s), then FRANCHISEE will (a) not be required to enter into a Letter Agreement or pay any deposit as described in Section IV A 1 above' and (ii) be required to pay SFG a reduced Initial Franchise Fee amounting to $40,000 in a lump sum at the time this Agreement is signed

4 The Initial Franchise Fee is deemed fully earned upon execution of this Agreement, and is not refundable under any circumstances

B **Royalty Fee** FRANCHISEE must pay to SFG a continuing royalty fee equal to six percent (6%) of Gross Sales of the Park ("**Royalty Fee**")

C **Advertising Fee** FRANCHISEE must pay to SFG a continuing advertising fee of two percent (2%) of Gross Sales of the Park ("**Advertising Fee**") which will be deposited into the Advertising Fund The Advertising Fee may be increased or decreased by SFG with at least thirty (30) days' notice to FRANCHISEE but shall not exceed two and one-half percent (2 5%)

D **Time and Manner of Payments** Royalty Fees and Advertising Fees are due and payable twice per month on the 16th and first day after month ends If the payment date falls on a holiday, the fees will be due on the next business day Any payment or report not received by SFG by the date due will be deemed overdue

E **EFT Payments** SFG requires that all such Royalty Fees and Advertising Fees be made via electronic funds transfer ('**EFT**") which electronically debits from FRANCHISEE's bank account the fees described herein or such other manner which SFG may designate from time to time FRANCHISEE must comply with the procedures specified in the Confidential Operations Manual ("**Manual**') or as otherwise communicated for such EFT program and must perform the acts and sign the documents including authorization forms that SFG, FRANCHISEE's bank and SFG's bank may require to accomplish payment by EFT including authorizations for SFG to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of Royalty Fee and Advertising Fees and other amounts including interest payable to SFG In addition, FRANCHISEE must pay all costs associated with utilizing an EFT payment program If FRANCHISEE fails to timely report to SFG in accordance with the procedures set forth herein or in the Confidential Operations Manual, SFG has the right, but not the obligation to debit from FRANCHISEE's account an estimated amount equal to the fees due and payable to SFG during the most recent month for which the reports were received by SFG

F **Interest on Late Payments** If Royalty Fees and Advertising Fees are not paid when due SFG will have the right to charge interest on late payments equal to the lesser of eighteen percent (18%) per annum or the maximum legal rate in the jurisdiction where the Park is located subject to applicable laws SFG's right to interest is in addition to any other remedies that SFG may have

G **No Right of Offset** FRANCHISEE agrees to make prompt payment without deduction or set-off, of all charges which are properly due in addition to the Royalty Fees and Advertising Fees

payments set forth above Such payments cannot be withheld on any grounds whatsoever, including but not limited to alleged non-performance by SFG of any of its obligations hereunder

H **Under-Reporting** If FRANCHISEE under-reported Gross Sales of its Park, FRANCHISEE will reimburse SFG for the amount of the Royalty Fees and Advertising Fees that would have been billed had Gross Sales been reported accurately, plus interest on those amounts (as set forth in Section IV F above) In addition, if the amount of Gross Sales reported for any calendar year is understated by two percent (2%) or more of the actual Gross Sales for that period, FRANCHISEE agrees to reimburse SFG for all costs of the investigation or audit that uncovered the under-reported sales, including salaries, professional fees, travel, meals and lodging The obligations of this provision survive termination or expiration of the Agreement

I **Late Report Fee** If FRANCHISEE fails to send financial reports when due, SFG may to the extent permitted by applicable law, charge a Late Report Fee of One Hundred Dollars ($100 00) plus an additional One Hundred Dollars ($100 00) for each day any report is late If FRANCHISEE fails to send SFG a report that is due on a quarterly basis or annual basis SFG can charge FRANCHISEE a late report fee of One Hundred Dollars ($100) plus an additional One Hundred Dollars ($100) for each month the report is late

J **Taxes** FRANCHISEE shall promptly pay when due all taxes levied or assessed including unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred by FRANCHISEE in the operation of the Park FRANCHISEE agrees to indemnify and/or reimburse SFG and its Affiliates for all capital gross receipts, sales, and other taxes and assessments imposed by any applicable state or local governmental authority on SFG and its Affiliates as a result of FRANCHISEE's operation of the Park or the license of any of SFG's or its Affiliates' intangible property to FRANCHISEE (whether such amounts are required to be paid by SFG or its Affiliates, withheld by FRANCHISEE, or otherwise) FRANCHISEE's obligation to indemnify or reimburse SFG or its Affiliates for these taxes does not extend to income-type taxes which a state or local government imposes on SFG or its Affiliates income

V ADVERTISING

A **Advertising Fund** SFG has established and administers an Advertising Fund, and the Advertising Fees paid by FRANCHISEE will be deposited into the Advertising Fund The Advertising Fund will be used to provide advertising and promotional activities SFG deems beneficial to the SFG franchise system, which may include but shall not be limited to participating in tournaments and events The Advertising Fund can be used for the payment of all costs associated with the creation production distribution media placement and administration of local state, regional or national advertising programs for such other advertising and marketing purposes as SFG desires, and for any taxes incurred on the fund In addition the Advertising Fund can be used to pay administrative expenses, including without limitation material services salaries and overhead incurred by SFG or its Affiliates, in connection with administering the Advertising Fund In order to preserve SFG's legitimate interest in protecting the quality of the System and the SKY ZONE brand reputation and goodwill, SFG reserves the right to direct all advertising and promotional programs, to select and approve advertising agencies, creative concepts, materials, and media placements and allocations used in the programs, and to formulate and make policy decisions concerning all aspects of the advertising and franchise expansion program consistent with applicable law FRANCHISEE acknowledges that SFG and its designees undertake no obligation in administering the Advertising Fund to make expenditures for FRANCHISEE that are equivalent or proportionate to FRANCHISEE's contributions, or to ensure that FRANCHISEE benefits directly or pro rata from the placement of advertising If SFG spends less than the total of all contributions to the Fund during any fiscal year, it has the right to retain those contributions for use in subsequent years An unaudited summary report

on the operation of the Advertising Fund will be available to FRANCHISEE on request ninety (90) to one hundred and twenty (120) days after fiscal year end

B **Grand Opening Advertising** In addition to the other advertising described herein, SFG requires FRANCHISEE to spend at a minimum of Twenty Thousand Dollars ($25 000) ("**Grand Opening Advertising Amount**") for grand opening advertising and sales promotions FRANCHISEE must spend one half (1/2) of such Grand Opening Advertising Amount prior to the opening of the Park and the remainder in the month in which the Park is open for business FRANCHISEE will provide to SFG, within three (3) months after the opening of the Park , proof of FRANCHISEE's advertising and sales promotion expenditures in such form, with such detail and including copies of such advertising and materials and receipts as SFG will request

C **FRANCHISEE's Own Advertising** FRANCHISEE must spend certain amounts for advertising and promotion of the Park in addition to the Grand Opening Advertising described above and the required contributions to the Advertising Fund In the second, third and fourth months in which the Park is open, FRANCHISEE must spend at least Twelve Thousand Dollars ($12,000) per month (depending on the size of the Park and its location) on local advertising Thereafter, FRANCHISEE must spend a minimum of four percent (4%) of the Park's Gross Sales per month on local advertising on a quarterly basis FRANCHISEE must submit all of its own advertising and sale promotion materials to SFG or its agency, for prior consent at least twenty (20) days prior to use FRANCHISEE must not advertise or use in advertising or other form of promotion, the Marks of SFG or SFG's Affiliates without the appropriate copyright, trademark, and service mark registration symbols for those marks which are registered FRANCHISEE may not advertise its services or use the Marks on the Internet except with SFG s prior consent Any and all such advertising on the Internet must be pre-approved by SFG and on terms specified by SFG Additionally, upon request of SFG, FRANCHISEE must provide to SFG proof of FRANCHISEE s advertising and sales promotion expenditures in such form, with such detail and including copies of such advertising and materials and receipts as SFG will request

D **Telephone Directories** SFG reserves the right to require FRANCHISEE to participate with other Sky Zone Indoor Trampoline Parks in placing advertisements in the applicable Yellow Pages and/or other directories including Internet telephone directories FRANCHISEE's proportionate cost for such directory advertising will be borne by FRANCHISEE These advertising costs must be paid in addition to the amounts payable to the Advertising Fund but can be applied against the amount of local advertising FRANCHISEE is required to spend

VI OBLIGATIONS OF SFG

A **Initial Training** SFG will provide an initial training program for the operation of the Park for the Operating Principal Owner and the FRANCHISEE's Park management team that consists of a minimum of three (3) managers and one (1) additional leader for FRANCHISEE (collectively "**Management Team**") The initial training program is furnished after this Agreement is executed and prior to the opening of the Park and will be furnished at such time and place as SFG may designate FRANCHISEE must pay all transportation, lodging, meals and other expenses incurred by it and its employees in attending this program FRANCHISEE's designated Management Team and Operating Principal Owner must attend and satisfactorily complete the training program before opening the Park If FRANCHISEE's Management Team and/or Operating Principal Owner do not satisfactorily complete the training program, SFG will have the right to postpone the opening of FRANCHISEE's Park or terminate this Agreement and retain the Initial Franchise Fee Satisfactory completion of the training program is, however, no assurance of the success of the Park This training program is mandatory for ALL Parks opened by FRANCHISEE

B **Opening Assistance** SFG will send at least one (1) representative to provide on-site opening training assistance for at least five (5) days during the opening of the Park for business If additional training is required on-site, FRANCHISEE will be responsible for all expenses incurred by the trainers and SFG will have the right to charge a reasonable training and assistance fee

C **Subsequent Training** SFG will offer training for new employees who are not initially trained pursuant to this Agreement, and may also provide refresher training programs to experienced employees SFG reserves the right to designate certain training programs or meetings (including the Sky Zone Annual Convention) as mandatory and to treat FRANCHISEE s failure to have a representative attend such training program or mandatory meeting as a material breach of this Agreement SFG may elect to make a reasonable charge for any training provided pursuant to this paragraph, and FRANCHISEE is responsible for the compensation, travel, lodging, and personal expenses of the trainees All managers must satisfactorily complete SFG's training prior to managing the Park

D **Continuing Advisory Assistance** SFG may make available such continuing advisory assistance in the operation of the Park, rendered in such manner and available from time to time, as SFG may, in its reasonable discretion, deem appropriate SFG reserves the right to charge a reasonable fee for such assistance

VII OBLIGATIONS OF FRANCHISEE

A **Layout and Design** Once FRANCHISEE obtains a Site which is consented to by SFG, FRANCHISEE will consult with SFG's real estate team in order to obtain the services of an architect approved by SFG to produce construction plans, based on the preliminary layout provided by SFG, to suit the shape and dimensions of the Site Any such suggestions or preliminary layout and design provided by SFG will not include the requirements of any federal, state, or local law, code or regulation, including those concerning the Americans with Disabilities Act ("**ADA**") or similar rules governing public accommodations for persons with disabilities nor will such suggestions include the requirements of, or be used for construction drawings or other documentation necessary to obtain permits or authorization to build a specific location After the preliminary layout is completed, FRANCHISEE will hire a local licensed architect that meets SFG's standards, or may use an architect approved by SFG to detail the layout into construction plans FRANCHISEE is responsible for the cost for both the approved architect s services and the local architect's services SFG shall provide the first three (3) space plans ("**Space Plan**") to FRANCHISEE at no additional cost If additional Space Plans are necessary the cost shall be Three Hundred Fifty Dollars ($350) for each additional Space Plan

B **Opening and Construction** FRANCHISEE will construct and equip the Park in accordance with specifications prepared by FRANCHISEE subject to SFG's right to consent to such specifications, layout and design and equipment All development must be in accordance with the plans and specifications SFG has approved and must comply with all applicable laws FRANCHISEE must submit all modifications to the plans and specifications to SFG for SFG's approval before starting to develop the Site The cost of plans and specifications will be borne by FRANCHISEE SFG's consent will be limited to review of such plans to assess compliance with SFG's design standards for a Sky Zone Indoor Trampoline Park including such items as trade dress, presentation of trademarks, and the provision to the potential guest of certain products and services that are central to the functioning of the Park Such review is not designed to assess compliance with federal state or local laws and regulations, including, but not limited to the ADA, as compliance with such laws is the sole responsibility of FRANCHISEE The requirement to complete construction of the Park includes obtaining all required construction and occupancy licenses and permits, developing the Site for the Park, installing as specified by SFG in the approved plans and specifications all required fixtures furnishings, equipment and signs, and doing all other things as may be required under this Agreement or the Manual or by practical necessity to have the

Park ready to open for business Opening may be delayed only if such delay is caused by contingencies not within the control of FRANCHISEE, such as, acts of God, governmental restrictions strikes or labor disputes, about which SFG is notified within a reasonable period time of such delay FRANCHISEE will use its best efforts to cure any such delay and any such delay in completion will be for a period of days equal to the number of days during which such event actually prevents completion In such event, FRANCHISEE will notify SFG of any such delay in writing Since FRANCHISEE is solely responsible for complying with the requirements of the ADA and other matters affecting or relating to the construction, operation, and design of the Park in all respects nothing contained herein or in the Manual will be construed as or implied as imposing any obligation on SFG or its Affiliates in relation to the ADA or other matters relating to the construction or design of the Park

C **Use of Marks** FRANCHISEE must, during the term of this Agreement, operate, advertise and promote its Park business under the name designated by SFG, which at this time will be "Sky Zone Indoor Trampoline Park " The designated name will be used without prefix or suffix, unless otherwise consented to by SFG in writing FRANCHISEE will adopt and use the Marks licensed hereunder solely in the manner prescribed by SFG, and agrees to identify its Park with a sign in compliance with applicable local ordinances and approved by SFG

D **Compliance with Laws and Good Business Practices** FRANCHISEE agrees to operate the Park in compliance with applicable laws and governmental regulations and in accordance with the operational standards as may be established by SFG from time to time At all times FRANCHISEE must comply with all federal, state, municipal, and local laws rules, regulations ordinances, and codes applicable and related to this Agreement, the Park and all aspects of the conduct of the Park FRANCHISEE shall also comply with all standards issued by ASTM International as they relate to amusements and indoor trampoline parks FRANCHISEE will obtain all licenses and permits required by any applicable federal, state municipal, and local law, rule, regulation ordinance and code FRANCHISEE will make timely filings of all tax returns and must pay when due all taxes levied or assessed on, and related to this Agreement and the Park SFG is not required to inform FRANCHISEE of any federal state municipal, or local law, rule, regulation, ordinance code or tax and FRANCHISEE assumes all responsibility in connection therewith

E **Standards of Operation** The Park must conform with the mandatory standards relating to signage, color scheme, appearance, hours of operation as required by FRANCHISEE's lease (or, in the event FRANCHISEE's lease does not designate minimum days and hours such minimum days and hours as SFG may specify in the Manual or otherwise in writing), cleanliness sanitation methods type of equipment, type of programs and services and decor as designated by SFG FRANCHISEE acknowledges and agrees that such mandatory standards also include that FRANCHISEE shall under no circumstances, exceed the maximum capacity of the Park as determined by SFG including maximum capacity for individual pieces of equipment, and that FRANCHISEE shall at all times ensure that its security camera system is operational and that SFG has independent access to such security camera system FRANCHISEE further acknowledges and agrees that the maximum capacity set by SFG as described herein may be more stringent than maximum capacity requirements of local laws, but SFG has established the maximum capacity for safety reasons based on the size layout and design of FRANCHISEE'S Park FRANCHISEE agrees to offer all products, services and programs required by SFG FRANCHISEE will not conduct any business or sell any products programs or services other than those approved by SFG FRANCHISEE must keep the premises clean and safe and provide prompt and courteous service to its guests FRANCHISEE must not advertise in a deceptive, misleading, or unethical manner and agrees to render prompt and courteous service, and meet such minimum standards as SFG may establish from time to time in the Manual or as otherwise provided by SFG FRANCHISEE shall in the event of an injury to a guest download the applicable video footage from the security camera system and retain such footage FRANCHISEE shall supply to SFG a copy of such footage if SFG so requests If, in any situation SFG

determines, in its sole discretion that FRANCHISEE did not fairly handle a guest complaint, SFG has the right to intervene and require FRANCHISEE to take such steps as are reasonably necessary to satisfy the guest Because complete and detailed uniformity under many varying conditions may not be possible or practical, SFG specifically reserves the right and privilege, in its sole discretion and as it may deem to be in the best interests of all concerned in any specific instance, to vary standards for any franchisee based upon the peculiarities of a particular territory, density of population business potential, business practice or other condition important to the successful operation of such franchise owner's business SFG may grant to franchisees variations from standard specifications and practices as SFG determines in its sole discretion, and SFG will have no obligation to grant other franchisees like or similar variations While the FRANCHISEE has the right to set the prices at which FRANCHISEE sells its products, services and programs, any promotional pricing must be submitted and approved by SFG before the promotion is executed Further, during the term of this Agreement, FRANCHISEE must maintain membership (in good standing) with the International Association of Trampoline Parks (IATP) and pay for all IATP dues associated such membership

F **Staffing** FRANCHISEE must maintain and has sole authority and control over, a competent, conscientious, and trained staff FRANCHISEE will be solely responsible for all employment decisions and functions of the Park including, without limitations those related to hiring, firing, training (including signed training certificates), wage and hour requirements, record-keeping, supervision, and discipline of employees, and FRANCHISEE must inform its employees as to such requirements It is FRANCHISEE's responsibility to ensure that its staff is properly trained At no time will FRANCHISEE or FRANCHISEE's employees and independent contractors be deemed to be employees of SFG or any Affiliate of SFG FRANCHISEE must open the Park with a minimum of the three (3) managers and one (1) additional leader (as referred to in Section VI A above) that have completed and been certified by SFG as having completed the initial training Failure to have three (3) managers and one (1) additional leader at the Park prior to opening will result in FRANCHISEE not being allowed to, or approved to, open the Park

G **Equipment, Furniture, Fixtures and Signs** FRANCHISEE must purchase or lease all of the required equipment furnishings, fixtures and signs for the Park FRANCHISEE must purchase or lease only such types, brands and models of fixtures, furniture equipment, signs and supplies which SFG approves as meeting the standards and specifications FRANCHISEE may purchase or lease approved types, brands or models of fixtures, furniture, equipment signs and supplies only from suppliers approved by SFG From time to time SFG may modify the list of approved types brands models and/or suppliers, and FRANCHISEE may not, after receipt of notice of such modification reorder any type brand or model from any supplier which is no longer approved This Section will apply to any computer hardware/software or any other technology that SFG designates must be used by FRANCHISEE in connection with the Park, including any technology products or services that must be purchased or leased from SFG or its Affiliates

H **Security and Safety Procedures** FRANCHISEE is solely responsible to take appropriate security and safety measures to protect its employees guests those engaging in business with FRANCHISEE those coming on the premises of the Park and the general public at large SFG does not in any way share any of that responsibility FRANCHISEE is responsible for obtaining its own legal advice with respect to the preparation and enforceability of any guest waiver forms

I **Actual Participation** FRANCHISEE recognizes the importance of the Operating Principal Owner's participation in the management of the Park and that the Operating Principal Owner's agreement to so participate in the management of the Park is a material inducement for SFG to enter into this Agreement Therefore, FRANCHISEE agrees that its Operating Principal Owner is required to use his or her best efforts and is personally responsible for the management of the Park on a day-to day basis, unless otherwise approved by SFG SFG, in its sole discretion may permit FRANCHISEE to hire a qualified manager to operate the day-to-day affairs of the Park, however, the Operating Principal Owner

must remain actively involved in the operations and management of the Park The Operating Principal Owner is required to carefully monitor and be responsible for the performance of anyone designated to manage the operation of the Park Supervisory personnel, including the designated manager of FRANCHISEE are required to sign an agreement regarding confidentiality and covenants not to compete which is in a form acceptable to SFG

J **Insurance** FRANCHISEE must use an approved supplier for general liability and excess insurance, but all other insurance may be obtained from any licensed insurance agent or broker

1 FRANCHISEE must, at its sole cost and expense, procure, prior to the commencement of construction or any operations under this Agreement, and shall maintain insurance of the types and in such amounts as may be required by the terms of any lease, sublease, mortgage or deed of trust for the Park and in no event less than the following coverage in the following minimum amounts

(i) Worker's compensation with minimum amounts as follows $500,000 per accident, $500,000 disease policy limit, and $500 000 disease limit per employee

(ii) Comprehensive general liability coverage in an amount not less than $1 000,000 00 per occurrence and $2,000,000 00 aggregate with an "A" AM Best rated carrier Such coverage will include (a) Bodily injury to or death of one or more persons, (b) Property insurance including damage or destruction and builder's risk, (c) Product liability and completed operation liability, (d) Broad form contractual liability, specifically including the indemnification provision set forth in Section XV B below, (e) Fire legal liability, and (f) non-owned automobile liability and

(iii) Excess or umbrella liability insurance with limits of not less than $5,000,000 with an "A' AM Best rated carrier

2 SFG may, from time to time, in its sole discretion, make such changes in minimum types of policies, policy limits, coverage, endorsements and other provisions as it may determine

3 Regardless of the amounts set forth above, it is FRANCHISEE's responsibility to maintain adequate insurance coverage at all times during the term of and after the expiration of this Agreement, so that coverage, including but not limited to any policies that are on a "claims made" basis which through the purchase of an extended reporting endorsement (i e , "tail" insurance') will be in effect for acts or omissions that occurred prior to the termination of the policy and are reported within a 24 month period following the end of the policy period

4 All general liability insurance policies will provide that SFG must receive 30 days prior written notice of any termination, expiration or cancellation of the insurance policy Each insurance policy maintained by FRANCHISEE for the Park must (a) name FRANCHISEE as the first named insured (b) must name SFG, and its Affiliates, successors, and assigns as additional insureds (c) include a waiver of the insurer's right of subrogation against any additional insureds and (d) provide coverage for FRANCHISEE's indemnification obligations under this Agreement

5 If FRANCHISEE fails to maintain such insurance SFG may procure such insurance on behalf of FRANCHISEE and will be entitled to reimbursement from FRANCHISEE in addition to any other rights and remedies under this Agreement However SFG is not obligated to obtain such insurance on behalf of FRANCHISEE

6 FRANCHISEE should determine, through consultation with its advisors if additional insurance is necessary, and FRANCHISEE recognizes that any recommended levels are merely minimum requirements

7 Failure of FRANCHISEE to maintain coverage will not relieve it of any contractual responsibility or obligation or liability under this Agreement

K **Inspections** FRANCHISEE will permit representatives or agents of SFG to enter the Park premises with or without notice during regular business hours to inspect the Park premises and audit the business operations including all books and records FRANCHISEE also grants SFG permission to examine all records of any supplier from whom FRANCHISEE has made purchases FRANCHISEE will keep on file such other accounting records for such periods of time as is necessary to provide appropriate documentation in the event of an audit of FRANCHISEE's business by SFG or by any governmental taxing authority having jurisdiction over FRANCHISEE SFG's retention and exercise of the right to approve certain matters, to inspect the Park and its operation and to enforce its rights, exists only to the extent necessary to protect SFG s interest in the System and Marks for the benefit of SFG, its Affiliates and all Sky Zone Indoor Trampoline Parks Neither the retention nor the exercise is for the purpose of establishing any control or the duty to take control over those matters which are clearly reserved to FRANCHISEE nor will they be construed to do so The obligations of this provision survive termination or expiration of the Agreement Such inspections are not in lieu of FRANCHISEE's duty to supervise the day-to day operation of the Park and the performance of FRANCHISEE s employees

L **Financial Records** FRANCHISEE must maintain and preserve for at least four (4) years from the dates of their preparation, full, complete and accurate books records and accounts in the form and manner prescribed by SFG from time to time, in the Manuals or otherwise in writing FRANCHISEE will send to SFG annual income and expense statements within sixty (60) days of the end of FRANCHISEE s fiscal year FRANCHISEE will also send SFG bi weekly summary reports due every other Wednesday based on the Gross Sales from the prior two week period ending Saturday FRANCHISEE must also send monthly profit and loss statements by the fifteenth (15th) day of the following month, together with a report detailing any incidents at the Park during the previous month, and any other information or reports including copies of balance sheets copies of sales tax returns, and such other financial reports and information as SFG may reasonably request

M **Cooperation for Financial Performance Representation** FRANCHISEE must maintain its books and records in accordance with generally acceptable accounting principles, consistently applied If SFG at any time desires to utilize an earnings claim, financial performance representation or similar information in connection with the sale of franchises FRANCHISEE agrees to provide SFG at no cost with such reasonable information as SFG requires from FRANCHISEE in order to properly prepare such documents, and will permit SFG to utilize such information as it deems necessary

N **Innovations** All innovations developments, improvements ideas concepts or techniques concerning the Park, whether or not protectable intellectual property and whether created by or for FRANCHISEE or its owners or employees, must be promptly disclosed to SFG and will be deemed to be SFG's sole and exclusive property part of the System and works made for hire for SFG To the extent any item does not qualify as a 'work made for hire' for SFG, FRANCHISEE or its employees or owners assign ownership of that item and all related rights to that item to SFG and must take whatever action (including signing assignment or other documents SFG request) to show SFG's ownership or help SFG obtain intellectual property rights in the item

O **Remodeling** FRANCHISEE acknowledges that certain upgrading and remodeling of the Park, including equipment and improvements, may be necessary from time to time to maintain a positive

and current public image for the Park and to take advantage of changes and modifications deemed appropriate by SFG Therefore, FRANCHISEE has an ongoing obligation and agrees to abide by any reasonable requirement of SFG with regard to the upgrading and remodeling of the Park to comply with standards that may be imposed by SFG from time to time, at FRANCHISEE's expense

P **Credit Card Processing** FRANCHISEE agrees to comply with such directives related to FRANCHISEE's compliance with the applicable industry regulations and/or guidelines related to the processing of credit/debit cards promulgated by the card issuers (e g , Cardholder Information Security Program ("**CISP**") promulgated by Visa®) and/or service companies/organizations, such as the Payment Card Industry ("**PCI**") Data Security Standards, as those standards may be revised and modified by the PCI Security Standards Council LLC (see www pcisecuritystandards org), or any successor organization or standards that SFG may reasonably specify in the Manual or otherwise in writing Among other things, FRANCHISEE agrees to implement the enhancements, security requirements and other standards that CISP, PCI Security Standards Council, LLC or their equivalent (or their successors) requires of a merchant that accepts payment by credit and/or debit cards As further discussed in Section XIII, SFG and FRANCHISEE agree that changes to technology are dynamic and are not predictable within the term of this Agreement In order to provide for inevitable but unpredictable changes to technological needs and opportunities FRANCHISEE agrees that SFG may establish from time to time in the Manual or otherwise in writing reasonable new standards for the implementation of technology in the System FRANCHISEE agrees to comply with any reasonable new standard for technology that is developed by SFG

Q **Guest Lists** FRANCHISEE acknowledges and agrees that any guest lists, guest files databases records, mailing lists, and any other guest information obtained in conjunction with the operation of the FRANCHISEE's Park (collectively, the '**Guest Lists**" '), shall be the exclusive property of SFG and shall constitute proprietary information of SFG SFG has the right to use such Guest Lists in any manner that SFG deems appropriate without compensation to FRANCHISEE Such Guest Lists must be accessible to SFG through FRANCHISEE's computer system and software required pursuant to this Agreement FRANCHISEE may not, without the prior written consent of SFG, disclose Guest Lists, or any portion thereof, to any person other than SFG, either during the term of this Agreement or thereafter FRANCHISEE also agrees to comply with SFG privacy policies and practices related to the Guest Lists as specified in the Manual or otherwise in writing SFG hereby licenses the use of such data back to FRANCHISEE, at no additional cost, solely for the term of this Agreement and solely for FRANCHISEE S use in connection with the Park

R **Guarantees of Shareholders, Partners or Members** If FRANCHISEE is a corporation, partnership or limited liability company all shareholders partners or members (and their shareholders partners or members if they are an entity) will guarantee this Agreement The execution and performance of this Agreement by FRANCHISEE does not violate or constitute a breach of the terms of any other agreement or commitment to which FRANCHISEE is a party For purposes of clarification FRANCHISEE'S Operating Principal Owner must sign the Guarantee attached to this Agreement

VIII INTELLECTUAL PROPERTY

A **Ownership of the Intellectual Property** FRANCHISEE acknowledges that Intellectual Property is owned by SFG's Affiliate, Sky Zone, LLC and is licensed to SFG FRANCHISEE recognizes that valuable goodwill is attached to the Intellectual Property, FRANCHISEE's right to use the Intellectual Property is derived solely from this Agreement and is limited to operating the Park pursuant to and in compliance with this Agreement Any unauthorized use of the Marks or any other Intellectual Property by FRANCHISEE is a breach of this Agreement and an infringement of the rights of SFG Any goodwill arising out of FRANCHISEE's use of the Intellectual Property inures to the benefit of SFG and SFG's Affiliates All provisions of this Agreement applicable to the Intellectual Property apply to any additional

trademarks, service marks, and commercial symbols or patents hereafter authorized for use by and licensed to FRANCHISEE

B **Contest of Intellectual Property** FRANCHISEE will not directly or indirectly contest or aid in contesting the validity or ownership of the Marks or any other Intellectual Property, or contest SFG's and SFG s Affiliates' rights to register use or license others to use the any Intellectual Property FRANCHISEE will not at any time (whether during the term of this Agreement or after expiration or termination thereof) directly or indirectly commit an act of infringement FRANCHISEE agrees to promptly notify SFG of any claim, demand, or suit based upon or arising from any attempt by anyone else to use the Marks or other Intellectual Property, challenge FRANCHISEE's use of any such Intellectual Property, or any person's rights in any Intellectual Property SFG or SFG's Affiliates will have the sole discretion to determine if they will defend the use of the Marks or any other Intellectual Proeprty, and SFG is not obligated to defend the Marks or other Intellectual Property SFG or SFG's Affiliates have the right to control any administrative proceeding or litigation involving the Marks or other Intellectual Property FRANCHISEE must execute any and all instruments and documents render assistance and do such acts as may, in the opinion of SFG's counsel, be necessary or advisable to protect the interests of SFG or its Affiliates in any such litigation, or proceedings, or to otherwise protect and maintain the interest of SFG or its Affiliates in the Marks or other Intellectual Property

C **Use of the Intellectual Property** FRANCHISEE must use the Marks as the sole identification of the Park FRANCHISEE will not use any of the Marks or the name "Sky Zone ' as part of its corporate name with any prefix, suffix or other modifying words, terms designs or symbols FRANCHISEE will, however, identify itself as an independently owned and operated SFG franchisee, in a manner SFG prescribes FRANCHISEE must not use SFG's name or Marks (or any marks or names confusingly similar thereto) as an Internet domain name or in the content of any Wide World Website FRANCHISEE must not register or attempt to register any of the Marks (or any marks or names confusingly similar thereto) FRANCHISEE will use the Intellectual Property only in full compliance with this Agreement FRANCHISEE must ensure that all Copyrights used hereunder will bear an appropriate copyright notice under the Universal Copyright Convention or other copyright laws It will be considered a breach of this Agreement if FRANCHISEE uses, in any unauthorized manner, adapts publishes, reproduces, prepares any derivative works, distributes copies of or attempts to recreate all or a portion of such Copyrights FRANCHISEE must use the subject matter of any patent in accordance with the terms of this Agreement and will not use the subject matter of any patent in any other manner not expressly authorized by SFG in writing FRANCHISEE must take appropriate measures to assure that FRANCHISEE and its employees and agents maintain all patent markings if and as applicable, on the Playing Fields, so that such markings shall not be obscured or removed or otherwise be used in such a way that they are not clearly visible (in the event SFG notifies FRANCHISEE of such a patent in the future)

D **Change of Intellectual Property** SFG will have the right to modify or discontinue any of the Intellectual Property or add or substitute other Intellectual Property to be used by FRANCHISEE at any time and for any reason it deems appropriate FRANCHISEE must pay the costs associated with such change and will make such necessary changes promptly Neither SFG nor its Affiliates will have any liability or obligation with respect to any respect to any required modification, substitution addition or discontinuance of use of any Intellectual Property

E **Use of Marks on the Internet** FRANCHISEE agrees not to register any Internet address name under any Internet domain class or category that contains the words 'Sky Zone" or any abbreviation, acronym or variation of that word SFG retains the sole right to advertise on the Internet and create a Website using any of the Marks or any variation of the Marks FRANCHISEE is not permitted to have a presence on the Internet other than through SFG's website or other methods SFG approves SFG retains the right to pre-approve FRANCHISEE's use of linking and framing between FRANCHISEE's Web pages

and all other Websites FRANCHISEE must, within five (5) days after a request by SFG, dismantle any frames and links between FRANCHISEE's Web pages and any other Websites FRANCHISEE will comply with all policies and procedures that SFG may establish from time to time for use of the Marks and advertising on the Internet FRANCHISEE acknowledges and agrees that it is strictly prohibited from promoting its Park and/or using the Marks in any manner on any social and/or networking Websites, including but not limited to, Facebook, SnapChat, Instagram LinkedIn, MySpace and Twitter, without SFG's prior written consent FRANCHISEE further acknowledges and agrees that if it at any time wishes to modify its webpage on SFG's Website, all changes must be pre-approved by SFG in writing FRANCHISEE further agrees to comply with SFG's other policies concerning the Internet and posting of information

IX CONFIDENTIAL INFORMATION AND TRADE SECRETS

FRANCHISEE acknowledges that the trade secrets, information, ideas research, methods, manuals, sales and marketing procedures, systems, improvements and copyrighted materials etc including the Manual, owned or developed by or licensed to SFG, whether or not published, confidential or suitable for registration or copyright, and the goodwill associated with them are and will remain the sole and exclusive property of SFG They are provided or revealed to FRANCHISEE in trust and confidence Any and all information, knowledge and know-how not generally known in the business about the System and products specifications, standards methods, procedures, sales and marketing material systems, procedure and techniques knowledge of and experience in operating a SFG Indoor Trampoline Park and other information or material which SFG may designate as confidential whether communicated in writing, orally electronically, by inspection or by sample, exhibit, training, demonstration or other means("**Confidential Information and Trade Secrets**") will be deemed confidential for purposes of this Agreement FRANCHISEE acknowledges that if the System and the Manual would be used by other persons, firms or corporations, it would give them a substantial competitive advantage which is presently enjoyed by SFG and its franchisees FRANCHISEE must not, during the term of this Agreement or after Transfer or expiration or termination of this Agreement for any reason, communicate or divulge to anyone or use any Confidential Information and Trade Secrets, nor will FRANCHISEE disclose use or divulge in whole or in part any Confidential Information and Trade Secrets unless such information is generally known and in the public domain, and except to the extent necessary to operate the Park All employees of FRANCHISEE will exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all Confidential Information and Trade Secrets and proprietary rights during and after the term of this Agreement At SFG's request, FRANCHISEE shall require its manager and any personnel having access to any Confidential Information and Trade Secrets of SFG to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by FRANCHISEE at the Park Such covenants shall be in a form satisfactory to SFG, including specific identification of SFG as a third-party beneficiary of such covenants with the independent right to enforce them

X NON-COMPETITION

A <u>Competing Business During the Term of This Agreement</u> FRANCHISEE acknowledges the uniqueness of the System and that SFG is making its knowledge know-how and expertise available to it for the purpose of operating the Park FRANCHISEE agrees that it would be an unfair method of competition to use or duplicate or to allow others to use or duplicate, any of the knowledge know-how and expertise received by FRANCHISEE for any reason other than for the operation of the Park under this Agreement FRANCHISEE further recognizes the importance of devoting substantial time and energy to the Park FRANCHISEE, therefore, warrants that during the term of this Agreement, unless FRANCHISEE has the prior written consent of SFG, FRANCHISEE will not directly or indirectly through itself or through corporations partnerships, limited liability companies, trusts associations joint ventures, unincorporated businesses or otherwise perform any services for engage in or acquire, be an

employee of, have any financial, beneficial or equity interest in, or have any interest based on profits or revenues of any "**Competitive Business**", except as a duly licensed franchisee of SFG

B **Non-Competition After Term** For two (2) years after the Transfer, expiration or termination of this Agreement for any reason or the entry of final order of a court of competent jurisdiction enforcing this covenant, whichever is later, neither FRANCHISEE or any guarantor will directly or indirectly, through itself or through corporations, partnerships, limited liability companies, trusts associations, joint ventures, or other entities or otherwise, perform any services for, engage in or acquire, be an employee of, have any financial interest in, loan money to, sublease, assign, or sell FRANCHISEE's interest in any lease sublease, or ownership of the Site or assets of the Park to or have any interest in any Competitive Business in whole or in part within the Geographical Scope [The **Geographical Scope**" means the Site, the area within a fifteen (15) mile radius of the Site, and the area within a fifteen (15) mile radius of the site of any other Sky Zone Indoor Trampoline Park For purposes of this paragraph a Sky Zone Indoor Trampoline Park includes any Sky Zone Indoor Trampoline Parks under construction or subject to an executed Franchise Agreement (or other agreement for the operation of such Park) or in operation which are owned in whole or in part by SFG, SFG's Affiliates or any franchisee of SFG or any such Sky Zone Indoor Trampoline Park which operates under the Marks Ownership of less than five percent (5%) in a publicly traded company will not be deemed to be prohibited by this Section X

C **Reasonableness of Restrictions** SFG intends to restrict the activities of FRANCHISEE under Section IX and Section X of this Agreement only to the extent necessary for the protection of SFG's legitimate business interests, which includes, but are not limited those described in Section X D below Each of the foregoing covenants will be construed as severable and independent and will be interpreted and applied consistent with the requirements of reasonableness and equity In the event a court of competent jurisdiction will determine the business, time, or geographic limitations contained in this Agreement are illegal, invalid or unenforceable, then, the court so holding will reduce the limitation necessary to render such restriction enforceable by such court In addition to any other remedies available at law or equity SFG will have the right to injunctive relief for a violation or threatened violation of the foregoing without being required to post a bond

D **Acknowledgments** FRANCHISEE further acknowledges that the covenants and agreements in Section X are material inducements for SFG to enter into this Agreement, and that it is essential that FRANCHISEE comply with the terms hereof, even in the absence of another Sky Zone Indoor Trampoline Park in the Assigned Territory FRANCHISEE acknowledges and understands that among other things SFG enters into this Agreement so that either SFG, an Affiliate of SFG or another franchisee, as appropriate will have the opportunity to establish a presence in such geographic area subsequent to the termination or expiration of the relationship created by this Agreement and that FRANCHISEE S failure to comply with the terms hereof will materially hinder the ability of SFG, its Affiliates and/or another franchisee to do so Therefore FRANCHISEE acknowledges and agrees that the absence of a presence by SFG, an Affiliate of SFG or another franchisee in a particular geographic area in which FRANCHISEE'S activities would be restricted pursuant to the terms of this Agreement will not serve as a defense to enforcement of any provision of this Agreement The terms of this Section X are assignable by SFG and shall inure to the benefit of SFG, as well as its successors and assigns In the event of any assignment sale merger or change in ownership or structure of SFG, the resulting entity shall step into the place of SFG, without any additional consent of or notice to the FRANCHISEE, as if the term SFG were defined in this Agreement to include such entity

XI DEFAULT AND TERMINATION

A Termination By SFG

1 With 30 Day Notice and 30 Day Opportunity to Cure SFG may at its option, and without prejudice to any other rights or remedies provided for in this Agreement or at law or in equity, terminate this Agreement for "good cause" Without limitation as to other situations, good cause for termination also exists if FRANCHISEE or any guarantor of this Agreement

(1) Does not perform all of the lawful terms conditions, and obligations of this Agreement, or the mandatory obligations under the Manual, or

(2) Loses possession of the premises at which the Park is located and fails to secure a suitable site for relocation which SFG consents to within three (3) months thereafter, or defaults under the terms of its lease for the premises or

(3) Misrepresents Gross Sales that FRANCHISEE is required to report to SFG or

(4) Is adjudged bankrupt, becomes insolvent, or makes a general assignment for the benefit of creditors (subject to Section XI A 3 (1) below), or

(5) Commits any other act which constitutes good cause under applicable state law or court decisions not otherwise specified in Section XI, or

(6) Fails to provide SFG with the reports of sales and other financial information as required under this Agreement or

(7) Fails to pay its lawful debts and taxes when same become due or

(8) Surrenders or transfers control of the operation of the Park (including entering into a management arrangement with any person not a party to this Agreement) or makes an unauthorized direct or indirect assignment or Transfer of Interest

Subject to applicable law and except as otherwise provided in this Agreement, SFG will give FRANCHISEE at least thirty (30) days' prior written notice of termination unless a longer period of time is required by applicable state law The notice must state the reason(s) for termination and must provide that FRANCHISEE has thirty (30) days from the date of said notice to correct any claimed deficiency If the deficiency is corrected within thirty (30) days the notice will be withdrawn except for purposes of Section XI A 3(5) If the deficiency is not corrected within said thirty (30) day period SFG will have the right to terminate this Agreement effective immediately after giving written notice to FRANCHISEE of such termination

2 With 30 Day Notice and 10 Day Opportunity to Cure SFG may also terminate this Agreement for the following

(1) If FRANCHISEE fails to pay amounts due to SFG or SFG s Affiliates or suppliers or

(2) If FRANCHISE fails to open the Park for business within the time period specified in this Agreement

If termination is based on the foregoing, FRANCHISEE will be entitled to written notice of default, but SFG will be required to grant FRANCHISEE only ten (10) days to remedy such default, unless applicable state law requires a longer notice period, in which case SFG must comply with the applicable notice period If the default is not cured within the applicable period, SFG will have the right to terminate this Agreement effective immediately after giving written notice to FRANCHISEE of such termination

3 Without Notice and Without Opportunity to Cure SFG will have the right to terminate this Agreement immediately without prior notice to FRANCHISEE, unless applicable state law requires a notice period, in which case SFG must comply with the applicable notice period, upon the occurrence of any one or more of the following events each of which will be deemed to be an incurable breach of the Agreement

(1) If all or a substantial part of FRANCHISEE's assets are assigned to or for the benefit of any creditor, FRANCHISEE admits inability to pay its debts as they come due or actually fails to pay such debts or there is a filing of bankruptcy or insolvency against FRANCHISEE or any guarantor of this Agreement,

(2) If FRANCHISEE abandons the Park by failing to operate it for seven (7) consecutive days (or for any shorter period that renders reasonable the conclusion that FRANCHISEE does not intend to continue operating the Park),

(3) If FRANCHISEE or any guarantor has made any material misrepresentation or omission in his application for this Agreement

(4) If FRANCHISEE or any guarantor is convicted by a trial court or pleads no contest to a felony, moral turpitude or other crime or offense, or engages in conduct, which in the opinion of SFG, reflects materially and unfavorably upon the operation and reputation of SFG, the Park or the System,

(5) If FRANCHISEE or any guarantor fails or refuses to comply with the lawful provisions of this Agreement, three (3) or more times in any twelve (12) month period, whether or not such failures or refusals are corrected after notice, or

(6) Misuses the Marks other Intellectual Property or Confidential Information and Trade Secrets, or engages in conduct which in SFG s opinion, reflects unfavorably upon the operation maintenance goodwill and/or reputation of the franchise system or the Park

B **Termination by FRANCHISEE** FRANCHISEE must notify SFG in writing of any failure of SFG to substantially perform any of SFG's material and legal obligations pursuant to this Agreement FRANCHISEE may terminate this Agreement if SFG materially defaults in performance of any terms and conditions in this Agreement, after giving SFG written notice within thirty (30) days thereof, and if the default has not been corrected within sixty (60) days thereafter

C **Consequences of Termination** Upon termination, expiration or Transfer of this Agreement, for any reason whatsoever, all of FRANCHISEE s rights hereunder will terminate SFG may establish and operate Parks in the Assigned Territory, and FRANCHISEE will do the following as deemed necessary by SFG

1 FRANCHISEE will cease to be a franchisee of SFG and cease to operate the former Park under the Intellectual Property FRANCHISEE will not thereafter directly or indirectly represent to

the public that the former business is or was operated or in any way connected with the System or hold itself out as a present or former franchisee of SFG at or with respect to the Site

2 Upon request of SFG FRANCHISEE will turn over its computer data including the Guest Lists is the property of SFG

3 FRANCHISEE must immediately and permanently cease to use, in any manner whatsoever, the Playing Fields, all Marks (or any marks confusingly similar thereto) and Copyrights, and any items containing the Marks including e-mail addresses, forms, signs, displays, colors, structures, printed goods and forms of advertising indicative of SFG's business and return any copyrighted materials which have been provided to FRANCHISEE by SFG including the Manual

4 If SFG requests FRANCHISEE will assign its telephone numbers, white and yellow page telephone references and advertising to SFG

5 FRANCHISEE must pay all amounts due to SFG, SFG's Affiliates, and suppliers

6 FRANCHISEE must cancel any assumed name registration or equivalent registration obtained by FRANCHISEE which contains the Marks and FRANCHISEE must furnish SFG with evidence satisfactory to SFG of compliance with this obligation within 5 days of the termination, expiration or Transfer

7 Pursuant to the Collateral Assignment of Lease, upon SFG's request FRANCHISEE will assign to SFG any interest that FRANCHISEE may have in any lease or sublease for the Site SFG may exercise the option at or within thirty (30) days after either termination or expiration of this Agreement or within thirty (30) days of notice by FRANCHISEE's landlord of its intent to terminate the lease or sublease In such event SFG in its sole discretion will have the right and is hereby empowered to take possession of the Site demised by the lease or sublease expel FRANCHISEE therefrom, and in such event FRANCHISEE will have no further right, title or interest in the lease or sublease In the event that SFG does not elect to exercise its option to acquire the lease or sublease for the Site, FRANCHISEE must make such modifications or alterations to the Site operated hereunder immediately upon termination or expiration as may be necessary to distinguish the appearance of such Site from that of a Sky Zone Indoor Trampoline Park under the System and must make such specific additional changes thereto as SFG may reasonably request for that purpose In the event FRANCHISEE fails or refuses to comply with the requirements of this paragraph SFG will have the right to enter upon the premises without being guilty of trespass or any other tort for the purposes of making or causing to be made such changes as may be required as the expense of FRANCHISEE which expense FRANCHISEE agrees to pay upon demand

8 FRANCHISEE irrevocably appoints SFG or SFG's nominee to be FRANCHISEE's attorney-in-fact coupled with an interest and with power of substitution, to execute and to file for FRANCHISEE any relevant document to accomplish the acts contemplated in this Section XI C SFG has the right to file an original counterpart or a copy of this Agreement with the telephone company landlord or any court, agency or person as written evidence of the appointment by FRANCHISEE of SFG or SFG's nominee to be FRANCHISEE s attorney-in-fact A power of attorney is attached hereto as Exhibit IV

9 Comply with all post-term covenant obligations including but not limited to the Confidential Information and Trade Secrets non-competition and indemnification

The expiration or termination of this Agreement will not relieve FRANCHISEE of any of FRANCHISEE's obligations to SFG existing at the time of such expiration or termination, or terminate

FRANCHISEE's obligations that, by their nature, survive the expiration or termination of this Agreement Furthermore the expiration or termination of this Agreement will be without prejudice to SFG's rights against FRANCHISEE, and in the event of a termination which is the result of FRANCHISEE's material breach or default under this Agreement, SFG will, in addition to its rights set forth above, also be entitled to all rights and remedies available at law or in equity

D **SFG's Right to Purchase Property** After the termination or expiration of this Agreement, but not upon an approved Transfer pursuant to Section XIV B, SFG or its assignee, will have the right, but not the obligation to purchase any and all of FRANCHISEE's improvements, furnishing, equipment, signs, fixtures, inventory, supplies, and other personal property used in connection with the operation of the Park The purchase price will be at fair market value minus any amounts owed to SFG and any lien or encumbrance which will be established (if the parties are unable to agree) by an appraisal by an independent business appraiser Within ten (10) days after an appraisal is required or appropriate under any provision hereof, SFG or FRANCHISEE as the case may be, will by written notice to the other select an appraiser All appraisers referred to herein will be required to be reasonably qualified and have at least three (3) years of experience in appraising small businesses If either party fails to name an appraiser within the specified time, such party waives its right to select an appraiser and the appraiser selected by the other party will be solely responsible for conducting the appraisal process Each appraiser will proceed to promptly determine the fair market value of the assets taking into consideration any outstanding indebtedness, liabilities liens and obligations relating to the Store No value will be ascribed to goodwill, going concern value or other intangibles Each appraiser must deliver his appraisal to SFG and FRANCHISEE within thirty (30) days after such appraiser's appointment If the difference between the two appraisals is not greater than twenty percent (20%) of the higher appraisal, then the two appraisals will be averaged and the average price must be used to determine the purchase price hereunder If, however, said differential is greater than twenty percent (20%), then the two appraisers so appointed will appoint a third appraiser who will also have the requisite experience as set forth above If the two appraisers cannot agree upon a third appraiser then any party may request an arbitrator (in accordance with the arbitration provisions of this Agreement) to appoint a third appraiser The third appraiser so appointed will promptly proceed to appraise the assets on the same basis as above set forth, and that prior appraisal which is closer in value to such third appraisal will, thereupon, be the appraisal which is binding on all parties in interest hereunder Each party will pay the fee and expenses of the appraiser selected by such party and the fee of the third appraiser, if necessary, will be borne equally by the parties appointing the two appraisers SFG will have thirty (30) days after the fair market value is determined as above, to exercise the rights granted hereunder, and will thereafter have an additional thirty (30) days to pay for the property it desires to purchase If SFG fails to exercise its rights within the time periods set forth above, FRANCHISEE will be free to otherwise sell or dispose of the property If SFG wishes to purchase any or all of FRANCHISEE's property SFG must notify FRANCHISEE in writing within forty-five (45) days after the appraisals are completed If SFG fails to exercise its rights within the time periods set forth above, FRANCHISEE will be free to otherwise sell or dispose of the property

E **Operation of Franchise Because of FRANCHISEE's Inability** In order to prevent any interruption of the Park which would cause harm to the Park, if FRANCHISEE is unable to operate the Park for any reason whatsoever, FRANCHISEE authorizes SFG and its agents and Affiliates to operate the Park for so long as SFG deems necessary and practical All income from the operation of the Park will be kept in a separate account, and the expenses of the business, including reasonable compensation and expenses of SFG and its agents, will be charged to said account Nothing contained herein will be construed to require SFG to operate the Park in the case of FRANCHISEE's inability to operate same, and the rights set forth herein may be exercised in the sole and absolute discretion of SFG

XII SUPPLIERS AND SOURCES OF PRODUCTS

A **Required Purchases from SFG or its Affiliates** So long as this Agreement is in effect, FRANCHISEE agrees to purchase the products which may be listed in the Manual or otherwise in writing from SFG or its Affiliates Currently these products are the Playing Fields (including installation), balls, stickers, wristbands and SkySocks FRANCHISEE may purchase certain marketing materials and certain merchandise from SFG or its Affiliates These items may change in the future and other items may be added FRANCHISEE acknowledges that its agreement to comply with the foregoing is a material condition upon which this franchise is granted Further, to maintain the high standards of quality and uniformity associated with the System FRANCHISEE acknowledges that the use of any proprietary products which FRANCHISEE must purchase from SFG or its Affiliates, are an integral part of operating the Park FRANCHISEE acknowledges that SFG and its Affiliates may be approved suppliers and may be the only approved suppliers for certain products If SFG or its Affiliates are unable to offer these items, SFG may designate an approved supplier or suppliers for these items

1 **Availability** Contingent upon the availability of products, SFG and its Affiliates will use commercially reasonable efforts to supply such products to FRANCHISEE within a reasonable time after the receipt of said orders, provided, however that neither SFG nor its Affiliates warrants that (i) SFG or its Affiliates will be able to obtain all such products, or (ii) that the products will be obtained by the dates requested

2 **Pricing** SFG and its Affiliates in order to preserve SFG's legitimate interest in protecting the quality of the Sky Zone Indoor Trampoline Parks and the SKY ZONE brand, reputation and goodwill, reserve the right to to the fullest extent allowed by applicable law establish and have exclusive control over the prices discounts specifications, and all other terms and conditions governing the sale of products to FRANCHISEE Pricing of product is subject to change at any time or from time to time by SFG or its Affiliates effective upon thirty (30) days prior notice to FRANCHISEE Generally, prices will change when the manufacturer's prices to SFG or its Affiliates change or the cost of oil or steel increases FRANCHISEE must submit for SFG's approval any attempts to discount or promote the jump time pricing due to the fact that is may impact brand equity

3 **Terms of Purchase** All purchases of product, supplies and equipment from SFG or its Affiliates must be personally guaranteed by the individuals who are required to guarantee this Agreement (as set forth in Section VII R above) pursuant to the Guarantee attached hereto The terms of payment will be established by SFG or its Affiliates from time to time

B **Purchases from Approved Vendors** Other than required purchases pursuant to Section XII A above FRANCHISEE will purchase all other equipment, supplies, products, and sales and materials required for the operation of the Park from manufacturers suppliers, or distributors designated by SFG, or from other suppliers SFG approves who meet SFG s specifications Specification of a supplier may be conditioned on requirements relating to frequency of delivery, standards of services, including prompt attention to complaints as well as payments contributions or other consideration to SFG, its Affiliates or the Advertising Fund and may be temporary, in each case in SFG's reasonable discretion SFG may, from time-to-time withhold, condition and/or revoke its approval of particular items or suppliers in its reasonable discretion SFG and its Affiliates may receive rebates commissions promotional allowances and other benefits from suppliers in relation to items purchased by FRANCHISEE and other franchisees SFG has the right to condition or revoke FRANCHISEE's right to participate in any supplier programs if FRANCHISEE is in default under this Agreement Some of the approved suppliers may be affiliated with SFG

C **Alternative Suppliers** FRANCHISEE may propose alternative manufacturers, suppliers or distributors of products used in the operation of the Park However, SFG may require that samples of or from these proposed alternatives be delivered to SFG for testing prior to approval and use Further, all proposed manufacturers, suppliers or distributors must agree to permit SFG's agents or representatives to inspect their facilities regularly both initially and from time to time as may reasonably be required by SFG to assure SFG of the proper production, processing, packaging, storing and transportation of the products, services, supplies or equipment and materials to be purchased by FRANCHISEE A charge not to exceed the reasonable cost of the evaluation and testing shall be paid by FRANCHISEE SFG will advise FRANCHISEE within sixty (60) days of its approval or disapproval of any proposed alternate sources of products services, supplies, suppliers, materials and equipment The foregoing will not be construed as an attempt to unreasonably limit the sources from which FRANCHISEE may procure its products, services, supplies and materials Rather, it is SFG's intention that such items conform to its strict standards and strict specifications as to consistent quality uniformity and reliability Further, SFG will not be required to approve an inordinate number of alternative suppliers of a given item which in its reasonable judgment would prevent SFG's effective supervision of suppliers SFG may require FRANCHISEE's supplier to sign a confidentiality agreement

XIII CONFIDENTIAL OPERATIONS MANUAL AND CHANGES

SFG will loan FRANCHISEE, for the term of this Agreement, one copy of the Manual FRANCHISEE agrees that it will comply with the requirements in the Manual, some of which may be mandatory and others of which may be suggestions, and said compliance is an essential part of its obligations under this Agreement FRANCHISEE must at all times be solely responsible for ensuring that its employees and all other persons under its control comply with the applicable provisions of the Manual as related to such persons employment with FRANCHISEE The Manual will constitute Confidential Information and Trade Secrets of SFG and will remain the property of SFG The Manual cannot be photocopied reproduced or disseminated without SFG's written consent The Manual may be modified from time to time by SFG in its discretion and FRANCHISEE agrees that from time to time SFG may reasonably change the System FRANCHISEE expressly agrees to comply with each modification, addition or deletion of the System or Manual at its sole cost and expense FRANCHISEE acknowledges that due to the changing nature of the business contemplated by this Agreement as well as changing attitudes of guests and other factors such changes may be necessary and may involve the expenditure of additional sums of money by FRANCHISEE SFG agrees to impose such requirements and changes in a reasonable, non-discriminatory manner among other franchisees FRANCHISEE must at all times insure that its copy of the Manual is kept current and up-to date, and in the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by SFG will be controlling Further, FRANCHISEE agrees to execute any and all documents necessary to effectuate the changes Changes in software programs or computer hardware or other changes in the System may require FRANCHISEE to upgrade its computer system and incur costs in obtaining other or additional computer hardware, equipment, and software FRANCHISEE acknowledges that it may also need to purchase updated equipment in the future and will be responsible for the cost All parties intend that the exercise of SFG's right or discretion to change or modify the Manual will not be subject to limitation or review

XIV TRANSFERABILITY OF INTEREST

A **By SFG** SFG is free to assign any or all of its rights and obligations under this Agreement and upon such assignment SFG will be relieved of all liability under this Agreement, and any or all rights and obligations will accrue to the successor or assignee

B **By FRANCHISEE** The rights and duties created by this Agreement are personal to FRANCHISEE SFG has granted this franchise in reliance upon its perception of the individual and

collective character, skill, attitude and business and marketing abilities of FRANCHISEE and its owners Therefore, there can be no Transfer of Interest without SFG's prior written approval The approval is not intended as an approval to any future Transfer of Interest and no future Transfer of Interest will be valid without the prior written approval of SFG Any such purported Transfer of an Interest will be voidable at SFG's sole option If SFG elects not to exercise its right of first refusal pursuant to Section XIV D below, SFG will not unreasonably withhold its approval to a Transfer of Interest, provided that the following conditions are satisfied

1 Governmental Compliance The Transfer is conducted in compliance with applicable laws and regulations,

2 Prior Compliance FRANCHISEE has performed its obligations and duties under this Agreement and FRANCHISEE is not in default under this Agreement or any other agreement with SFG or its Affiliates,

3 Payments FRANCHISEE has satisfied all of its obligations to SFG, SFG's Affiliates and suppliers under this Agreement and all other agreements it has with SFG

4 Release FRANCHISEE including all officers, directors and shareholders (as well as all guarantors under this Agreement) must execute a general release, in the form which SFG approves, of any and all claims against SFG, SFG's Affiliates, and their respective officers, directors, employees and agents to the fullest extent permitted by applicable law

5 Requirements of Transferee The transferee meets the established standards for new franchisees, is of good moral character, has a good credit rating sufficient financial resources to operate the business and competent qualifications

6 Execution of Franchise Agreement The transferee must execute the then-current form of Franchise Agreement and the new guarantors must execute the most current form of personal guarantee The then current Franchise Agreement may contain terms different from this Agreement

7 Transfer Fee FRANCHISEE pays a transfer fee amounting to fifty percent (50%) of the then current Initial Franchise Fee in lieu of the transferee paying SFG an Initial Franchise Fee

8 Assumption of Liabilities The transferee agrees to assume all liabilities and obligations from the prior operation of the Park, including the lease and comply with other reasonable requirements SFG may impose

9 Completion of Training The transferee and/or transferee's management team including a designated manager, successfully complete the initial training program

10 Update and Remodel Park The transferee remodels and upgrades the Park, including but not limited to equipment and improvement, to meet the current standards of SFG

11 Continuing Liability If SFG approves an assignment SFG will have the discretion to require FRANCHISEE and the guarantors to remain liable for the full and faithful performance of the obligations of the assignee

12 Economically Reasonable Terms Although SFG will not be required to determine the value of business upon a Transfer, if in SFG's reasonable judgment the purchase price or terms of the sale are not economically feasible to the proposed assignee, SFG can withhold its consent to such an

assignment or Transfer SFG's consent is not, however to be construed as an implication or warranty that the terms of the sale are in fact economically feasible SFG may, in good faith, notify FRANCHISEE, stating the reasons thereof, that SFG has elected to withhold approval of the proposed Transfer

C **Death or Incapacity of FRANCHISEE** If FRANCHISEE is an individual or FRANCHISEE's Operating Principal Owner, may appoint, by will or other written instrument a designated heir to continue operation of the Park, upon FRANCHISEE's death Said designated heir must meet the qualifications of Section XIV B No fee will be charged on a Transfer pursuant to this paragraph The Transfer of the FRANCHISEE's Interest in this Agreement and in the Park to the FRANCHISEE's heirs, personal representatives or conservators, as applicable, in the event of death or legal incapacity of the FRANCHISEE, will not give rise to SFG's right of first refusal as set forth in Section XIV D below, provided that the heirs personal representatives or conservators, as applicable, meet SFG's standards for new franchisees, execute the then-current form of Franchise Agreement, and, that a manager has, or within thirty days, will have satisfactorily completed SFG's initial training program

D **Right of First Refusal** Notwithstanding the foregoing, if FRANCHISEE receives a bona fide, executed written offer to acquire an Interest from a responsible fully disclosed purchaser, FRANCHISEE must submit a copy of the offer to SFG FRANCHISEE must also provide SFG with any other information it requests to evaluate the offer SFG has the right, exercisable by delivering written notice to the FRANCHISEE within thirty (30) days from the date of last delivery to SFG of the offer and any other documents requested by SFG, to acquire the Interest for the price and on the terms and conditions contained in the offer

Regardless of the terms of the offer, however, SFG may, in its discretion substitute cash for any form of payment proposed in the offer, require the FRANCHISEE to include customary warranties and representations in the purchase agreement, assign SFG's purchase right to an Affiliate, and structure the transaction as an 'asset purchase," rather than a "stock purchase " SFG will not be obligated to pay any ' finder's" or broker's fees that are a part of the proposed sale and will not be obligated to comply with any part of the offer which directly or indirectly requires payment of any consideration other than a bona fide purchase price for the interest proposed to be transferred If SFG declines to exercise its rights of first refusal, FRANCHISEE will have ninety (90) days after SFG declines or the right expires whichever first occurs to sell the interest to said bona fide purchaser upon terms no more favorable than those offered to SFG subject to compliance with Section XIV B After said ninety (90) days, or if the prospective purchaser does not acquire the franchise, FRANCHISEE must again comply with this paragraph and give SFG the first right to acquire the Interest prior to sale The election by SFG not to exercise its right of first refusal as to any offer will not affect its right of first refusal as to any subsequent offer

XV INDEPENDENT CONTRACTOR/INDEMNIFICATION

A **Independent Contractor** SFG and FRANCHISEE are independent contractors, and no partnership fiduciary joint venture joint-employment or other employment relationship exists between them FRANCHISEE must conspicuously identify itself at the premises of the Park and in all dealings with the public as an independently owned business Neither SFG nor FRANCHISEE will make any agreements or representations in the name of or on behalf of the other that their relationship is other than franchisor and franchisee Without limiting the foregoing FRANCHISEE acknowledges that SFG has no responsibility to ensure that the Park is developed and operated in compliance with all applicable laws, ordinance and regulations and that SFG shall have no liability in the event the development or operation of the Park violates any law, ordinance or regulation Neither this Agreement nor SFG's course of conduct is intended, nor may anything in this Agreement (nor SFG's course of conduct) be construed to state or imply that SFG is the employer of FRANCHISEE'S employees and/or independent contractors, nor vice versa In all public

records, in relationships with other persons, and on letterhead and business forms, FRANCHISEE must indicate independent ownership of the Park and that FRANCHISEE is solely a franchisee of SFG

B **Indemnification** Under no circumstances will SFG be liable for any act, omission, debt or other obligation of FRANCHISEE To the fullest extent permitted by law, FRANCHISEE (for itself and its employees, agents, subcontractors, successors and assigns) agrees, at its sole cost and expense, to indemnify, defend and hold harmless, and to reimburse on demand SFG, and all entities related to SFG and their respective directors, officers, members, employees agents, managers, partners attorneys, licensees, affiliates successors and assigns ("**Indemnified Parties**") for and against any and all damages, losses, liabilities, bodily injury, property damage, obligations, penalties, fines, claims, litigation, demands, defenses, judgments, suit proceedings, administrative orders, consent agreements, costs, disbursements or expenses of any kind or any nature whatsoever including without limitation, reasonable attorneys' and expert fees and disbursements arising out of or related to or in any way arising out of the acts or omissions of FRANCHISEE or its employees agents, officers, directors, parents, subsidiaries, affiliates, successors and assigns ("**Indemnitors**") arising out of or related to (i) any act or omission, negligent or otherwise of the Indemnitors or anyone directly or indirectly employed by them or anyone for whose acts they may be liable relative to the Park, (ii) any breach by the Indemnitors or any term or provision of this Agreement, (iii) the cost including, but not limited to reasonable attorney's fees, of enforcing this indemnification provision and (iv) any labor and employment violations, or joint employer violation claims The obligations of Indemnitors are joint and several

This indemnification must not be construed to indemnify an Indemnified Party to the extent such indemnification is prohibited by law, including, an indemnification of any Indemnified Party from its own negligence, if prohibited by law To the extent indemnification of any party hereunder would be prohibited by law, this provision will not apply to such party but will continue to be effective as to all other parties with respect to whom indemnification is not prohibited by applicable law FRANCHISEE agrees that with respect to any threatened or actual litigation, proceeding or dispute which could directly or indirectly affect any of the Indemnified Parties the Indemnified Parties shall have the right but not the obligation to (i) choose counsel (ii) direct, manage and/or control the handling of the matter and (iii) settle on behalf of the Indemnified Parties, and/or FRANCHISEE, any claim against the Indemnified Parties at their sole option Such right to defense and indemnification will exist even if joint claims are brought or if joint liability is imposed on SFG by law All vouchers, canceled checks, receipts, receipted bills or other evidence of payments for any such losses, liabilities, costs, damages, charges or expenses of whatsoever nature incurred by any Indemnified Parties shall be taken as prima facie evidence of FRANCHISEE's obligation hereunder

XVI DISPUTE RESOLUTION

A **Mediation** SFG and FRANCHISEE acknowledge that during the term of this Agreement or thereafter certain disputes may arise between the parties that the parties are unable to resolve by negotiation, but that may be resolved through mediation To facilitate the resolution of any dispute that may arise between SFG and FRANCHISEE, SFG and FRANCHISEE agree that before commencing any legal proceeding against the other party, the dispute will first be submitted to non-binding mediation (the '**Mediation**") in St Louis County, Missouri unless the parties mutually agree to another location The Mediation will be conducted under the then current Conflict Prevention and Resolution ("**CPR**") Procedure for Resolution of Franchise Disputes (the '**CPR Mediation Rules**") except to the extent the CPR Mediation Rules differ from the terms of this Agreement, in which event, the terms of this Agreement will be applied SFG and FRANCHISEE will select the mediator from the CPR Panel of Neutrals (unless the parties mutually agree to the selection of another mediator) If the parties cannot agree on the selection of a mediator CPR will make the selection The cost of the mediation, including the mediator's fee and expenses will be split equally between SFG and FRANCHISEE All negotiations and mediation

proceedings (including all statements and settlement offers made by either party or the mediator in connection with the Mediation) will be strictly confidential, will be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and will not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose The mediator may not be called as a witness in any court or arbitration proceeding for any purpose

B **Arbitration** Any dispute which has not been resolved by a Mediation within ninety (90) days of the initiation of such procedure, will be settled by binding arbitration (the "**Arbitration**") Except as provided herein to the contrary, all controversies, disputes or claims between SFG and FRANCHISEE arising from this Agreement or the franchise relationship set forth in this Agreement must be submitted to binding arbitration Such arbitration proceedings must be conducted in the St Louis County, Missouri (unless the parties mutually agree otherwise) Except as otherwise provided in this Agreement, the arbitration proceeding must be conducted in accordance with the then-current commercial arbitration rules of the American Arbitration Association ("**AAA Rules**"), except to the extent the AAA Rules differ from the terms of this Agreement, in which event the terms of this Agreement will apply For purposes of this provision if any such dispute which names, involves or includes SFG the guarantors hereunder, FRANCHISEE or any of their affiliates officers, directors, agents, brokers or employees such persons or entities must also be included in and made party to the arbitration proceeding

The arbitrator will have the right to award or include in his award any relief which he deems proper in the circumstances, including, without limitation, money damages (with interest on unpaid amounts from date due), specific performance, injunctive relief, attorneys' fees and costs, however the arbitrator must not be allowed to award or include in his award any punitive, exemplary, or consequential damages and the parties waive their right to same The award and decision of the arbitrator will be conclusive and binding upon all parties, and judgment upon the award may be entered in any court of competent jurisdiction, and each waives any right to contest the validity or enforceability of such award An arbitration award or decision entered in any other case (whether or not SFG was a party) will not be binding on SFG in any other dispute will have no precedential value, and cannot be used as evidence in any other proceeding

The arbitrator must apply the provisions of any applicable statute of limitations In connection with any such arbitration proceeding, SFG and FRANCHISEE each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates Any such claim which is not submitted or filed in such proceeding must be barred This provision will continue in full force and effect subsequent to and notwithstanding expiration or termination of this Agreement The arbitration will be conducted on an individual, not a classwide basis and none of the parties to the arbitration will be entitled to consolidation of the arbitration proceedings with those of any third party, nor will the arbitrator or any court be empowered to order such consolidation

Notwithstanding the foregoing, the obligation herein to arbitrate will not be binding with respect to claims relating to SFG's Intellectual Property, claims relating to any lease or sublease of any real property between the parties or their affiliated entities, requests by either party for temporary restraining orders, preliminary injunctions permanent injunctions or other proceedings in a court of competent jurisdiction to obtain interim or permanent relief when deemed necessary by such court to preserve the *status quo* or prevent irreparable injury pending resolution by arbitration of the actual dispute between the parties

XVII MISCELLANEOUS PROVISIONS

A **Waiver** No waiver by either party of performance of any obligation or this Agreement will be construed as a waiver of any other or future default or performance obligation Further, either party's forbearance, delay, failure to exercise or express waiver of a right or SFG s decision to take some other

action regarding breach by any other franchise owner(s) will not be evidence of a practice, custom or policy of SFG and will not waive or impair SFG's ability to exercise any right, power or option it has under this Agreement in the event of the same, similar or different breach by FRANCHISEE FRANCHISEE also acknowledges that agreements entered into at different times with other franchise owners may contain different terms than this Agreement and that this will not waive or impair SFG's rights and FRANCHISEE's obligations under this Agreement In addition, SFG's acceptance of any payments due from FRANCHISEE after any breach by FRANCHISEE will not constitute a waiver of said breach nor limit SFG's ability to fully exercise its rights under this Agreement as a result of FRANCHISEE s breach

B **Severability** Should any provision of this Agreement be construed or declared invalid, such decision will not affect the validity of any remaining portion which will remain in full force and effect as if this Agreement had been executed with such invalid portion eliminated If any restriction contained in this Agreement is deemed too broad to be capable of enforcement, a court of competent jurisdiction is hereby authorized to modify or limit such restriction to the extent necessary to permit its enforcement All covenants contained in this Agreement, including but not limited to those relating to non-competition, will be interpreted and applied consistent with the requirements of reasonableness and equity

C **Entire Agreement** This Agreement, including all Exhibits attached, constitutes the entire, full and complete agreement between the parties concerning the subject matter of this Agreement and supersedes any and all prior agreements, provided that nothing in this or any related agreement is intended to disclaim the representations SFG made in the franchise disclosure document that was furnished to FRANCHISEE in connection with the offer to grant FRANCHISEE a franchise to operate the Park No amendment to this Agreement is binding unless executed in writing by both parties

D **Representative Capacity** In all of their dealings with FRANCHISEE, the officers, directors, employees and agents of SFG act only in their representative capacity for SFG, and not in any individual capacity or on behalf of SFG or any of SFG's Affiliates or agents

E **Notice** Whenever notice is required under the terms of this Agreement it must be given in writing and sent by registered or certified mail or by personal delivery to FRANCHISEE's Park address and to SFG's office, or at such other address as designated in accordance with this paragraph Receipt will be deemed to have been made two (2) days after mailing or upon personal delivery, whichever first occurs

F **Gender** All terms and words used in this Agreement regardless of the number and gender in which they are used, will be deemed and construed to include any other number singular or plural, and any other gender, masculine, feminine, or neuter as the context or sense of the Agreement or any section paragraph, or clause herein may require, as if such words had been fully and properly written in the appropriate number and gender

G **Governing Law and Jurisdiction** Except to the extent this Agreement or any particular dispute is governed by the U S Trademark Act of 1946 or other federal law, this Agreement is governed by Missouri law (without reference to its conflict of laws principles) If, however any provision of this Agreement would not be enforceable under the laws of Missouri and if the Park is located outside of Missouri and the provision would be enforceable under the laws of the state in which the Park is located, then the provision in question (and only that provision) will be interpreted and construed under the laws of the state where the Park is located The Federal Arbitration Act governs all matters relating to arbitration References to any law or regulation refer to any successor laws or regulations or any published regulations for any statute, as in effect at the relevant time Notwithstanding anything contained in this Agreement or the foregoing to the contrary, if any valid applicable law or regulation of a governmental authority having jurisdiction over this Agreement limits SFG's rights of rescission or termination requires longer notice periods than set forth herein, or limit the effectiveness of the non-competition covenants set forth herein,

this Agreement will be deemed amended to conform to the minimum notice periods or restrictions upon rescission, termination, and non competition required by such laws or regulations If a state regulator requires an amendment to this Agreement, the amendment is attached hereto in a State Law Addendum as Exhibit V SFG will not, however, be precluded from contesting the validity, enforceability, or applicability or such laws or regulations in any action relating to this Agreement or to its rescission or termination

Any action sought to be brought by either party, except those claims required to be submitted to arbitration will be brought in the appropriate state court or federal courts having jurisdiction over St Louis County, Missouri or if SFG'S headquarters are located outside of St Louis County, Missouri in the appropriate state or federal courts having jurisdiction over the county of SFG'S headquarters or in the United States District Court having jurisdiction over where the SFG'S headquarters are located The parties do hereby waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision The exclusive choice of jurisdiction and venue does not preclude the bringing of any action by the parties or the enforcement by the parties of any judgment obtained in any such jurisdiction, in any other appropriate jurisdiction, or restrict the ability of the parties to confirm or enforce arbitration awards in any appropriate jurisdiction

H **Headings** Headings and paragraph titles are for convenience of reference only and will not define, limit, or extend the scope or intent of this Agreement or any provision thereof

I **Effect** This Agreement will be binding upon and inure to the benefit of the parties, their legal representatives, heirs, administrators, executors, their permitted successors and assigns

J **Remedies** In addition to any other remedies at law or in equity to which it may be entitled, SFG will be entitled without bond to entry of injunctive relief and orders of specific performance enforcing the provisions of this Agreement, in the event FRANCHISEE actually or anticipatorily breaches this Agreement No right or remedy conferred upon SFG is intended to be exclusive and every such right or remedy will be cumulative and in addition to any other rights or remedies available under this Agreement, or otherwise For purposes of this Agreement, a termination will include a termination for any reason, expiration, cancellation, failure to renew, assignment or Transfer The description of any default in any notice served by SFG pursuant to this Agreement will in no way preclude SFG from later specifying additional or supplemental defaults

K **Attorneys' Fees** In the event of any court or arbitration proceeding the non-prevailing party will reimburse the prevailing party for all of the prevailing party's costs and expenses, including reasonable accounting paralegal, expert witness and attorneys fees which are incurred before, at trial and at all appellate levels

L **No Warranty** FRANCHISEE acknowledges that no approvals, consents waivers, conditions, or the like warrant the success of the franchise or the appropriateness of the particular items or matters so approved

M **Receipt of Disclosure Document** FRANCHISEE acknowledges receipt of SFG's Franchise Disclosure Document and this Agreement at least fourteen (14) days before execution hereof or any payment to SFG If any unilateral modifications by SFG have been made to this Agreement FRANCHISEE acknowledges that it had at least seven (7) business days to review them

N **Joint and Several Liability** If two or more persons are the FRANCHISEE under this Agreement their obligations and liabilities to SFG will be joint and several

O **Survival** FRANCHISEE's obligations regarding trade secrets, non-competition, insurance, and indemnification as well as accrued obligations of FRANCHISEE to SFG, will survive the termination, expiration, assignment or Transfer of this Agreement

P **Limitation of Legal Actions**

1 IN NO EVENT WILL SFG BE LIABLE TO FRANCHISEE FOR PROSPECTIVE PROFITS OR SPECIAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES FOR ANY CONDUCT ARISING OUT OF OR UNDER THIS AGREEMENT OR SFG's RELATIONSHIP WITH FRANCHISEE

2 THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM RELATING TO OR ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES

3 ANY DISAGREEMENT BETWEEN FRANCHISEE (AND ITS GUARANTORS AND OWNERS) AND SFG (AND ITS AFFILIATES AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND MUST NOT BE BROUGHT AS A CLASS ACTION AND FRANCHISEE (AND ITS GUARANTORS AND OWNERS) WAIVE ANY RIGHT TO PROCEED AGAINST SFG (AND ITS AFFILIATES OWNERS MEMBERS, MANAGERS OFFICERS DIRECTORS, EMPLOYEES, AGENTS SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION

4 FRANCHISEE WILL BE BARRED FROM BRINGING ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR SFG'S RELATIONSHIP WITH FRANCHISEE UNLESS A JUDICIAL PROCEEDING IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH FRANCHISEE KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THAT CLAIM

Q **Limitation on Liens** FRANCHISEE must not grant a security interest pledge, or place a lien upon FRANCHISEE's interest in this Agreement or in the Park or in the furniture, fixtures or equipment used in the business, except that FRANCHISEE will be permitted to grant a security interest in such furniture, fixtures, and equipment to secure FRANCHISEE s obligation to the seller of or lender for such furniture, fixtures, and equipment to secure any indebtedness relating to the business

R **Day-to-Day Control** FRANCHISEE has the sole right and responsibility for the manner and means by which the day-to-day operation of the Park is determined and conducted and for achieving its business objectives Subject to any approval, inspection and enforcement rights reserved to SFG this right and responsibility includes the employment supervision, setting the conditions of employment and discharge for its employees at the Park daily maintenance safety concerns, and the achievement of conformity with the System

S **Force Majeure** In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes labor shortages, failure of power lack of supplies, restrictive governmental laws or regulations, riots, insurrection, war, fire, weather conditions, or other casualty or other reason of a similar or dissimilar nature beyond the reasonable control of the party delayed in doing acts required under the terms of this Agreement, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay

XVIII WARRANTIES AND REPRESENTATIONS OF FRANCHISEE

A FRANCHISEE HAS BEEN ADVISED TO MAKE AN INDEPENDENT INVESTIGATION OF SFG'S OPERATIONS SFG HAS NOT AND DOES NOT REPRESENT THAT FRANCHISEE CAN EXPECT TO ATTAIN A SPECIFIC LEVEL OF SALES, PROFITS, OR EARNINGS FRANCHISEE HAS BEEN ADVISED TO OBTAIN INDEPENDENT PROFESSIONAL ADVICE REGARDING THIS FRANCHISE FRANCHISEE UNDERSTANDS THAT IT MAY SUSTAIN LOSSES AS A RESULT OF THE OPERATION OR THE CLOSING OF THE BUSINESS FRANCHISEE UNDERSTANDS THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES A HIGH DEGREE OF FINANCIAL RISK AND DEPENDS TO A LARGE DEGREE ON FRANCHISEE'S SKILLS, ABILITIES, INITIATIVE, AND HARD WORK

B FRANCHISEE REPRESENTS TO SFG THAT FRANCHISEE'S SIGNATURE ON AND PERFORMANCE OF THIS AGREEMENT DOES NOT VIOLATE OR CONSTITUTE A BREACH OF THE TERMS OF ANY OTHER AGREEMENT OR COMMITMENT TO WHICH FRANCHISEE ITS GUARANTORS OR ANY OF ITS AFFILIATES ARE A PARTY

C UNDER APPLICABLE U S LAW, INCLUDING WITHOUT LIMITATION EXECUTIVE ORDER 1224, SIGNED ON SEPTEMBER 23, 2001 (THE "**ORDER**"), SFG IS PROHIBITED FROM ENGAGING IN ANY TRANSACTION WITH ANY PERSON ENGAGED IN OR WITH A PERSON AIDING ANY PERSON ENGAGED IN ACTS OF TERRORISM AS DEFINED IN THE ORDER ACCORDINGLY FRANCHISEE DOES NOT, AND HEREAFTER WILL NOT ENGAGE IN ANY TERRORIST ACTIVITY IN ADDITION, FRANCHISEE IS NOT AFFILIATED WITH AND DOES NOT SUPPORT ANY INDIVIDUAL OR ENTITY ENGAGED IN, CONTEMPLATING OR SUPPORTING TERRORIST ACTIVITY FINALLY, FRANCHISEE IS NOT ACQUIRING THE RIGHTS GRANTED UNDER THIS AGREEMENT WITH THE INTENT TO GENERATE FUNDS TO CHANNEL TO ANY INDIVIDUAL OR ENTITY ENGAGED IN CONTEMPLATING, OR SUPPORTING TERRORIST ACTIVITY, OR TO OTHERWISE SUPPORT OR FURTHER ANY TERRORIST ACTIVITY

XIX CAVEAT

THE SUCCESS OF THE BUSINESS IS SPECULATIVE AND DEPENDS, TO A LARGE EXTENT, UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS PERSON, AS WELL AS OTHER FACTORS SFG DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTY AS TO THE POTENTIAL SUCCESS OF THE BUSINESS AND NO ONE IS AUTHORIZED TO MAKE ANY SUCH REPRESENTATIONS OR WARRANTIES FRANCHISEE FURTHER ACKNOWLEDGES THAT IT HAS READ AND COMPLETED THE QUESTIONNAIRE, A COPY OF WHICH IS SET FORTH AS EXHIBIT VI OF THIS AGREEMENT

FRANCHISEE UNDERSTANDS AND AGREES THAT SFG HAS NO OBLIGATION TO ACCEPT FRANCHISEE'S APPLICATION AND MAY REFUSE TO GRANT A FRANCHISE FOR ANY REASON, OR NO REASON, WITHOUT DISCLOSING THE BASIS FOR ITS DECISION FRANCHISEE ACKNOWLEDGES THAT UNLESS AND UNTIL SFG AND FRANCHISEE SIGN THIS AGREEMENT, FRANCHISEE IS NOT A FRANCHISEE OF SFG AND MAY NOT RELY UPON BECOMING A FRANCHISEE OF SFG

XX NON-LIABILITY OF SFG'S AFFILIATES

SFG is the only company obligated to FRANCHISEE hereunder FRANCHISEE may not look to any of SFG s Affiliates or related companies, other business entities or individuals for performance of this Agreement

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES

IN WITNESS WHEREOF, the parties have executed this Agreement on the date of this Agreement

SKY ZONE FRANCHISE GROUP, LLC	FRANCHISEE _____
By _____	By _____
Office Held _____	Office Held _____
Address	Address
1201 West Fifth Street Suite T-340 Los Angeles, California 90017	_____ _____

APPENDIX A
DEFINITIONS

For purposes of this Agreement, the following terms will have the meaning as set forth below

A **'Affiliates"** means individually or collectively those entities controlling, controlled by, or under common ownership with SFG including, without limitation Sky Zone, LLC, SkyMania Fun Centers, LLC, Skyzone Recreational Center 95765, LLC, and Skyzone Recreational Center 63005, LLC

B **"Park'** means the Sky Zone Indoor Trampoline Park that FRANCHISEE will operate pursuant to this Agreement using the Intellectual Property and System

C **'Competitive Business'** means any trampoline based recreational facility This is not intended to include any centers specializing in gymnastics, which may contain trampolines

D **"Copyrights"** means any work entitled to copyright protection which SFG licenses to FRANCHISEE for use in connection with the operation of the Park and for which SFG or its Affiliates claim copyright protection

E **"FRANCHISEE"** will be deemed to include (a) those persons and their spouses owning any interest in a corporate or a limited liability company franchisee, (b) all partners and their spouses owning any interest in a partnership franchisee, (c) the individual who owns a sole proprietorship franchisee and his or her spouse, (d) the guarantors of this Agreement, and (e) the Operating Principal Owner (as hereinafter defined) For purposes of determining ownership in a franchise, the interests owned by a husband and wife will be considered one interest, and both husband and wife will be obligated hereunder regardless of whether the interest is owned by just one spouse or both spouses

F **"Gross Sales"** means the total amount of all sales of products, services, programs and merchandise food, and beverages sold from, through, or in connection with the Park whether for cash, on credit barter or otherwise exclusive of applicable sales, use or service taxes

G **' Intellectual Property"** means, the Marks, Patents, Copyrights and any trade secrets and know how of SFG or SFG's Affiliates

H **Interest"** means (a) this Agreement or the rights under this Agreement (b) the rights in the Park (c) an individual s rights as an owner of the Park (including any owner's stock partnership interest limited liability company, or other ownership interest) (d) any option call warrant conversion rights or rights to acquire any equity or voting interest in FRANCHISEE, (e) any security interest lien pledge, mortgage, or other encumbrance of any of the foregoing Interests, (f) any sale, lease, sublease, or other transfer or disposition of any of the assets used in the performance of the business at the Park, whether now owned or hereafter acquired, except in the normal and ordinary course of business, or (h) any right to control operate or manage the Park

I **Marks'** means such service marks trademarks, trade dress trade names and copyrights and all configurations and derivations thereof, as may presently exist or which may be modified, changed or acquired by SFG or its Affiliates, in connection with the operation of the business contemplated by this Agreement Marks include but are not limited to "Sky Zone" "SZ and design" and ' Skyrobics"

J **"Manual** means the Confidential Operations Manual The Manual will be in a format determined by SFG (i e , in writing, on CD-Rom, via electronic media through a secure website etc) and

all other supplemental bulletins, notices, revisions, modifications, or supplemental information, either in document or electronic form, concerning the System are considered part of the Manual Also included are any passwords or other digital identification necessary to access the Manual on a website or extranet

K. "**Patent**' means any patents that exist as of the date this Agreement is executed or that SFG and/or its affiliates determine to license under this Agreement at any time in the future any of which may be modified changed or acquired by SFG or its Affiliates as it deems appropriate in its discretion, in connection with the operation of the Park

L "**Playing Field**" means the playing field including the trampoline, the padding, nets and other related equipment

M '**Operating Principal Owner**" means FRANCHISEE if FRANCHISEE is a sole proprietor the majority shareholder (i e , over 50% equity ownership, or if there is no shareholder with 50% or greater equity ownership, the shareholder(s) with the greatest percentage equity ownership) of FRANCHISEE if FRANCHISEE is a corporation, a partner owning a majority interest of the partnership if FRANCHISEE is a partnership or a member owning the majority interest or the manager of a limited liability company if FRANCHISEE is a limited liability company If there is no majority shareholder of FRANCHISEE the Operating Principal Owner shall be agreed to by the SFG and FRANCHISEE

N '**Sky Zone Indoor Trampoline Park**" means any facility which is operated using the System and the Intellectual Property whether owned by SFG, an Affiliate of SFG or a licensee or franchisee of SFG or an Affiliate

O "**System**" means a unique, specially developed method of operating a Sky Zone Indoor Trampoline Park that offers all trampoline walled Playing Fields to be used for sports, fitness or recreational activities using the System and Intellectual Property, as well as selling ancillary services (including but not limited to, food and beverages and parties) and products (including, but not limited to products bearing the Marks), using certain procedures and methods site evaluation criteria, layouts, advertising, sales and promotional techniques, personnel training trade secrets and any other matters relating to the operation and promotion of a Sky Zone Indoor Trampoline Park as they may be changed improved modified and further developed by SFG or its Affiliates from time to time

P '**Transfer**" means and includes any voluntary or involuntary direct or indirect, assignment, sale, gift, conveyance or other disposition of an Interest including without limitation (a) transfer of any capital stock, partnership interest limited liability interest or other ownership Interest of FRANCHISEE or its owners (b) merger consolidation or issuance of additional stock or ownership interests of FRANCHISEE (c) transfer in bankruptcy or dissolution of marriage or otherwise by operation of law or by order of court (d) transfer to a personal representative upon disability or transfer upon the death of an Operating Principal Owner, or (e) any change of control or management of the Park

GUARANTEE

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "Agreement") by Sky Zone Franchise Group, LLC ("**SFG**") in favor of _____ ("**FRANCHISEE**") each of the undersigned ("**GUARANTORS**") hereby personally and unconditionally guarantees to SFG its Affiliates (as hereinafter defined), and their successors and assigns for the term of the Agreement and thereafter as provided in the Agreement, that FRANCHISEE must punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and agrees to be personally bound by, and personally liable for the breach of each and every provision in the Agreement The GUARANTORS each agree to be personally and unconditionally bound by each and every undertaking, agreement and covenant set forth in the Agreement, including but not limited to, the restrictive covenants and non-disclosure provisions contained in the Agreement, as well as the provisions in the Agreement relating to the Intellectual Property and Transfers provisions to the same extent as and for the same period of time as FRANCHISEE is required to comply with and abide by such covenants and provisions The GUARANTORS further hereby personally and unconditionally guarantee all debts and obligations FRANCHISEE incurs to SFG, its successors, assigns, affiliated entities, parent corporation, and subsidiaries ("**Affiliates**") as the case may be, as a result of any obligations under the Agreement and as a result of purchases of products or services from SFG and its Affiliates Each of the undersigned waives

(1) acceptance and notice of acceptance by SFG or Affiliates of the foregoing undertakings,

(2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed

(3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed,

(4) any right he may have to require that an action be brought against FRANCHISEE or any other person as a condition of liability,

(5) all rights to payments and claims for reimbursement or subrogation which any of the GUARANTORS may have against the FRANCHISEE arising as a result of the GUARANTORS' execution of and performance under this guaranty, and

(6) any and all other notices and legal or equitable defenses to which he may be entitled

Each of the undersigned consents and agrees that

(1) his or her direct and immediate liability under this guaranty will be joint and several

(2) he or she must render any payment or performance required under the Agreement upon demand if the FRANCHISEE fails or refuses punctually to do so

(3) such liability must not be contingent upon or conditioned upon pursuit by SFG or Affiliates of any remedies against the FRANCHISEE or any other person, and

(4) such liability must not be diminished, relieved or otherwise affected by any extension of time credit or the indulgence which SFG or Affiliates may from time to time grant to the FRANCHISEE or to any other person including without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims none of which will in any way modify or amend this guaranty, which will be continuing and irrevocable during the term of the Agreement

If SFG or any of the Affiliates are required to enforce this Guarantee in any judicial proceeding or appeal thereof, the GUARANTORS must reimburse SFG and Affiliates for its costs and expenses, including, but not limited to, reasonable accountants attorneys', attorney assistants', and expert witness fees costs of investigation and proof of facts, court costs other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty

The undersigned Guarantors also recognize that certain disputes relating to the Franchise Agreement are to be resolved by arbitration and hereby consent to such arbitration in accordance with the terms of the Franchise Agreement Further, undersigned Guarantors also hereby consent to the applicability of the governing law, venue and jurisdiction provision in the Franchise Agreement to this Guarantee

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed their signatures on the same day and year as the Agreement was executed

Print Name _____
Signature _____
Date _____
Address _____
_____
_____

Print Name _____
Signature _____
Date _____
Address _____
_____
_____

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EXHIBIT I

SITE AND ASSIGNED TERRITORY

The Site of FRANCHISEE's Park will be located at

_____

NOTE If a particular site has not been selected and approved at the time of the signing this Agreement, this Exhibit I will describe the location in general terms below In that case, after SFG has approved a location for FRANCHISEE'S Park the specific address of that location will automatically become the Site in this Exhibit I as if originally set forth in this Exhibit I instead of the general description

General Description of Area for the Site (search area)
(if the Site is not specified above as of the signing of the Agreement)

_____

FRANCHISEE's Assigned Territory will be

_____

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EXHIBIT II

LEASE PROVISIONS

Any lease executed by FRANCHISEE for the operation of the Park will contain the following provisions or an addenda to the lease [except to the extent SFG agrees to waive any particular provision(s)] as follows, and FRANCHISEE will provide SFG with a fully executed copy thereof

ADDENDA TO LEASE

This lease addenda entered into this _____ day of _____, 20__, by and between, ("FRANCHISEE") and _____, ("LANDLORD") for the premises located at, in the City of _____ State of _____,

WHEREAS, FRANCHISEE has executed a Franchise Agreement with SKY ZONE FRANCHISE GROUP, LLC ("SFG "), and as part of said Franchise Agreement, the lease ("Lease") for the franchised Sky Zone Indoor Trampoline Park must contain certain provisions and

WHEREAS, LANDLORD and FRANCHISEE agree that the terms contained herein will be applicable to the Lease, notwithstanding anything contained in the Lease to the contrary,

NOW, therefore in consideration of the mutual promises contained herein and the execution of the Lease which execution is made simultaneously with this Addenda LANDLORD and FRANCHISEE hereby agree as follows

1 LANDLORD agrees that FRANCHISEE will not otherwise assign the Lease or renew, amend or extend the term of the Lease without the prior written consent of SFG

2 LANDLORD agrees to furnish SFG with copies of any and all letters and notices sent to FRANCHISEE pertaining to the Lease at the same time that such letters and notices are sent to FRANCHISEE LANDLORD further agrees that, if it intends to terminate the Lease, the LANDLORD will give SFG thirty (30) days advance written notice or such intent, specifying in such notice all defaults that are the case of the proposed termination SFG will have after the expiration of the period during which FRANCHISEE may cure such default, an additional fifteen (15) days (or if there is no cure period, at least fifteen (15) days to cure), at its sole option any such defaults SFG or an affiliate of SFG, will have the right but not obligation, upon giving written notice of its election to FRANCHISEE and LANDLORD, to cure the breach and succeed to FRANCHISEE's rights under the Lease and any renewals or extensions thereof

3 Upon default, expiration or termination of the Franchise Agreement or the lease, and upon notice to LANDLORD, SFG or its designee will have the option, without however any obligation, to assume the FRANCHISEE's lease obligations on the same terms and conditions available to the FRANCHISEE Further if FRANCHISEE or any other party with an interest in FRANCHISEE transfers to SFG or another party all of its or their interest in the FRANCHISEE or the Franchise, the transferee will have the right to assume the lease on the same terms and conditions as contained in FRANCHISEE s Lease

4 SFG will have the right to enter the premises to make any reasonable modification or reasonable alteration necessary to protect SFG's interest in the proprietary marks LANDLORD agrees that in such event SFG will not be liable for trespass or any other crime or tort Further, SFG or its designated agents will be permitted to enter the premises for purposes of making inspections in accordance with the terms of the Franchise Agreement between SFG and the FRANCHISEE

5 FRANCHISEE may assign to SFG all of its rights of further assignment at any time if the LANDLORD is given reasonable notice thereof Such an assignment will be effective only if accepted in writing by SFG

6 Upon request of SFG the LANDLORD will provide SFG with copies of all reports, information, or data in LANDLORD s possession with respect to sales made from the premises

7 Copies of any and all notices pertaining to the Lease will also be sent to SFG at the following address, or at such other address as may be designated by SFG in writing Sky Zone Franchise Group, LLC, 1201 West Fifth Street, Suite T-340, Los Angeles, California 90017

8 SFG will be a third-party beneficiary of this Addenda to Lease and has the right independently of FRANCHISEE to enforce all of its rights hereunder

9 To the extent of any conflict between the terms and conditions of this Addenda to Lease and the Lease, this Lease Addendum will govern

FRANCHISEE	LANDLORD
_____	_____
By _____	By _____

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EXHIBIT III

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned, _____ a _____ corporation ("Assignor") hereby assigns, transfers and sets over unto Sky Zone Franchise Group LLC a Missouri limited liability company ("Assignee") all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Exhibit A (the "Lease"), respecting premises commonly known as _____ This Assignment is for collateral purposes only and except as specified herein, Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee will take possession of the premises demised by the Lease pursuant to the terms hereof and will assume the obligations of Assignor thereunder

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously, and is not obligated to assign or transfer any of its interest in the Lease or the premises demised thereby

Upon a default by Assignor under the Lease or a default or expiration under the franchise agreement by and between Assignor and Assignee for a Sky Zone franchise (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing said Franchise Agreement or under any other agreement between Assignor and Assignee or its affiliates, Assignee will have the right and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor therefrom and, in such event, Assignor will have no further right, title or interest in the Lease

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

Assignee Sky Zone Franchise Group, LLC

By _____

Assignor

By _____

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EXHIBIT IV

IRREVOCABLE POWER OF ATTORNEY

That _____ ("FRANCHISEE") does hereby irrevocably constitute and appoint SKY ZONE FRANCHISE GROUP, LLC, a Missouri limited liability company ("SFG"), FRANCHISEE's true and lawful attorney-in-fact and agent for FRANCHISEE and in FRANCHISEE's name, place and stead, to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of SFG, will be necessary or advisable for the sole purpose of assigning to SFG all of FRANCHISEE's right, title and interest in and to any and all telephone numbers used in connection with the Park and all related Yellow Pages, White Pages and other business listings, including but not limited to, the execution and delivery of any agreement and any other transfer documentation required by the applicable telephone service company providing telephone services to FRANCHISEE, and to do or cause to be done all things and to sign, execute, acknowledge certify deliver, accept, record, and file all such agreements, certificates, instruments and documents as in the sole discretion of SFG, will be necessary or advisable for the sole purpose of assigning to SFG all of FRANCHISEE's right, title and interest in and to any Internet and website name pages, domain name listings and registrations that contain the Marks, or any of them, in whole or in part, hereby granting unto SFG full power and authority to do and perform any and all acts and things which, in the sole discretion of SFG are necessary or advisable to be done as fully to all intents and purposes as FRANCHISEE might or could itself do, and hereby ratifying and confirming all that SFG may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted

During the term of this Power of Attorney and regardless of whether FRANCHISEE has designated any other person to act as its attorney-in-fact and agent, no person, firm or corporation dealing with SFG will be required to ascertain the authority of SFG, not to see to the performance of the agency, nor be responsible in any way for the proper application of funds or property paid or delivered to SFG Any person, firm or corporation dealing with SFG will be fully protected in acting and relying upon a certificate of SFG that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and FRANCHISEE must not take any action against any person, firm or corporation acting in reliance on such a certificate or a copy of this Power of Attorney Any instrument or document executed on behalf of FRANCHISEE by SFG will be deemed to include such a certificate on the part of SFG, whether or not expressed This paragraph will survive any termination of this Power of Attorney

This Power of Attorney will terminate two (2) years following the expiration or termination of that certain Franchise Agreement dated of even date herewith by and between SFG and FRANCHISEE Such termination, however, will not affect the validity of any act or deed that SFG may have effected prior to such date pursuant to the powers herein granted

This instrument is to be construed and interpreted as an irrevocable Power of Attorney coupled with an interest and such Power of Attorney will not be affected by the subsequent disability or incapacity of the principal

IN WITNESS WHEREOF, the undersigned has executed this Irrevocable Power of Attorney as of the ___ day of _____, 20__

FRANCHISEE

By _____

Name _____

Title _____

THE STATE OF _____)
)
COUNTY OF _____)

BEFORE ME, the undersigned authority, on this day personally appeared _____ of _____, known to me to the person whose name is subscribed to the foregoing instrument who acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of_____ 20__

_____

Notary Public

My Commission Expires

_____

EXHIBIT V

STATE LAW ADDENDA TO FRANCHISE AGREEMENT

STATE LAW ADDENDUM - 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 "

Notwithstanding anything contained in the foregoing Franchise Agreement, Area Development Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the California Investment Law shall apply to any franchise or franchisee located in the State of California, which shall control to the extent of any inconsistency

Item 3 of the FDD

Neither we, nor any person or franchise broker in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 78a et seq suspending or expelling such persons from membership in such association or exchange

FDD Cover Sheet, Item 5, Item 6, Item 7 and Item 8 of the FDD and Section XII A of the Franchise Agreement

Notwithstanding the requirements of the FDD Cover Sheet, Item 5 6, 7 and 8 of the FDD and Section XII A of the Franchise Agreement, due to the imposition of the financial assurances set forth above you may be required to purchase products such as Playing Fields equipment and materials, balls stickers, and SkySocks directly from the vendors instead of from us or our affiliates until you open the Park for business Thereafter, you will again be required to purchase these items from us or our affiliates

Item 17 of the FDD

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 law the law will control

The Franchise Agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A Sec 101 et seq)

The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the franchise These provisions may not be enforceable under California law

The Franchise Agreement contains a provision that the franchisor may require the franchisee to, at franchisee's expense, upgrade the Park to then brand standards and may require the franchisee to spend up to $100,000

Section 31125 of the California Corporations Code requires us to give you a disclosure document in a form containing the information that the commissioner may by rule or order require before a solicitation of a proposed material modification of an existing franchise

The Franchise Agreement requires application of the law of Missouri This provision may not be enforceable under California law

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)

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT, ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www dbo ca gov

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

The Franchise Agreement and Area Development Agreement may limit franchisee's rights and may not be enforceable including, but not limited to a class action waiver jury trial waiver limitation of time to bring claims and punitive damages waiver

Building codes and requirements vary in different jurisdictions and it is important for you and your architect to be aware of and comply with all local laws as well as the federal laws including the Americans with Disabilities Act You may also be subject to certain health and safety requirements as well as licensing requirements in teaching and supervising children Many states and municipalities have laws and regulations regarding fitness center contracts with guests, operations and licenses Some state and local laws may regulate the membership contracts length and terms, advertising and limitations on pre-opening sales You may also have to obtain a bond to protect pre-paid membership fees you collect and there may be buyer's remorse cancellation rights and other types of cancellation rights There may be laws requiring you to have an employee at your Park who is certified in basic cardiopulmonary resuscitation or on the use of an automated external defibrillator There may be a requirement that you must have certain types of first aid equipment on the premises such as an automated external defibrillator

Other Provisions Unaffected All other terms and provisions contained in the Franchise Agreement and Franchise Disclosure Document shall remain in full force and effect except to the extent specifically modified herein

Dated on the day of _____ 20__

SKY ZONE FRANCHISE GROUP LLC

By _____

FRANCHISEE

By _____

STATE LAW ADDENDUM - ILLINOIS

Notwithstanding anything contained in the foregoing Franchise Agreement Area Development Agreement and Franchise Disclosure Document to the contrary, the following provisions of the Illinois Franchise Disclosure Act ("Act") shall apply to any franchise located in the State of Illinois, which shall control to the extent of any inconsistency

Item 17v and 17 w of the FDD, Section IX G of the Area Development Agreement and Section XVII G of the Franchise Agreement Choice of Law and Choice of Forum shall be Illinois Any provision in the Franchise Agreement including but not limited to Section XVIII G, which designate choice of law jurisdiction or venue in a forum outside the State of Illinois is void

Termination or Nonrenewal Franchise The Illinois Franchise Disclosure Act provides rights to you concerning nonrenewal and termination of the Franchise Agreement If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control

Participation in Trade Associations Franchisor will not in any way restrict any Franchisee from joining or participating in any trade association

Waiver 815 ILCS 705/41 provides that the rights provided by the Illinois Franchise Disclosure Act of 1987 (the "Act") along with other laws of the State of Illinois may not be waived Consequently, any release of claims or acknowledgements of fact contained in the Agreement that would negate or remove from judicial review any statement misrepresentation or action that would violate the Act or any other law of the State of Illinois shall be void and hereby deleted with respect to claims under the Act or any other law of the State of Illinois

Waiver of Jury Trial Section XVII P of the Franchise Agreement may not be enforceable under Illinois law

Periods of Limitation Section XVII P(4) of the Franchise Agreement is amended to comply with Section 27 of the Act to allow any and all claims and actions arising out of or relating to these Agreements the relationship of Franchisor and Franchisee, or your operation of the Franchise brought by you against us shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after you become aware of the facts or circumstances indicating you may have a claim for relief, or 90 days after delivery to you of a written notice disclosing the violation, or such claim or action will be barred

Other Provisions Unaffected All other terms and provisions contained in the Franchise Agreement shall remain in full force and effect except to the extent specifically modified herein

Sky Zone Franchise Group LLC,
By _____

Franchisee_____
By _____

Date _____

Date _____

©2017 Sky Zone Franchise Group LLC
Franchise Disclosure Document (2017)

STATE ADDENDUM FOR THE STATE OF INDIANA

1 To be added to Item 3 of the Disclosure Document, is the following statement

There are presently no arbitration proceedings to which the Franchisor is a party

2 Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2 7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory

3 Item 17 is amended to state that this is subject to Indiana Code 23-2-2 7-1 (10)

4 Under Indiana Code 23-2-2 7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests This amends Article XVII of the Franchise Agreement and Article IX of the Area Development Agreement

5 Under Indiana Code 23-2-2 7-1 (10) franchisee may not agree to waive any claims or rights

IN WITNESS WHEREOF the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20___

ATTEST

_____
Witness

SKY ZONE FRANCHISE GROUP, LLC

By _____
Name _____
Title _____

FRANCHISEE

_____
Witness

_____

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STATE LAW ADDENDUM - MARYLAND

REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for Sky Zone Franchise Group, LLC for the State of Maryland for Sky Zone Franchise Group, LLC's Franchise Disclosure Document and for its Franchise and Area Development Agreements The amendments to the Franchise and Area Development Agreements included in this addendum have been agreed to by the parties

1 The provision contained in the termination sections of the Franchise and Area Development Agreements may not be enforceable under federal bankruptcy law (11 U S C Section 101 et seq)

2 Item 11 of the Franchise Disclosure Document shall be amended to state that a franchisee may obtain an accounting of the advertising fund as required by the Maryland Franchise Registration and Disclosure Law, by requesting same in a written request to Franchisor

3 Item 17 of the Franchise Disclosure Document shall be amended at the sections dealing with the issuance of general releases to the effect that the general release required as a condition of renewal and/or assignment/transfer are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law The appropriate sections of the Franchise Agreement and Area Development Agreement are hereby deemed to be amended accordingly

4 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 Any disclaimer regarding the occurrence and/or acknowledgment of the non-occurrence of acts that would constitute a violation of the Franchise Law in order to purchase the franchise are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law The appropriate sections of the Franchise Agreement and Area Development Agreement and Franchisee Disclosure Acknowledgement Statement are amended to comply with this provision

5 Item 17 of the Franchise Disclosure Document and the appropriate sections of the Franchise Agreement and Area Development Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise

6 Item 17 of the Franchise Disclosure Document is hereby amended to state that the Franchise Agreement and Area Development Agreement require binding arbitration the site of which is in the state of Missouri the costs of which are borne by the parties equally and any issues not decided by arbitration may be brought in a court of competent jurisdiction The law of the State of Missouri governs the arbitration However pursuant to the Maryland Franchise Registration and Disclosure Law a franchisee is permitted to enter into litigation with the franchisor in the State of Maryland, regardless of the language in the Franchise Agreement and Area Development Agreement

IN WITNESS WHEREOF, the parties hereto have duly executed sealed and delivered this Addendum dated this _____ day of _____ 20___

ATTEST

_____
Witness

SKY ZONE FRANCHISE GROUP, LLC

By _____
Name _____
Title _____

FRANCHISEE

_____
Witness

_____

STATE LAW ADDENDUM - MINNESOTA

Notwithstanding anything contained in the foregoing Franchise Agreement, Area Development Agreement and Franchise Disclosure Document ("FDD ') to the contrary, the following provisions of the Minnesota Franchise Act shall apply to any franchise or franchisee located in the State of Minnesota, which shall control to the extent of any inconsistency

1 The following paragraph is added to Section IX B of the Franchise Agreement and Item 13 of the FDD

FRANCHISOR agrees to protect FRANCHISEE against claims of infringement or unfair competition with respect to FRANCHISEE'S authorized use of the Marks when, in the opinion of counsel to FRANCHISOR, FRANCHISEE'S rights granted therein warrant protection

2 Section XVIII G of the Franchise Agreement, IX G of the Area Development Agreement, the State Cover Sheet and Item 17v and 17w of the FDD are modified to provide the following Minn Stat §§80C 21 and Minn Rule 2860 4400J prohibit FRANCHISOR from requiring litigation to be conducted outside Minnesota In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of FRANCHISEE'S rights as provided for in Minnesota Statutes, Chapter 80C, or FRANCHISEE'S rights to any procedure forum or remedies provided for by the law of Minnesota

3 Sections IV B and XII A of the Franchise Agreement and Item 17 of the FDD are hereby modified to provide the following With respect to franchises governed by Minnesota law, FRANCHISOR will comply with Minn Stat Sect 80C 14, subds 3, 4 and 5 which require except in certain specified cases, that FRANCHISEE will be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement

4 Sections IV B and XV B of the Franchise Agreement and 17 b and 17 m of the FDD are hereby modified as follows Any release executed in connection herewith will not apply to any claims that may arise under the Minnesota Franchise Act

5 Sections XVIII G and Q of the Franchise Agreement and 17b, 17 v and 17 w of the FDD are hereby modified to the extent required by the follows

"Minnesota Statues, Section 80C 21 and Minnesota Rule 2860 4400 (J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of jury trail 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 franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction "

6 Other Provisions Unaffected All other terms and provisions contained in the Franchise Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein

Dated on the _____ day of _____, 20____

Sky Zone Franchise Group, LLC

By _____

FRANCHISEE

By _____
Name Title _____

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Franchise Disclosure Document (2017)

STATE LAW ADDENDUM - NEW YORK

REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself

3 LITIGATION

Neither the Franchisor, its Predecessor nor any person listed under Item 2 or an affiliate offering franchises under Franchisor's principal trademark

(A) has an administrative criminal or civil action pending against that person alleging a felony, a violation of a franchise antitrust or securities law fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations

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

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

4 BANKRUPTCY

Neither the Franchisor, its affiliate, its predecessor officers, or general partner during the ten year period immediately before the date of the disclosure document (a) filed as debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code (or any comparable foreign law) (b) obtained a discharge of its debts under the bankruptcy code, or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code or that obtained a discharge of its debts under the U S Bankruptcy Code during or within one year after the officer or general partner of the Franchisor held this position in the company or partnership

IN WITNESS WHEREOF, the parties hereto have duly executed sealed and delivered this Addendum dated this _____ day of _____ 20___

ATTEST

_____
Witness

SKY ZONE FRANCHISE GROUP, LLC

By _____
Name _____
Title _____

FRANCHISEE

_____
Witness

_____

STATE LAW ADDENDUM - NORTH DAKOTA

DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Area Development Agreement effectively amends and revises said documents as follows

1 Item 17(c) of the Disclosure Document and Articles III and XIV of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release

2 Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law Item 17(r) of the Disclosure Document and Article X of the Franchise Agreement are amended accordingly

3 Item 17(u) of the Disclosure Document, Article XVI of the Franchise Agreement and Article VIII of the Area Development Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties

4 Item 17(v) of the Disclosure Document and the provisions of Article XVII of the Franchise Agreement and Article IX of the Area Development Agreement which require jurisdiction of courts in the State of Missouri are deleted

5 Item 17(w) of the Disclosure Document Article XVII of the Franchise Agreement and Article IX of the Area Development Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota

6 Apart from civil liability as set forth in Section 51-19-12 N D C C , which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents Therefore North Dakota franchisees will not be required to waive their rights under North Dakota law

7 The provisions of Article XVII of the Franchise Agreement and Article IX of the Area Development Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted

8 The provisions of Article XVII of the Franchise Agreement and Article IX of the Area Development Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20___

ATTEST

_____
Witness

SKY ZONE FRANCHISE GROUP, LLC

By _____
Name _____
Title _____

FRANCHISEE

_____

_____
Witness

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STATE LAW ADDENDUM - RHODE ISLAND

DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself

Section 19-28 1-14 of the Rhode Island Franchise Investment Act provides that

> 'A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act "

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20___

ATTEST

SKY ZONE FRANCHISE GROUP, LLC

_____
Witness

By _____
Name _____
Title _____

FRANCHISEE

_____
Witness

_____

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ADDENDUM TO SKY ZONE FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT - WASHINGTON

The State of Washington has a statute RCW 19 100 180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer

IN WITNESS WHEREOF, the parties hereto have duly executed sealed and delivered this Addendum dated this _____ day of _____, 20___

ATTEST

SKY ZONE FRANCHISE GROUP, LLC

_____
Witness

By _____
Name _____
Title _____

FRANCHISEE

_____
Witness

_____

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EXHIBIT VI

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, Sky Zone Franchise Group, LLC ("SFG") and you are preparing to enter into a Franchise Agreement for the operation of a Sky Zone Indoor Trampoline Park The purpose of this Questionnaire is to determine whether any statements or promises were made to you that SFG has not authorized and that may be untrue, inaccurate or misleading Please review each of the following questions and provide honest and complete responses to each question

FOR MARYLAND FRANCHISEES All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration Disclosure Law

1 Have you received and personally reviewed the Franchise Agreement and each exhibit and schedule attached to it? Yes ___ No ____

2 Have you received and personally reviewed SFG's Franchise Disclosure Document (the "FDD") that SFG provided to you?
Yes ___ No ____

3 Did you sign a receipt for the FDD indicating the date you received it?
Yes ___ No ____

4 Date(s) on which you received the FDD and related Exhibits explaining the Sky Zone Franchise

_____, 20___	_____, 20___	_____, 20___
(initial month, day)	(initial, month, day)	(initial month, day)

5 Date on which you received a completed copy, other than signatures, of the Franchise Agreement

_____, 20___	_____	_____	_____	_____
(month, day)	(initial)	(initial)	(initial)	(initial)

6 Date on which you signed the Franchise Agreement

_____ 20___	_____	_____	_____	_____
(month, day)	(initial)	(initial)	(initial)	(initial)

7 Were you given the opportunity to discuss the benefits and risks of operating a Sky Zone Indoor Trampoline Park with an attorney, accountant or other professional advisor, and do you understand those risks?
Yes ___ No ____

8 Do you understand that the success or failure of your franchise will depend in large part upon your skills and abilities competition from other businesses, interest rates, inflation labor and supply costs lease terms and other economic and business factors?
Yes ___ No ____

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9 Has any employee, agent, representative, or other person speaking on behalf of SFG made any statement or promise regarding the amount of money you may earn or that any of our Sky Zone Indoor Trampoline Park earns in operating the business other than what is discussed in Item 19 of the FDD?
Yes ___ No ____ If "Yes", please explain

10 Has any employee, agent, representative, or other person speaking on behalf of SFG made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating the business?
Yes ___ No ____ If "Yes", please explain

11 Has any employee, representative, agent or other person speaking on behalf of SFG made any statement promise or agreement concerning the advertising, marketing, training, support service or assistance that SFG will furnish to you, or any other promises that are contrary to, or different from the information contained in the FDD?
Yes ___ No ____ If "Yes", please explain

* * *

Your responses to these questions are important to us and that we will rely on them By signing this Questionnaire, you are representing that you have responded truthfully to the above questions You are also representing that you have reviewed all of these questions and the answers with the other owners of the business and any of your representatives who had discussions with SFG or any of its officers, agents or employees The responses from those people are also included by you above

Dated on _____, 20___

FRANCHISE APPLICANT

Name _____

Signature _____

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EXHIBIT B TO THE DISCLOSURE DOCUMENT
AREA DEVELOPMENT AGREEMENT

SKY ZONE FRANCHISE GROUP, LLC
AREA DEVELOPMENT AGREEMENT

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GUARANTEE

ATTACHMENT A	Form of Franchise Agreement
ATTACHMENT B	Development Fee, Development Area, Development Schedule and Expiration Date
ATTACHMENT C	State Law Addenda

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SKY ZONE FRANCHISE GROUP, LLC
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT ("**Agreement**") is made and entered into as of the _____ day of _____, 20___, by and between SKY ZONE FRANCHISE GROUP, LLC, a Missouri limited liability company ("we", "us" or "our"), and _____ a _____ ("you" and "your ')

PREAMBLE

We are engaged in the business of franchising "Sky Zone Indoor Trampoline Parks" under the Intellectual Property and System as more fully described in the Franchise Agreement, which is attached as Attachment A, and

You are aware of the benefit derived from being identified with and franchised by us in order to use the Intellectual Property and System as more fully described in the Franchise Agreement, and

You have simultaneously executed a Franchise Agreement (the '**Franchise Agreement**") pertaining to the first Sky Zone Indoor Trampoline Park ('**First Unit**"), which you agree to open or have opened within the time specified in the Franchise Agreement, and

You desire to obtain area development rights to establish and operate additional Sky Zone Indoor Trampoline Park franchises ("**Subsequent Units**") from us within a specific geographical area and according to a specific time schedule, and

NOW, the parties agree as follows

I TERRITORIAL EXCLUSIVITY

A **Development Area** According to the terms and conditions in this Agreement, we grant to you and you accept the exclusive right during the term of this Agreement, to establish and operate the First Unit and Subsequent Units (collectively, '**Units**") in the Development Area" described in Attachment B So long as you are not in default under this Agreement or any other agreement with us or our affiliates, during the term of this Agreement neither we nor our affiliates will operate or grant a franchise to any other person or entity to operate a Sky Zone Indoor Trampoline Park within the Development Area Until the termination expiration or transfer of this Agreement, you retain your right of exclusivity as long as you comply with the Development Schedule (as defined below) If you fail to meet any of your obligations under this Agreement including compliance with the Development Schedule or breach any Franchise Agreement executed by you pursuant to this Agreement, we may terminate your right to develop open and operate Units within the Development Area but the termination of the right to develop your Development Area will not terminate any rights granted under the Franchise Agreements then in effect between you and us in which you are in compliance After the expiration or termination of this Agreement, we may own, operate, franchise or license others to operate Sky Zone Indoor Trampoline Parks anywhere, without restriction including in your Development Area, except for within any Assigned Territory under your Franchise Agreement(s) which remain in effect

B **The Rights We Retain in the Development Area** Except as limited by Section I A above, we and our affiliates retain all rights with respect to Sky Zone Indoor Trampoline Parks the

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Intellectual Property and System the sale of similar or dissimilar products and services and any other activities we deem appropriate whenever and wherever we desire, including

1 To open and operate or license or franchise others to open and operate businesses within the Development Are and outside of the Development Area which operate under trademarks or service marks different from the Marks or operate under a system that is different from the System,

2 To operate or license or franchise others to operate Sky Zone Indoor Trampoline Parks anywhere outside of the Development Area

3 To use or grant others the right to use the Playing Fields within and outside of the Development Area, and

4 To develop, merchandise, promote sell and license others to sell products or programs bearing the Marks through other channels of distribution within and outside of the Development Area including but not limited to at special events, athletic contests, through temporary locations, and through alternative distribution channels such as the Internet, catalog sales and/or telemarketing

We are not required to pay you if we exercise any of the rights specified above inside your Development Area

II DEVELOPMENT OBLIGATIONS

A **Development Schedule** You will construct, equip, open and operate within the Development Area the number of Units as are described in Attachment B attached to this Agreement (**"Development Schedule"**) You must enter into our then current form of franchise agreement (the **Franchise Agreement**") for each Unit you are granted the right to develop hereunder, but each form of Franchise Agreement will contain the same royalty fee as set forth in the Franchise Agreement for the initial Unit you are required to develop You will at all times faithfully and diligently comply with the obligations imposed by this Agreement and under the Franchise Agreement for each Unit

B **Force Majeure/Time of Essence** It is of material importance to us that you timely perform all obligations under this Agreement and the Franchise Agreement for each Unit Should you be unable to meet the Development Schedule solely as the result of force majeure, which includes strikes, material shortages, fires floods, earthquakes and other acts of God or by force of law (including our inability to deliver a franchise disclosure document), and which you could not have avoided by the exercise of due diligence the Development Schedule will be extended by the amount of time during which such force majeure existed

III TERM The term of this Agreement will start on the date this Agreement is signed by both parties and you have paid us the Development Fee Unless terminated earlier according to the terms of this Agreement the term of this Agreement and all area development rights granted in this Agreement will expire on the earlier of (i) the opening of the last Unit listed in the Development Schedule, or (ii) the date set forth in Attachment B There is no right to renew this Agreement

IV DEVELOPMENT FEE In exchange for the rights granted under this Agreement, you will pay us a Development Fee amounting to the sum of (i) Sixty Thousand Dollars ($60,000) for the first Unit you are granted the right to developer hereunder, and (ii) Forty Thousand Dollars ($40,000) for the second and each additional Unit you are granted the right to develop hereunder (collectively, the **Development Fee**') The Development Fee is due at the time you enter into a letter agreement with us detailing the development

rights granted hereunder (the "**Letter Agreement**") The Development Fee is deemed fully earned by us upon payment and is not refundable under any circumstances, even if you fail to develop any Unit(s) you are granted the right to develop under this Agreement

V FRANCHISE AGREEMENT

A **Signing the Franchise Agreement** Within the times specified in the Development Schedule, you must execute a Franchise Agreement for each Subsequent Unit

B **Complying with the Franchise Agreement** After you sign a Franchise Agreement, you must fully comply with all of the terms contained in the Franchise Agreement, including paying all of the fees required by that Franchise Agreement in a timely manner YOU DO NOT OBTAIN ANY RIGHTS AS A FRANCHISEE FOR A PARTICULAR LOCATION UNTIL A FRANCHISE AGREEMENT IS SIGNED BY YOU AND US You must submit all proposals for sites to us for our consent We have the right, in our absolute discretion, to withhold our consent to any site you propose Our consent to the site is no assurance of success

C **Our Discretion** You acknowledge that all Units must be developed and operated according to our standards You agree and recognize that we may refuse to grant a Franchise Agreement for a Subsequent Unit if we believe, in our reasonable judgment that you do not have sufficient financial resources or other ability (including but not limited to, experience, character, skill, aptitude, attitude, and business acumen sufficient to operate multiple locations) to properly develop and operate the proposed Subsequent Unit We will take into account among other things your past performance and financial success of your existing Unit(s) In order to assist us in making such a determination, you must provide us, upon our request, the financial and other information regarding your existing Unit(s) and the proposed Subsequent Unit Our approval, however, is not deemed to be a warranty of your financial or other ability to develop and operate the proposed Subsequent Unit

VI ASSIGNABILITY

A **By You** We have granted these development rights in reliance upon our perception of the individual and collective character, skill attitude, and business and marketing abilities of you and your owners Therefore there can be no transfer of any interest in this Agreement, or you, without our prior written consent Any consent by us will not operate as a consent to any future such transfer, and no future such transfer will be valid without our prior written consent to that specific transfer Any attempted transfer in violation of this paragraph is voidable at our option We will not unreasonably withhold our consent to such a transfer, provided that the following conditions are satisfied

(a) You have performed the obligations and duties under this Agreement and any other agreements between you and us, including all development obligations hereunder and

(b) You must pay us all amounts you owe to us and our affiliates under this Agreement and all other agreements between you and us, and

(c) You must pay a non-refundable transfer fee in the amount of Twenty-Five Thousand Dollars ($25,000) for each undeveloped Subsequent Unit

(d) You and all of your officers, directors shareholders (as well as guarantors under this Agreement) will execute a general release (in the form approved by us) of any

and all claims which you have or may have against us and our affiliates and our respective officers, directors, employees and agents arising out of the franchise relationship, to the extent permitted by applicable law, and

(e) The proposed transferee meets our established standards for new area developers (including experience, character, skill, aptitude, business ability, and financial capability), is of good moral character, has a good credit rating and sufficient financial resources to operate the business and

(f) The proposed transferee and/or the transferee's managers will successfully complete and pass the training course then in effect for our franchisees and area developers or otherwise demonstrate to our satisfaction, sufficient ability to operate and manage the Units and perform the obligations of this Agreement, and

(g) The proposed transferee assumes all of your obligations and liabilities (however, such assumption will not relieve you of any such obligations and liabilities) and the shareholders owners members and partners of the transferee execute a Guarantee in the form attached to this Agreement and

(h) The purchase price or terms of the sale are, in our judgment, economically feasible to the proposed transferee (however our approval is no assurance that the sale is on economically reasonable terms), and

(i) We may, in our absolute discretion, require that the transfer include the transfer of all of the undeveloped Subsequent Units

B **By Us** This Agreement is fully assignable, in whole or in part, by us, without your consent Upon our assignment, we are relieved of all liability under this Agreement and all rights and obligations will accrue to our successor or assignee

C **No Subfranchising** You must not offer sell or negotiate the sale of Sky Zone Indoor Trampoline Park franchises to any third party either in your name or on our behalf or otherwise subfranchise, share, divide or partition this Agreement and nothing in this Agreement will be construed as granting you the right to do so

VII DEFAULT AND TERMINATION

A **Default by You** Upon written notice to you, we may terminate this Agreement for cause but without providing you an opportunity to cure, in the event of any material breach of this Agreement by you Material breach as used in this Section VII will include, among other things, the following

(a) Any attempt by you to sell assign, transfer or encumber, in whole or in part, any or all rights and obligations under this Agreement or in you, in violation of the terms of this Agreement or without the written consents required pursuant to this Agreement,

(b) Your failure to develop each of the Units within the Development Schedule set forth in this Agreement

(c) Your bankruptcy, insolvency or general assignment for the benefit of creditors,

(d) Any material breach by you or your affiliate of any Franchise Agreement between you or your affiliates and us which is not cure within the applicable cure period in that Franchise Agreement or

(e) You or your owners commit or are convicted of a felony or crime of moral turpitude or fraud which we believe may adversely affect the System or goodwill associated with the Marks

B **Rights on Termination, Expiration or Assignment** Upon expiration, assignment or termination, for any reason of this Agreement, all of your rights regarding the Development Area will cease and any remaining rights you may have to open any Subsequent Unit will cease We will be entitled to establish, or to license others to establish Sky Zone Indoor Trampoline Parks using the Intellectual Property and System in the Development Area, subject to the provisions in any existing, non-terminated Franchise Agreement you or your affiliates have with us relating to the Assigned Territory defined in that Franchise Agreement You will continue to operate the Park(s) defined in and according to such existing, non-terminated Franchise Agreement(s) A default and termination under this agreement does not constitute a default and termination under any Franchise Agreement between you or your affiliate and us

VIII ARBITRATION

A Except as provided elsewhere in this Agreement all controversies, disputes or claims between us and you arising from this Agreement will be submitted to binding arbitration conducted in the St Louis Missouri Metropolitan Area (unless the parties mutually agree otherwise) The arbitration proceeding will be conducted in accordance with the then-current commercial arbitration rules of the American Arbitration Association ("AAA Rules'), except to the extent the AAA Rules differ from the terms of this Agreement in which event the terms of this Agreement will apply For purposes of this paragraph, if any dispute that names, involves or includes us, you, the guarantors of any Franchise Agreement you enter into pursuant to a Unit developed under this Agreement or any of their respective affiliates, officers directors agents brokers or employees such persons or entities will also be included in and made party to the arbitration proceeding

B The arbitrator will have the right to award or include in his award any relief which he deems proper in the circumstances, including money damages (with interest on unpaid amounts from date due) specific performance injunctive relief and attorneys fees and costs however, the arbitrator will not be allowed to award or include in his award any punitive exemplary, or consequential damages, to which the parties waive any right The award and decision of the arbitrator will be conclusive and binding upon all parties, and judgment upon the award may be entered in any court of competent jurisdiction Each party waives any right to contest the validity or enforceability of the award of an arbitrator under this Section VIII An arbitration award or decision entered in any other case (whether or not we were a party) will not be binding on us in any other dispute, will have no precedential value and cannot be used as evidence in any other proceeding

C The arbitrator will apply the provisions of any applicable statute of limitations In connection with any arbitration proceeding, we and you will submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates Any of these compulsory claims which are not submitted or filed in the same proceeding in which they relate will be barred This provision will continue in full force

and effect subsequent to and notwithstanding the transfer, termination or expiration of this Agreement Except as provided in Section VIII A above, the arbitration will be conducted on an individual not a class-wide basis None of the parties to the arbitration will be entitled to consolidation of the arbitration proceedings with the proceedings of any third party, nor will the arbitrator or any court be empowered to order a consolidation of proceedings with any third party

D Notwithstanding the foregoing, the obligation of this Section VIII to arbitrate will not be binding with respect to claims relating to our trademarks, service marks, patents, or copyrights claims relating to any lease or sublease of any real property between the parties or their affiliated entities or requests by either party for temporary restraining orders, preliminary injunctions permanent injunctions or other proceedings in a court of competent jurisdiction to obtain interim or permanent relief when deemed necessary by such court to preserve the *status quo* or prevent irreparable injury pending resolution by arbitration of the actual dispute between the parties

IX MISCELLANEOUS

A **Notices** All notices required under this Agreement will be in writing and will be given (i) if hand delivered on the day of delivery, (ii) three (3) business days after placement in the United States Mail by registered or certified mail, postage prepaid, or (iii) the day after placement with a courier guaranteeing overnight delivery addressed to the address listed on the signature page of this Agreement or at such other address as either party will specify in a notice to the other party

B **Severability** If any provision of this Agreement is considered to be invalid or inoperative for any reason, that part will be deemed modified to the extent necessary to make it valid and operative, or if it cannot be modified, then severed, and the remainder of the Agreement will continue in effect as if the Agreement had been signed with the invalid portion modified or eliminated

C **Non-Waiver** Neither party's waiver of a breach or default by the other nor delay or failure to exercise any right upon breach or default, nor acceptance of any payment, will be deemed a waiver nor will it impair rights for other breaches or defaults of the same or a different kind The description of any breach or default in any notice will not prevent the assertion of other defaults or breaches We may waive any one or more of the requirements imposed under this Agreement for the benefit of any particular franchisee or any particular Unit but the waiver in favor of any other franchisee or Unit will not prevent us from enforcing the requirements against you, all other franchisees and all other Units

D **Remedies** The remedies available to us are non-exclusive and nothing stated in this Agreement will act to prevent our pursuit of any other rights or remedies arising due to termination of this Agreement which may otherwise become available to us in law or equity In no event will either party be liable to the other party for prospective profits or special indirect punitive or consequential damages for any conduct arising out of this Agreement or our relationship with you

E **Attorney's Fees** If any civil action arbitration or other legal proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, the successful or prevailing party or parties will be entitled to recover from the other party or parties, reasonable attorneys' fees taxes court costs and all other expenses even if not taxable as court costs in addition to any other relief to which such party or parties may be entitled

F **Guarantees Of Shareholders, Partners Or Members** If you are a corporation, partnership or limited liability company, all shareholders partners or members (and their shareholders,

partners or members if they are an entity) will guarantee this Agreement, and each Franchise Agreement for a Unit The execution and performance of this Agreement by you does not violate or constitute a breach of the terms of any other agreement or commitment to which you are a party

G **Choice Of Law** Except to the extent that this Agreement or any particular dispute is governed by the U S Trademark Act of 1946 (Lanham Act, 115 U S C 1051), this Agreement will be governed to the extent permissible, by the laws of the State of Missouri without regard to the principles of conflict of laws If, however any provision of this Agreement would not be enforceable under the laws of Missouri, and if the Development Area is located outside of Missouri and the provision would be enforceable under the laws of the state in which the Development Area is located then the provision in question (and only that provision) will be interpreted and construed under the laws of the state where the Development Area is located The Federal Arbitration Act governs all matters relating to arbitration We may institute any action arising out of or relating to this Agreement in any state or federal court of general jurisdiction in the State of Missouri, and you and your guarantors irrevocably submit to this jurisdiction and waive any objection to the application of Missouri law or to the jurisdiction or venue in those Missouri courts If you institute any action arising out of or relating to this Agreement which is not subject to arbitration, such suit must be brought in the Circuit Court of St Louis County, Missouri unless said court will not accept jurisdiction over the case

The provisions of this Agreement which conflict with any applicable law will (only to the extent not in accordance with applicable law) be ineffective, and instead we will comply with the applicable law respecting each of these matters If a state regulator requires an amendment to this Agreement, the amendment is attached to this Agreement in a State Law Addenda as Attachment C We are not however, precluded from contesting the validity enforceability, or applicability of any state laws or regulations in any action relating to this Agreement or to its rescission or termination

H **Non-Liability Of Our Affiliates** We are the only entity obligated to you under this Agreement You may not look to any of our affiliates or related companies, other business entities or individuals for performance of this Agreement

I **Construction Of Language** The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party All words in this Agreement refer to whatever number or gender the context requires, if more than one party or person is referred to as you, their obligations and liabilities will be joint and several Headings are for reference purposes and do not control interpretation For purposes of this Agreement, the terms "Intellectual Property' and System' will have the same meanings as are contained for those terms in the Franchise Agreement attached as Attachment A

J **Entire Agreement** This Agreement including all Attachments attached constitutes the entire, full and complete agreement between the parties concerning the subject matter hereof, and supersedes any and all prior agreements provided, however, that nothing in this or any related agreement is intended to disclaim the representations we made in the franchise disclosure document that was furnished to you in connection with our offer to grant you a franchise to develop the Units No amendment or modification to this Agreement will be binding on either party unless written and fully executed

X INDEPENDENT CONTRACTOR/INDEMNIFICATION

A **Independent Contractor** We and you are independent contractors, and no partnership fiduciary joint venture or employment relationship exists between you and us You will conspicuously identify yourself in all dealings with the public as an independently owned business Neither we nor you will make any agreements or representations in the name of or on behalf of the other that their relationship

is other than franchisor and franchisee Without limiting the foregoing, you acknowledge that we have no responsibility to ensure that the Units are developed and operated in compliance with all applicable laws, ordinance and regulations and that we shall have no liability in the event the development or operation of the Units violates any law ordinance or regulation Neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed to state or imply that we are the employer of your employees and/or independent contractors nor vice versa In all public records, in relationships with other persons, and on letterhead and business forms, you must indicate independent ownership of the Units and that you are solely a franchisee of ours

B **Indemnification** Under no circumstances will we be liable for any act, omission, debt, or other obligation of yours To the fullest extent permitted by law you (for yourself and your employees, agents, subcontractors, successors and assigns) agree, at your sole cost and expense, to indemnify defend and hold harmless, and to reimburse us on demand and all of the entities related to us and ours and their respective directors, officers, members, employees agents, managers, partners attorneys, licensees, affiliates successors and assigns ("**Indemnified Parties**) for and against any and all damages losses liabilities, bodily injury, property damage, obligations, penalties, fines, claims, litigation, demands, defenses, judgments suit proceedings, administrative orders, consent agreements, costs, disbursements or expenses of any kind or any nature whatsoever, including without limitation, reasonable attorneys' and expert fees and disbursements arising out of or related to or in any way arising out of the acts or omissions of yours or your employees, agents, officers, directors, parents subsidiaries, affiliates successors and assigns ("**Indemnitors**") arising out of or related to (i) any act or omission, negligent or otherwise, of the Indemnitors or anyone directly or indirectly employed by them or anyone whose acts they may be liable relative to the business contemplated herein, (ii) any breach by the Indemnitors or any term or provision of this Agreement, (iii) the cost including, but not limited to reasonable attorney's fees of enforcing this indemnification provision and (iv) any labor and employment violations, or joint employer violation claims The obligations of Indemnitors are joint and several

This indemnification must not be construed to indemnify an Indemnified Party to the extent such indemnification is prohibited by law, including, an indemnification of any Indemnified Party from its own negligence if prohibited by law To the extent indemnification of any party hereunder would be prohibited by law, this provision will not apply to such party, but will continue to be effective as to all other parties with respect to whom indemnification is not prohibited by applicable law

This indemnification must not be construed to indemnify an Indemnified Party to the extent such indemnification is prohibited by law including, an indemnification of any Indemnified Party from its own negligence, if prohibited by law To the extent indemnification of any party hereunder would be prohibited by law, this provision will not apply to such party, but will continue to be effective as to all other parties with respect to whom indemnification is not prohibited by applicable law You agree that with respect to any threatened or actual litigation, proceeding or dispute which could directly or indirectly affect any of the Indemnified Parties the Indemnified Parties shall have the right, but not the obligation to (i) choose counsel (ii) direct manage and/or control the handling of the matter, and (iii) settle on behalf of the Indemnified Parties and/or your behalf, any claim against the Indemnified Parties at their sole option Such right to defense and indemnification will exist even if joint claims are brought, or if joint liability is imposed on us by law All vouchers, canceled checks receipts receipted bills or other evidence of payments for any such losses, liabilities costs, damages, charges or expenses of whatsoever nature incurred by any Indemnified Parties shall be taken as prima facie evidence of your obligation hereunder

XI REPRESENTATIONS AND ACKNOWLEDGMENTS/CAVEAT

A NO PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE US EXCEPT AN AUTHORIZED OFFICER OF OURS BY A WRITTEN DOCUMENT NO REPRESENTATIONS AS TO PROJECTIONS, FINANCIAL PERFORMANCE REPRESENTATIONS, POTENTIAL SUCCESS, FUTURE PROFITS, PROMISES, GUARANTEES OR WARRANTIES OF ANY KIND ARE AUTHORIZED TO BE MADE BY US OR OUR AFFILIATES OR REPRESENTATIVES

B YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED, READ AND UNDERSTAND THIS AGREEMENT AND ITS ATTACHMENTS, THAT YOU HAVE HAD AN OPPORTUNITY TO ASK US ALL QUESTIONS RELATING TO THIS AGREEMENT AND THE SYSTEM, AND THAT WE HAVE ANSWERED ALL YOUR QUESTIONS TO YOUR SATISFACTION

C THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED TO BE UNDERTAKEN BY YOU IS SPECULATIVE AND DEPENDS TO A LARGE EXTENT, UPON YOUR ABILITY AND EFFORTS WE DO NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE POTENTIAL SUCCESS OF THIS BUSINESS VENTURE YOU REPRESENT AND ACKNOWLEDGE THAT YOU HAVE MADE AN INDEPENDENT INVESTIGATION OF US AND OUR OPERATIONS AND YOU ACKNOWLEDGE THAT YOU HAVE ENTERED INTO THIS AGREEMENT SOLELY IN RELIANCE UPON SUCH INDEPENDENT INVESTIGATION

D YOU REPRESENT THAT YOUR SIGNATURE ON AND PERFORMANCE OF THIS AGREEMENT DOES NOT VIOLATE OR CONSTITUTE A BREACH OF THE TERMS OF ANY OTHER AGREEMENT OR COMMITMENT TO WHICH YOU, YOUR GUARANTORS OR ANY OF YOUR AFFILIATES ARE A PARTY

E UNDER APPLICABLE U S LAW INCLUDING WITHOUT LIMITATION EXECUTIVE ORDER 1224, SIGNED ON SEPTEMBER 23 2001 (THE 'ORDER"), WE ARE PROHIBITED FROM ENGAGING IN ANY TRANSACTION WITH ANY PERSON ENGAGE IN, OR WITH A PERSON AIDING ANY PERSON ENGAGED IN ACTS OF TERRORISM AS DEFINED IN THE ORDER ACCORDINGLY, YOU DO NOT, AND HEREAFTER WILL NOT ENGAGE IN ANY TERRORIST ACTIVITY IN ADDITION, YOU ARE NOT AFFILIATED WITH AND DO NOT SUPPORT ANY INDIVIDUAL OR ENTITY ENGAGED IN, CONTEMPLATING OR SUPPORTING TERRORIST ACTIVITY FINALLY, YOU ARE NOT ACQUIRING THE RIGHTS GRANTED UNDER THIS AGREEMENT WITH THE INTENT TO GENERATE FUNDS TO CHANNEL TO ANY INDIVIDUAL OR ENTITY ENGAGED IN CONTEMPLATING, OR SUPPORTING TERRORIST ACTIVITY OR TO OTHERWISE SUPPORT OR FURTHER ANY TERRORIST ACTIVITY

F YOU UNDERSTAND AND AGREE THAT WE HAVE NO OBLIGATION TO ACCEPT YOUR APPLICATION AND MAY REFUSE TO GRANT DEVELOPMENT RIGHTS FOR ANY REASON OR NO REASON, WITHOUT DISCLOSING THE BASIS FOR OUR DECISION YOU ACKNOWLEDGE THAT UNLESS AND UNTIL YOU AND WE SIGN THIS AGREEMENT YOU ARE NOT AN AREA DEVELOPER OF OURS AND MAY NOT RELY UPON BECOMING AN AREA DEVELOPER OF OURS

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES

SKY ZONE FRANCHISE GROUP, LLC

By _____

Address

1201 West Fifth Street Suite T-340
Los Angeles, California 90017

_____

By _____

Address

_____
_____

GUARANTEE

As an inducement to SKY ZONE FRANCHISE GROUP LLC ('we," "us" or "our") to enter into an Area Development Agreement ("Agreement') with _____ ("you" or "your") which was signed simultaneously with this Guarantee, each of the undersigned ("Guarantor") jointly and severally and personally and unconditionally (a) guarantees to us and our successor and assigns, for the term of the Agreement and as provided in the Agreement, that you must punctually pay and perform each and every undertaking agreement and covenant set forth in the Agreement and (b) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities Each undersigned agrees to be personally and unconditionally bound by each and every undertaking agreement and covenant set forth in the Agreement, including but not limited to the indemnification, consequences of termination expiration or transfer and transfer provisions to the same extent as and for the same period of time as you are required to comply with and abide by such covenants and provisions All of the foregoing obligations of the undersigned shall survive any expiration or termination of the Agreement or this Guarantee

Your obligations are direct and may be enforced immediately without our being required to resort to any other right, remedy or security This Guarantee will be enforceable immediately against any and all of the Guarantors, without the necessity for any suit or proceedings on our part against you, and without the necessity of any notice of any default or of any notice of acceptance of this Guarantee or of our intention to act in reliance or of any other notice or demand to which Guarantors might otherwise be entitled, all of which Guarantors expressly waive

The validity of this Guarantee and the obligations of Guarantors under this Guarantee will in no manner be terminated, affected, or impaired by reason of the assertion or the failure to assert by us against you of any of the rights or remedies reserved to us according to the provisions of the Agreement

This Guarantee is absolute, unconditional and irrevocable

This Guarantee is a continuing guarantee and (whether or not Guarantors will have notice or knowledge of any of the following), the liability and obligations of Guarantors under this Guarantee will be absolute and unconditional irrespective of

(a) any modification of, or supplement to or extension or renewal of the Agreement or any assignment, sale, or transfer of that Agreement

(b) any exercise or non-exercise of any right power, remedy or privilege under or in respect of the Agreement or this Guarantee or any waiver consent or approval by us with respect to any of the covenants, terms conditions or agreements contained in the Agreement or this Guarantee or any indulgences, forbearance or extensions of time for performance or observance allowed to you or any Guarantor from time to time, at any time, and for any length of time,

(c) any bankruptcy insolvency reorganization arrangement, readjustment, composition or liquidation or similar proceedings relating to you or your properties or creditors or to any Guarantor or such Guarantor's properties or creditors

(d) any impairment, modification change, release or limitation of liability or obligation of you under the Agreement or any Guarantor under this Guarantee (including, but not limited to, any disaffirmance or abandonment by your or such Guarantor's trustee) resulting from the operation of any

present or future provision of the Bankruptcy Reform Act of 1978, as amended, or any other similar federal or state statute, or from the decisions of any court, or

(e) any other circumstances which might otherwise constitute a defense available to, or a discharge of you in respect of the Agreement or any Guarantor in respect of this Guarantee

If we or any of our Affiliates are required to enforce this Guarantee in any judicial proceeding or appeal thereof, the Guarantors must reimburse us and our Affiliates for its costs and expenses, including, but not limited to, reasonable accountants' attorneys' attorney assistants', and expert witness fees costs of investigation and proof of facts court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guarantee

The undersigned Guarantors also recognize that certain disputes relating to the Agreement are to be resolved by arbitration and hereby consent to such arbitration in accordance with the terms of the Agreement Further, undersigned Guarantors also hereby consents to the applicability of the venue and jurisdiction provision in the Agreement to this Guarantee

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES

IN WITNESS WHEREOF each of the undersigned has hereunto affixed their signatures on the same day and year as the Agreement was executed

Print Name _____
Signature _____
Address _____
_____

Print Name _____
Signature _____
Address _____
_____

Print Name _____
Signature _____
Address _____
_____

Print Name _____
Signature _____
Address _____
_____

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ATTACHMENT A (ADA)

FORM OF FRANCHISE AGREFMENT

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ATTACHMENT B (ADA)

DEVELOPMENT AREA, DEVELOPMENT FEE, DEVELOPMENT SCHEDULE AND EXPIRATION DATE

Development Area

The Development Area is

_____

_____

_____

Development Fee

Number of Units _____

Amount of Development Fee _____

Development Schedule

Unit Number	Date Franchise Agreement Must Be Executed	Date Unit Must be Open and Operational

Expiration Date

The expiration date of this Agreement shall be _____

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Franchise Disclosure Document (2017

ATTACHMENT C (ADA)

STATE LAW ADDENDA TO ADA

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STATE LAW ADDENDUM - 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 "

Notwithstanding anything contained in the foregoing Franchise Agreement, Area Development Agreement and Franchise Disclosure Document ("FDD") to the contrary, the following provisions of the California Investment Law shall apply to any franchise or franchisee located in the State of California, which shall control to the extent of any inconsistency

Item 3 of the FDD

Neither we, nor any person or franchise broker in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 78a et seq suspending or expelling such persons from membership in such association or exchange

FDD Cover Sheet, Item 5, Item 6, Item 7 and Item 8 of the FDD and Section XII A of the Franchise Agreement

Notwithstanding the requirements of the FDD Cover Sheet, Item 5, 6, 7 and 8 of the FDD and Section XII A of the Franchise Agreement, due to the imposition of the financial assurances set forth above you may be required to purchase products such as Playing Fields equipment and materials, balls, stickers, and SkySocks directly from the vendors instead of from us or our affiliates until you open the Park for business Thereafter you will again be required to purchase these items from us or our affiliates

Item 17 of the FDD

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 law the law will control

The Franchise Agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A Sec 101 et seq)

The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the franchise These provisions may not be enforceable under California law

Section 31125 of the California Corporations Code requires us to give you a disclosure document in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise

The Franchise Agreement requires application of the law of Missouri This provision may not be enforceable under California law

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)

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT, ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www dbo ca gov

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

The Franchise Agreement and Area Development Agreement may limit franchisee s rights and may not be enforceable including, but not limited to a class action waiver, jury trial waiver limitation of time to bring claims and punitive damages waiver

Other Provisions Unaffected All other terms and provisions contained in the Franchise Agreement and Franchise Disclosure Document shall remain in full force and effect, except to the extent specifically modified herein

Dated on the day of _____, 20__

SKY ZONE FRANCHISE GROUP, LLC

By _____

FRANCHISEE

By _____

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STATE LAW ADDENDUM - ILLINOIS

Notwithstanding anything contained in the foregoing Franchise Agreement, Area Development Agreement and Franchise Disclosure Document to the contrary, the following provisions of the Illinois Franchise Disclosure Act ("Act") shall apply to any franchise located in the State of Illinois, which shall control to the extent of any inconsistency

Item 17v and 17 w of the FDD, Section IX G of the Area Development Agreement and Section XVII G of the Franchise Agreement Choice of Law and Choice of Forum shall be Illinois Any provision in the Franchise Agreement, including but not limited to Section XVIII G, which designate choice of law, jurisdiction or venue in a forum outside the State of Illinois is void

Termination or Nonrenewal Franchise The Illinois Franchise Disclosure Act provides rights to you concerning nonrenewal and termination of the Franchise Agreement If the Franchise Agreement contains a provision that is inconsistent with the Act the Act will control

Participation in Trade Associations Franchisor will not in any way restrict any Franchisee from joining or participating in any trade association

Waiver 815 ILCS 705/41 provides that the rights provided by the Illinois Franchise Disclosure Act of 1987 (the "Act") along with other laws of the State of Illinois may not be waived Consequently any release of claims or acknowledgements of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act or any other law of the State of Illinois shall be void and hereby deleted with respect to claims under the Act or any other law of the State of Illinois

Waiver of Jury Trial Section XVII P of the Franchise Agreement may not be enforceable under Illinois law

Periods of Limitation Section XVII P(4) of the Franchise Agreement is amended to comply with Section 27 of the Act to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee, or your operation of the Franchise brought by you against us shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after you become aware of the facts or circumstances indicating you may have a claim for relief, or 90 days after delivery to you of a written notice disclosing the violation or such claim or action will be barred

Other Provisions Unaffected All other terms and provisions contained in the Franchise Agreement shall remain in full force and effect, except to the extent specifically modified herein

Sky Zone Franchise Group LLC,
By _____

Franchisee_____
By _____

Date _____

Date _____

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Franchise Disclosure Document (2017

STATE ADDENDUM FOR THE STATE OF INDIANA

1 To be added to Item 3 of the Disclosure Document, is the following statement

There are presently no arbitration proceedings to which the Franchisor is a party

2 Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2 7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory

3 Item 17 is amended to state that this is subject to Indiana Code 23-2-2 7-1 (10)

4 Under Indiana Code 23-2-2 7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests This amends Article XVII of the Franchise Agreement and Article IX of the Area Development Agreement

5 Under Indiana Code 23-2-2 7-1 (10), franchisee may not agree to waive any claims or rights

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20___

ATTEST

_____
Witness

SKY ZONE FRANCHISE GROUP, LLC

By _____
Name _____
Title _____

FRANCHISEE

_____
Witness

_____

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STATE LAW ADDENDUM - MARYLAND

REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for Sky Zone Franchise Group LLC for the State of Maryland for Sky Zone Franchise Group LLC's Franchise Disclosure Document and for its Franchise and Area Development Agreements The amendments to the Franchise and Area Development Agreements included in this addendum have been agreed to by the parties

1 The provision contained in the termination sections of the Franchise and Area Development Agreements may not be enforceable under federal bankruptcy law (11 U S C Section 101 et seq)

2 Item 11 of the Franchise Disclosure Document shall be amended to state that a franchisee may obtain an accounting of the advertising fund as required by the Maryland Franchise Registration and Disclosure Law, by requesting same in a written request to Franchisor

3 Item 17 of the Franchise Disclosure Document shall be amended at the sections dealing with the issuance of general releases to the effect that the general release required as a condition of renewal and/or assignment/transfer are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law The appropriate sections of the Franchise Agreement and Area Development Agreement are hereby deemed to be amended accordingly

4 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 Any disclaimer regarding the occurrence and/or acknowledgment of the non-occurrence of acts that would constitute a violation of the Franchise Law in order to purchase the franchise are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law The appropriate sections of the Franchise Agreement and Area Development Agreement and Franchisee Disclosure Acknowledgement Statement are amended to comply with this provision

5 Item 17 of the Franchise Disclosure Document and the appropriate sections of the Franchise Agreement and Area Development Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise

6 Item 17 of the Franchise Disclosure Document is hereby amended to state that the Franchise Agreement and Area Development Agreement require binding arbitration, the site of which is in the state of Missouri, the costs of which are borne by the parties equally and any issues not decided by arbitration may be brought in a court of competent jurisdiction The law of the State of Missouri governs the arbitration However, pursuant to the Maryland Franchise Registration and Disclosure Law, a franchisee is permitted to enter into litigation with the franchisor in the State of Maryland, regardless of the language in the Franchise Agreement and Area Development Agreement

IN WITNESS WHEREOF the parties hereto have duly executed sealed and delivered this Addendum dated this _____ day of _____ 20___

ATTEST SKY ZONE FRANCHISE GROUP, LLC

_____ By _____

©2017 Sky Zone Franchise Group LLC

Witness

Name _____
Title _____

FRANCHISEE

_____

Witness

_____

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Franchise Disclosure Document (2017)

STATE LAW ADDENDUM - MINNESOTA

Notwithstanding anything contained in the foregoing Franchise Agreement, Area Development Agreement and Franchise Disclosure Document ('FDD') to the contrary, the following provisions of the Minnesota Franchise Act shall apply to any franchise or franchisee located in the State of Minnesota, which shall control to the extent of any inconsistency

1 The following paragraph is added to Section IX B of the Franchise Agreement and Item 13 of the FDD

FRANCHISOR agrees to protect FRANCHISEE against claims of infringement or unfair competition with respect to FRANCHISEE'S authorized use of the Marks when, in the opinion of counsel to FRANCHISOR, FRANCHISEE'S rights granted therein warrant protection

2 Section XVIII G of the Franchise Agreement, IX G of the Area Development Agreement, the State Cover Sheet and Item 17v and 17w of the FDD are modified to provide the following Minn Stat §§80C 21 and Minn Rule 2860 4400J prohibit FRANCHISOR from requiring litigation to be conducted outside Minnesota In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of FRANCHISEE S rights as provided for in Minnesota Statutes, Chapter 80C or FRANCHISEE S rights to any procedure, forum or remedies provided for by the law of Minnesota

3 Sections IV B and XII A of the Franchise Agreement and Item 17 of the FDD are hereby modified to provide the following With respect to franchises governed by Minnesota law, FRANCHISOR will comply with Minn Stat Sect 80C 14 subds 3 4 and 5 which require, except in certain specified cases that FRANCHISEE will be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement

4 Sections IV B and XV B of the Franchise Agreement and 17 b and 17 m of the FDD are hereby modified as follows Any release executed in connection herewith will not apply to any claims that may arise under the Minnesota Franchise Act

5 Sections XVIII G and Q of the Franchise Agreement and 17b, 17 v and 17 w of the FDD are hereby modified to the extent required by the follows

"Minnesota Statues, Section 80C 21 and Minnesota Rule 2860 4400 (J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota requiring waiver of jury trail, 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 franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or franchisee's rights to any procedure forum or remedies provided for by the laws of the jurisdiction

6 Other Provisions Unaffected All other terms and provisions contained in the Franchise Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein

Dated on the _____ day of _____ 20___

Sky Zone Franchise Group, LLC

By _____

FRANCHISEE

By _____
Name _____
Title _____

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STATE LAW ADDENDUM - NEW YORK

REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself

3 LITIGATION

Neither the Franchisor, its Predecessor nor any person listed under Item 2 or an affiliate offering franchises under Franchisor's principal trademark

(A) has an administrative, criminal or civil action pending against that person alleging a felony, a violation of a franchise antitrust or securities law, fraud, embezzlement, fraudulent conversion misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations

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

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

4 BANKRUPTCY

Neither the Franchisor its affiliate, its predecessor, officers or general partner during the ten year period immediately before the date of the disclosure document (a) filed as debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code (or any comparable foreign law), (b) obtained a discharge of its debts under the bankruptcy code or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code or that obtained a discharge of its debts under the U S Bankruptcy Code during or within one year after the officer or general partner of the Franchisor held this position in the company or partnership

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20___

ATTEST

_____
Witness

SKY ZONE FRANCHISE GROUP, LLC

By _____
Name _____
Title _____

FRANCHISEE

_____
Witness

_____

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Franchise Disclosure Document (2017)

STATE LAW ADDENDUM - NORTH DAKOTA

DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Area Development Agreement effectively amends and revises said documents as follows

1 Item 17(c) of the Disclosure Document and Articles III and XIV of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release

2 Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law Item 17(r) of the Disclosure Document and Article X of the Franchise Agreement are amended accordingly

3 Item 17(u) of the Disclosure Document, Article XVI of the Franchise Agreement and Article VIII of the Area Development Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties

4 Item 17(v) of the Disclosure Document and the provisions of Article XVII of the Franchise Agreement and Article IX of the Area Development Agreement which require jurisdiction of courts in the State of Missouri are deleted

5 Item 17(w) of the Disclosure Document Article XVII of the Franchise Agreement and Article IX of the Area Development Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota

6 Apart from civil liability as set forth in Section 51-19-12 N D C C , which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law

7 The provisions of Article XVII of the Franchise Agreement and Article IX of the Area Development Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted

8 The provisions of Article XVII of the Franchise Agreement and Article IX of the Area Development Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____ 20___

ATTEST

_____
Witness

SKY ZONE FRANCHISE GROUP LLC

By _____
Name _____
Title _____

FRANCHISEE

Witness

STATE LAW ADDENDUM - RHODE ISLAND

DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself

Section 19-28 1-14 of the Rhode Island Franchise Investment Act provides that

> "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act "

IN WITNESS WHEREOF the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20___

ATTEST

SKY ZONE FRANCHISE GROUP, LLC

_____
Witness

By _____
Name _____
Title _____

FRANCHISEE

_____
Witness

_____

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STATE LAW ADDENDUM
TO THE AREA DEVELOPMENT AGREEMENT - WASHINGTON

The State of Washington has a statute, RCW 19 100 180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____ 20___

ATTEST

_____
Witness

SKY ZONE FRANCHISE GROUP, LLC

By _____
Name _____
Title _____

FRANCHISEE

_____

_____
Witness

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EXHIBIT C TO THE DISCLOSURE DOCUMENT
STATE LAW ADDENDA TO FDD

STATE LAW ADDENDUM - 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 "

Notwithstanding anything contained in the foregoing Franchise Agreement, Area Development Agreement and Franchise Disclosure Document (' FDD") to the contrary, the following provisions of the California Investment Law shall apply to any franchise or franchisee located in the State of California, which shall control to the extent of any inconsistency

Item 3 of the FDD

Neither we nor any person or franchise broker in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 78a et seq suspending or expelling such persons from membership in such association or exchange

FDD Cover Sheet, Item 5, Item 6, Item 7 and Item 8 of the FDD and Section XII A of the Franchise Agreement

Notwithstanding the requirements of the FDD Cover Sheet, Item 5, 6, 7 and 8 of the FDD and Section XII A of the Franchise Agreement, due to the imposition of the financial assurances set forth above, you may be required to purchase products such as Playing Fields equipment and materials, balls, stickers, and SkySocks directly from the vendors instead of from us or our affiliates until you open the Park for business Thereafter you will again be required to purchase these items from us or our affiliates

Item 17 of the FDD

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 law, the law will control

The Franchise Agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A Sec 101 et seq)

The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the franchise These provisions may not be enforceable under California law

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise

The Franchise Agreement requires application of the law of Missouri This provision may not be enforceable under California law

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)

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www dbo ca gov

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

The Franchise Agreement and Area Development Agreement may limit franchisee's rights and may not be enforceable including but not limited to a class action waiver, jury trial waiver, limitation of time to bring claims and punitive damages waiver

Exhibit I to the Franchise Disclosure Document - Sample Copy of Letter Agreement - shall not apply to franchise sales in the state of California

Other Provisions Unaffected All other terms and provisions contained in the Franchise Agreement and Franchise Disclosure Document shall remain in full force and effect, except to the extent specifically modified herein

Dated on the day of _____ 20__

SKY ZONE FRANCHISE GROUP, LLC

By _____

FRANCHISEE

By _____

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STATE LAW ADDENDUM - ILLINOIS

Notwithstanding anything contained in the foregoing Franchise Agreement, Area Development Agreement and Franchise Disclosure Document to the contrary, the following provisions of the Illinois Franchise Disclosure Act ("Act") shall apply to any franchise located in the State of Illinois, which shall control to the extent of any inconsistency

Item 17v and 17 w of the FDD, Section IX G of the Area Development Agreement and Section XVII G of the Franchise Agreement Choice of Law and Choice of Forum shall be Illinois Any provision in the Franchise Agreement, including but not limited to Section XVIII G, which designate choice of law, jurisdiction or venue in a forum outside the State of Illinois is void

Termination or Nonrenewal Franchise The Illinois Franchise Disclosure Act provides rights to you concerning nonrenewal and termination of the Franchise Agreement If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control

Participation in Trade Associations Franchisor will not in any way restrict any Franchisee from joining or participating in any trade association

Waiver 815 ILCS 705/41 provides that the rights provided by the Illinois Franchise Disclosure Act of 1987 (the "Act') along with other laws of the State of Illinois may not be waived Consequently, any release of claims or acknowledgements of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act or any other law of the State of Illinois shall be void and hereby deleted with respect to claims under the Act or any other law of the State of Illinois

Waiver of Jury Trial Section XVII P of the Franchise Agreement may not be enforceable under Illinois law

Periods of Limitation Section XVII P(4) of the Franchise Agreement is amended to comply with Section 27 of the Act to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee or your operation of the Franchise brought by you against us shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action within 1 year after you become aware of the facts or circumstances indicating you may have a claim for relief or 90 days after delivery to you of a written notice disclosing the violation or such claim or action will be barred

Other Provisions Unaffected All other terms and provisions contained in the Franchise Agreement shall remain in full force and effect, except to the extent specifically modified herein

Sky Zone Franchise Group LLC
By _____

Franchisee_____
By _____

Date _____

Date _____

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STATE ADDENDUM FOR THE STATE OF INDIANA

1 To be added to Item 3 of the Disclosure Document, is the following statement

There are presently no arbitration proceedings to which the Franchisor is a party

2 Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2 7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory

3 Item 17 is amended to state that this is subject to Indiana Code 23-2-2 7-1 (10)

4 Under Indiana Code 23-2-2 7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests This amends Article XVII of the Franchise Agreement and Article IX of the Area Development Agreement

5 Under Indiana Code 23-2-2 7-1 (10), franchisee may not agree to waive any claims or rights

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____ 20___

ATTEST

_____
Witness

SKY ZONE FRANCHISE GROUP, LLC

By _____
Name _____
Title _____

FRANCHISEE

_____
Witness

_____

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STATE LAW ADDENDUM - MARYLAND

REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for Sky Zone Franchise Group LLC for the State of Maryland for Sky Zone Franchise Group, LLC s Franchise Disclosure Document and for its Franchise and Area Development Agreements The amendments to the Franchise and Area Development Agreements included in this addendum have been agreed to by the parties

1 The provision contained in the termination sections of the Franchise and Area Development Agreements may not be enforceable under federal bankruptcy law (11 U S C Section 101 et seq)

2 Item 11 of the Franchise Disclosure Document shall be amended to state that a franchisee may obtain an accounting of the advertising fund as required by the Maryland Franchise Registration and Disclosure Law, by requesting same in a written request to Franchisor

3 Item 17 of the Franchise Disclosure Document shall be amended at the sections dealing with the issuance of general releases to the effect that the general release required as a condition of renewal and/or assignment/transfer are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law The appropriate sections of the Franchise Agreement and Area Development Agreement are hereby deemed to be amended accordingly

4 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 Any disclaimer regarding the occurrence and/or acknowledgment of the non-occurrence of acts that would constitute a violation of the Franchise Law in order to purchase the franchise are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law The appropriate sections of the Franchise Agreement and Area Development Agreement and Franchisee Disclosure Acknowledgement Statement are amended to comply with this provision

5 Item 17 of the Franchise Disclosure Document and the appropriate sections of the Franchise Agreement and Area Development Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise

6 Item 17 of the Franchise Disclosure Document is hereby amended to state that the Franchise Agreement and Area Development Agreement require binding arbitration the site of which is in the state of Missouri, the costs of which are borne by the parties equally and any issues not decided by arbitration may be brought in a court of competent jurisdiction The law of the State of Missouri governs the arbitration However pursuant to the Maryland Franchise Registration and Disclosure Law, a franchisee is permitted to enter into litigation with the franchisor in the State of Maryland regardless of the language in the Franchise Agreement and Area Development Agreement

IN WITNESS WHEREOF, the parties hereto have duly executed sealed and delivered this Addendum dated this _____ day of _____, 20___

ATTEST SKY ZONE FRANCHISE GROUP, LLC

_____ By _____

©2017 Sky Zone Franchise Group LLC

Witness

Name _____
Title _____

FRANCHISEE

_____

Witness

_____

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Franchise Disclosure Document (2017)

STATE LAW ADDENDUM - MINNESOTA

Notwithstanding anything contained in the foregoing Franchise Agreement, Area Development Agreement and Franchise Disclosure Document ('FDD") to the contrary the following provisions of the Minnesota Franchise Act shall apply to any franchise or franchisee located in the State of Minnesota, which shall control to the extent of any inconsistency

7 The following paragraph is added to Section IX B of the Franchise Agreement and Item 13 of the FDD

FRANCHISOR agrees to protect FRANCHISEE against claims of infringement or unfair competition with respect to FRANCHISEE'S authorized use of the Marks when, in the opinion of counsel to FRANCHISOR, FRANCHISEE'S rights granted therein warrant protection

8 Section XVIII G of the Franchise Agreement, IX G of the Area Development Agreement, the State Cover Sheet and Item 17v and 17w of the FDD are modified to provide the following Minn Stat §§80C 21 and Minn Rule 2860 4400J prohibit FRANCHISOR from requiring litigation to be conducted outside Minnesota In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of FRANCHISEE'S rights as provided for in Minnesota Statutes Chapter 80C or FRANCHISEE'S rights to any procedure, forum or remedies provided for by the law of Minnesota

9 Sections IV B and XII A of the Franchise Agreement and Item 17 of the FDD are hereby modified to provide the following With respect to franchises governed by Minnesota law, FRANCHISOR will comply with Minn Stat Sect 80C 14, subds 3, 4 and 5 which require except in certain specified cases that FRANCHISEE will be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement

10 Sections IV B and XV B of the Franchise Agreement and 17 b and 17 m of the FDD are hereby modified as follows Any release executed in connection herewith will not apply to any claims that may arise under the Minnesota Franchise Act

11 Sections XVIII G and Q of the Franchise Agreement and 17b, 17 v and 17 w of the FDD are hereby modified to the extent required by the follows

"Minnesota Statues, Section 80C 21 and Minnesota Rule 2860 4400 (J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of jury trail, 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 franchisee's rights as provided for in Minnesota Statutes Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction "

12 Other Provisions Unaffected All other terms and provisions contained in the Franchise Agreement and FDD shall remain in full force and effect except to the extent specifically modified herein

Dated on the _____ day of _____ 20___

Sky Zone Franchise Group LLC

By _____

FRANCHISEE

By _____
Name _____
Title _____

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Franchise Disclosure Document (2017)

STATE LAW ADDENDUM - NEW YORK

REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself

3 LITIGATION

Neither the Franchisor, its Predecessor nor any person listed under Item 2 or an affiliate offering franchises under Franchisor's principal trademark

(A) has an administrative criminal or civil action pending against that person alleging a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property unfair or deceptive practices, or comparable civil or misdemeanor allegations

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

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

4 BANKRUPTCY

Neither the Franchisor, its affiliate, its predecessor officers or general partner during the ten year period immediately before the date of the disclosure document (a) filed as debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code (or any comparable foreign law) (b) obtained a discharge of its debts under the bankruptcy code, or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code or that obtained a discharge of its debts under the U S Bankruptcy Code during or within one year after the officer or general partner of the Franchisor held this position in the company or partnership

IN WITNESS WHEREOF, the parties hereto have duly executed sealed and delivered this Addendum dated this _____ day of _____, 20___

ATTEST

SKY ZONE FRANCHISE GROUP, LLC

_____
Witness

By _____
Name _____
Title _____

FRANCHISEE

_____
Witness

_____

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STATE LAW ADDENDUM - NORTH DAKOTA

DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Area Development Agreement effectively amends and revises said documents as follows

1 Item 17(c) of the Disclosure Document and Articles III and XIV of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release

2 Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51 19-09 of the North Dakota Franchise Investment Law Item 17(r) of the Disclosure Document and Article X of the Franchise Agreement are amended accordingly

3 Item 17(u) of the Disclosure Document, Article XVI of the Franchise Agreement and Article VIII of the Area Development Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties

4 Item 17(v) of the Disclosure Document and the provisions of Article XVII of the Franchise Agreement and Article IX of the Area Development Agreement which require jurisdiction of courts in the State of Missouri are deleted

5 Item 17(w) of the Disclosure Document, Article XVII of the Franchise Agreement and Article IX of the Area Development Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota

6 Apart from civil liability as set forth in Section 51-19-12 N D C C , which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law Despite the fact that those provisions are not contained in the franchise investment law those provisions contain substantive rights intended to be afforded to North Dakota residents Therefore North Dakota franchisees will not be required to waive their rights under North Dakota law

7 The provisions of Article XVII of the Franchise Agreement and Article IX of the Area Development Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted

8 The provisions of Article XVII of the Franchise Agreement and Article IX of the Area Development Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20___

ATTEST

SKY ZONE FRANCHISE GROUP, LLC

_____
Witness

By _____
Name _____
Title _____

FRANCHISEE

_____
Witness

_____

STATE LAW ADDENDUM - RHODE ISLAND

DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself

Section 19-28 1 14 of the Rhode Island Franchise Investment Act provides that

> "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act '

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20___

ATTEST

SKY ZONE FRANCHISE GROUP, LLC

_____
Witness

By _____
Name _____
Title _____

FRANCHISEE

_____
Witness

_____

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Franchise Disclosure Document (2017)

STATE LAW ADDENDUM TO THE DISCLOSURE DOCUMENT- WASHINGTON

The State of Washington has a statute, RCW 19 100 180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise

In any arbitration involving a franchise purchased in Washington the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration or as determined by the arbitrator

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____ 20___

ATTEST

SKY ZONE FRANCHISE GROUP, LLC

_____
Witness

By _____
Name _____
Title _____

FRANCHISEE

_____
Witness

_____

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EXHIBIT E TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES
(as of December 31, 2016)

LIST OF FRANCHISEES

Franchisee	Phone	Address	City	State/Province	Zip Code
Kim Moore	989-596 0022	250 Magnum St	Florence	AL	35630
Matthew and Karla Frick	623 979 4000	9040 W Larkspur Dr Ste 134	Peoria	AZ	85381 6150
Jim Bellino	714 693 0250	1301 N Kellogg Dr	Anaheim	CA	92807 1935
David Ruiz	(951) 643–0099	4031 Flat Rock Dr	Riverside	CA	92505 5859
Hector Troncoso	619-754 9782	851 Showroom Pl	Chula Vista	CA	91914 3628
David Ruiz	626 986 0106	1314 N Azusa Ave	Covina	CA	91722 1249
David Ruiz	(818) 946–0082	7741 Hayvenhurst Ave	Van Nuys	CA	91406 1730
Jim Bellino	619-431-3700	860 Los Vallecitos Blvd	San Marcos	CA	92069-1414
Godfred Otuteye	805 804 9555	2825 Johnson Drive	Ventura	CA	93003
Johnnie Hernandez	209 888 0900	5358 Pacific Ave	Stockton	CA	95207
Jim Bellino	714 415 5867	1025 Westminster Mall	Westminster	CA	92683
Chad Tinney	719 354 2626	1750 E Woodmen Rd	Colorado Springs	CO	80920 3325
Jan & Jeff McClure	720 214 2000	9851 E Parker Rd	Parker	CO	80138-7212
Jan & Jeff McClure	720-410 2750	7330 W 52nd St #B	Arvada	CO	80002
Edward Kim	203-428 4080	13 Francis J Clarke Cir	Bethel	CT	06801-2892
Ryan Swift	203 269 2000	805 N Colony Rd	Wallingford	CT	06492-2409
Edward Kim	203 939 7222	360 Dr Martin Luther King Jr Drive	Norwalk	CT	6854
Eric and Alina Carr	302 449 1252	211 Executive Drive Ste 3	Newark	DE	19702
Larry Roberts	352 404 4134	2510 S Highway 27	Clermont	FL	34711 6856
Juan Brandt	305 640 5424	5450 NW 82nd Ave	Doral	FL	33166 4022
Jay Highley	239 313 5448	14181 S Tamiami Trl Ste 140	Fort Myers	FL	33912 1985
Bron Launsby	954 417 3999	1834 SW 2nd St	Pompano Beach	FL	33069 3115
Paul Orsino	941 363 6359	6180 Edgelake Dr	Sarasota	FL	34240 8803
Jay Highley	813 833 1740	10137 E Adamo Dr	Tampa	FL	33619 2670
Juan Brandt	305 640 5424	10200 SW 186th St	Cutler Bay	FL	33157 6814
Geoff Deutsch	850 999 5600	1925 N Monroe St Ste 109	Tallahassee	FL	32303 4725
Brittany McClary	407 326 0482	5250 International Drive	Orlando	FL	32819
Joe Dillon	321 265 5867	624 Barnes Blvd	Rockledge	FL	32955
Peter Busenlener	850 500 9663	5007 North Davis Highway #8a	Pensacola	FL	32503
Andrew Rocklage	386 682 2020	1300 W International Speedway Blvd	Daytona Beach	FL	32114
Jeff Cole	678 745 9900	560 Old Peachtree Rd NW Ste 300	Suwanee	GA	30024-7275
Jeff Cole	678 745 9900	1425 Market Blvd Ste 100 A	Roswell	GA	30076 6708

Franchisee	Phone	Address	City	State/Province	Zip Code
David Van Vurst	678 426 4400	1650 Airport Rd NW Ste 104 107	Kennesaw	GA	30144 7039
Yong Jung	478 239-2900	245 Tom Hill Sr Blvd , STE 100B	Macon	GA	31210
Alpa Panchal	770 766-9698	165 Mill Road	McDonough	GA	30253
Jeff Cole	678 745-9900	1098 Bullsboro Drive Suite #15	Newnan	GA	30265
Tracy Walker-Andraschko	515 986 2524	1300 SE Gateway Dr Ste 103	Grimes	IA	50111 6644
Dave Austin	319 382-2222	5515 Council St NE Ste 2	Cedar Rapids	IA	52402-2021
Paul Lushin	630 478 8339	325 W Lake St Ste A	Elmhurst	IL	60126 1528
Mark & Barbara Glazer	331 207-4759	87 Executive Drive	Aurora	IL	60504
Ram Talluri	217 331 6600	3454 Liberty Drive	Springfield	IL	62704
Barbara Glazer	815 314 4890	2318 Essington Road	Joliet	IL	60435
Christopher and Pam Day	317 572-2999	10080 E 121st St Ste 182	Fishers	IN	46037 4224
Gary Kingery	317 268-3200	851 Columbia Rd	Plainfield	IN	46168 7586
Carrie Snyder	260 483 5867	401 Fernhill Ave	Fort Wayne	IN	46805 1039
Christopher and Pam Day	219-227 3777	1035 Eagle Ridge Dr	Schererville	IN	46375
Jeff Robbins	812 730-4759	49 N Green River Rd	Evansville	IN	47715 2401
Carrie Snyder	574 208 5005	5604 Grape Rd	Mishawaka	IN	46545
Gary Kingery	317 759 9925	4150 Kildeer Drive	Indianapolis	IN	46237
Braden Holcomb	913 213 5900	6495 Quivira Rd	Shawnee	KS	66216 2745
Jeff Mast	502-909 3500	2671 Technology Dr Ste 112	Jeffersontown	KY	40299 6432
Chad Pannunzio	859 629-4455	3644 Boston Rd Ste 130	Lexington	KY	40514-1545
Peter Busenlener	337-417 8000	3814 Ambassador Caffery Pkwy	Lafayette	LA	70503-5286
Kelly Kirkland	225 412-3300	11030 Industriplex Blvd	Baton Rouge	LA	70809 4118
Peter Busenlener	504 900 9663	6509 Riverside Drive	Metairie	LA	70003
Stella Downie	857 345 9693	91B Sprague St	Boston	MA	02136 2023
Stella Downie	617 387 1000	69 Norman St Ste 1B	Everett	MA	02149 1946
Ryan Swift	508 870 5867	290 Turnpike Road	Westborough	MA	01581 2843
Stella Downie	978 252 3000	100 Independence Way	Danvers	MA	01923 3626
Stella Downie	781 514 7595	101 Kingston Collection Way	Kingston	MA	02364
David Hustrulid	443 201 7376	7175 Oakland Mills Rd	Columbia	MD	21046 1628
Braden Holcomb	410 842 1661	23 W Aylesbury Rd	Timonium	MD	21093 4102
David Hustrulid	202 517 9697	15809 Gaither Dr	Gaithersburg	MD	20877 1403
Ted Clements	301 420 5867	12114 Insurance Way	Hagerstown	MD	21740
Paul Facchina	301 861 2600	4390 Crain Highway	White Plains	MD	20695
Colleen Fitzgerald	734 981 0007	42550 Executive Dr	Canton	MI	48188 2258
Brent and Suzanna Breems	616 214 4221	3640 29th St SE	Kentwood	MI	49512 1812
Colleen Fitzgerald	586 930 0600	50810 Sabrina Dr	Shelby Township	MI	48315 2968
Colleen Fitzgerald	734 225 2233	23269 Eureka Rd	Taylor	MI	48180-5240
Colleen Fitzgerald	269 459 9243	5103 Portage Rd	Portage	MI	49002 1711

Franchisee	Phone	Address	City	State/Province	Zip Code
Colleen Fitzgerald	810-224 6200	8151 Movie Drive	Brighton	MI	48116
Colleen Fitzgerald	989-596 0022	2572 Tittabawassee Road	Saginaw	MI	48604
David Hustrulid	763 333-2045	13310 Industrial Park Blvd Ste 160	Plymouth	MN	55441-3815
David Hustrulid	651-243-9988	595 Hale Ave N	Oakdale	MN	55128 7558
Larry Haskett	417 771 3883	2765 S Kansas Expy	Springfield	MO	65807-6020
Bron Launsby	636 364-4444	631 Gravois Road	Fenton	MO	63026
Jay Highley	816-457-0068	2801 NE McBaine Drive	Lee's Summit	MO	64063
Brian Spicker	704 208-4040	10200 Centrum Pkwy	Pineville	NC	28134 8822
Bob and Julie Russell	919 948-4450	2101 Westinghouse Blvd	Raleigh	NC	27604 2476
Pralhad & Roopal Khatri	919-425-0800	1720 Guess Rd Ste 90	Durham	NC	27701 1171
Dave McNulty	336 550-1800	1572-A Highwoods Blvd	Greensboro	NC	27410
Daniel Bryant	701 478 8484	940 40th St S	Fargo	ND	58103 2118
Dustin Maier	701 354-9099	5003 Ottawa Street	Bismarck	ND	58503
Tracy Walker Andraschko	402-401 7600	4215 S 133rd St	Omaha	NE	68137 1143
Tamer Fahmy	603-413 3533	500 Valley St	Manchester	NH	03103
David Hustrulid	856-230 7090	2834 Route 73 N	Maple Shade	NJ	08052 1619
Mike Janay	973 396-4001	60 Chapin Rd	Pine Brook	NJ	07058 9216
Mark & Barbara Glazer	732-200-4344	2355 State Route 66	Ocean	NJ	07712 3961
David Rzepski	609 398-4759	1001 New Hampshire Ave Ste A	Lakewood	NJ	08701 6037
Mike Janay	201 574 1800	80 Commerce Dr	Allendale	NJ	07401 1638
Rich Ferns	908 731 0127	600 Hadley Rd	South Plainfield	NJ	07080
Mike Janay	973 527 7000	61 International Drive South Unit ANCB	Mount Olive	NJ	07828
Jeff Flegel	702 560 5900	7440 Dean Martin Dr Ste 201	Las Vegas	NV	89139 5960
Dale and Rhonda See	716 206 3300	425 Cayuga Rd	Cheektowaga	NY	14225 1946
Colleen Fitzgerald	585 797 0030	155 Bellwood Dr	Rochester	NY	14606 4226
Stephanie and Steve Berlin	631-392 2600	111 Rodeo Dr	Edgewood	NY	11717 8378
Colleen Fitzgerald	315 928 3737	3179 Erie Blvd E	Syracuse	NY	13214 1201
Colleen Fitzgerald	518 417 3838	50 Simmons Ln	Albany	NY	12204 2714
Stephanie and Steve Berlin	631 938 1420	269 Route 25A	Mount Sinai	NY	11766 2006
David Hustrulid	914 740 8272	33 Lecount Place	New Rochelle	NY	10801
Laura Knipfer	740 548 4004	459 Orange Point Dr Ste E 1	Lewis Center	OH	43035 9698
Laura Knipfer	513 671 1333	11745 Commons Dr	Springdale	OH	45246 2551
Kristin Kemper	440 414 0444	31500 Viking Parkway	Westlake	OH	44145
Joel Karg	937 396 6600	976 Senate Dr	Dayton	OH	45459 4017
Chas Hallis	234 249 3030	6217 Chittenden Rd	Hudson	OH	44236 2021
Kristin Kemper	844 253-5867	750 Alpha Dr	Cleveland	OH	44143 2146
Carrie Snyder	419-491 1194	1600 Albon Road	Holland	OH	46805
Chas Hallis	330 538 8300	4381 Whipple Ave NW	Canton	OH	44718 2643

Franchisee	Phone	Address	City	State/Province	Zip Code
Chad Tinney & Bryan Hendershot	918-877 7700	8306 E 61st St	Tulsa	OK	74133 1906
Ed Kleese	405 359 1631	2525 S Broadway	Edmond	OK	73013
David Hustrulid	484 909 3553	122 Mill Road	Oaks	PA	19456
Joel Karg	724 251 6100	740 Brickworks Dr	Leetsdale	PA	15056 1031
Phil Stoops	484 588 6191	10 Conchester Rd	Glen Mills	PA	19342 1506
Ted Clements	717 208 8922	1701 Hempstead Rd Ste 102	Lancaster	PA	17601 5856
Craig Hansen	717-208 8908	95 Gateway Dr	Mechanicsburg	PA	17050 2904
Phil Stoops	215-607-8853	45 Runway Dr	Levittown	PA	19057 4737
Mike Crounse	570 316-0500	195 Enterprise Way	Pittston	PA	18640 5009
Robert Cox	610 759 9663	Westgate Mall	Bethlehem	PA	18017
Joel Karg	412 810 0200	160 Levin Way	Monroeville	PA	15146
Stella Downie	401 383 6000	70 Pawtucket Ave	Rumford	RI	02916 2448
Alan Wilson	864 558 2400	2465 Laurens Rd	Greenville	SC	29607 3813
Brad Sullivan	843 588 5777	411 Wando Park Blvd	Mt Pleasant	SC	29464 7974
Scott and Tina Redd	605-553-9910	5129 S Solberg Ave	Sioux Falls	SD	57108 2220
Chris Avery	901 322 3281	5355 Distriplex Farms Dr Ste 102	Memphis	TN	38141 8231
Tommy Carter	731 868-4418	65 East Park Sq	Jackson	TN	38305 3133
Chris Avery	615 721-3626	1113 Murfreesboro Rd Ste 254	Franklin	TN	37064-1306
Don Dean	713 292-5000	10207 S Sam Houston Pkwy W	Houston	TX	77071 3149
Hector Troncoso	555-481 7777	2101 North 10th St	Hidalgo	TX	78557
Don Dean	832 246 5300	605 Spring Hill Dr	Spring	TX	77386 6033
Hector Troncoso	555-481 7777	2101 North 10th St	Hidalgo	TX	78557
Will Phillips	804 379 2500	1345 Carmia Way	North Chesterfield	VA	23235 4785
David Hustrulid	424 297 1841	7807 Sudley Rd	Manassas	VA	20109
Luke Phillips	757 961 8800	2029 Lynnhaven Pkwy 100A	Virginia Beach	VA	23456
David Hustrulid	540 369 2227	1410 Central Park Blvd	Fredericksburg	VA	22401
Jeffrey Leveen	360 690 6430	5000 E Fourth Plain Blvd	Vancouver	WA	98661
Bron Launsby	262 696 1600	W229 N 1420 Westwood Dr	Waukesha	WI	53186 1175
Paul Lushin	920 351-4441	3169 Van Roy Road	Appleton	WI	54915

The following Franchisees have signed a Franchise Agreement but did not have their Parks open by the end of the most recent fiscal year

Franchisee	Phone	City	State/ Province	Zip Code	Email
Craig Dockendorf	TBD	Thousand Oaks CA	CA	TBD	TBD
Ray Hermiz	209 606 7776	Merced CA	CA	TBD	rhermiz1@gmail com
Dr Memon	TBD	Laval Quebec Canada	CN	TBD	TBD
Cory Stuart Jeff Wood	TBD	Windsor ON Canada	CN	TBD	TBD
Han Yu	404 376 7119	Ocala, FL	FL	42909	yongsooj@gmail com
Ted Lezotte	989 942 00 50	Plantation FL	FL	TBD	ted@lezotte us
James and Chris Fiore	610 568 83 63/570 313 1699	Largo FL	FL	TBD	James Fiore@xerox com / cjfiore34@gmail com
Jay Highley	(317) 414-5000	Tampa, FL	FL	TBD	jayhighley@gmail com
'Sharon Rowe Burrell	678-6626172	Decatur GA	GA	TBD	sharon roweburrell@gmai l com
Jane Quidachay	(671) 747 3703	Territory of Guam	GU	TBD	quidachayj@yahoo com
Bron Launsby	901-590-6325	Fairview Hieghts IL	IL	42832	blaunsby@skyzone com
Ram Talluri & Pat Rexford	TBD	Bloomington IL	IL	TBD	TBD
Wes Eid & Gus Chehade	440 935 98 65/519 476 6611	Vernon Hills IL	IL	TBD	wassim17@hotmail com / guschehade@gmail com
Rodney Chambers	202-315 3556	Bowie MD	MD	TBD	rodcee@aol com
Alina Carr	302 528 4230	East Baltimore	MD	TBD	alina carr@skyzone com
Colleen Fitzgerald	(616) 293' 6996	Lansing MI	MI	TBD	bbreems@skyzone com
David Mettler	605 366 4192	Rochester MN	MN	TBD	dkmettler@sio midco net
Aaron and Charles Jurgensmeyer	479 640 40 02/479 366 8000	Columbia MO	MO	TBD	aaron@jurgensmeyer com / charlie@jurgensmeyer co m

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Franchisee	Phone	City	State/ Province	Zip Code	Email
TBD	TBD	Joplin MO	MO	TBD	TBD
Jay Highley	(317) 414-5000	Kansas City North MO	MO	TBD	Jay Highley@skyzone com
Ryan Przysucha	601 517 9760	Jackson, MS	MS	TBD	ryanprzysucha@gmail com
Sutton Bacon	828-772 1922	Asheville, NC	NC	42797	sutton bacon@wessercreek com
Rich Ferns	(215) 738 4000	Winston Salem, NC	NC	TBD	rpferns@gmail com
Richard Andraschko	(515) 267 9269	Omaha #2 NE	NE	TBD	richard andraschko@jump sports biz
Mike Janay	(973) 768 5633	Springfield NJ	NJ	42825	mjanay@skyzone com
Chirag Patel	(215) 738 4000	Hamilton, NJ	NJ	42972	chiragbpatel78@gmail com
Preethi Konduru & GP Gurijala	609 977 8946	Rutherford/Hackensack NJ	NJ	TBD	qtpreethi@gmail com
Turk & Bobbie Cobell	702 429 02 03	North Las Vegas NV	NV	TBD	turkni@cox net
Pam Tuohey	315 491 29 23	Reno NV	NV	LOI	pam tuohey@yahoo com
Rusty Saunders	(518)365 3735	Queensbury NY	NY	42845	rrsaunders@verizon net
Steve Pasciuta	(917) 750 4655	Staten Island NY	NY	TBD	jmf42realtyllc@gmail com
Chirag Patel	302 229-6795	Queens NY	NY	TBD	chiragbpatel78@gmail com
Laura Knipfer	(614) 302 6093	Cincinatti OH	OH	42909	lknipfer@skyzone com
Rich Ferns	(215) 738 4000	Philadelphia	PA	42790	rpferns@gmail com
Rich Ferns	(215) 738 4000	Chalfont PA	PA	TBD	rpferns@gmail com
Yong Jung	404 376 71 19	Columbia, SC	SC	TBD	yongsooj@gmail com
Bryan Hendershot	TBD	Irving TX	TX	42825	TBD
Jose Pedrazza	TBD	McAllen TX	TX	42902	TBD
Omolulu Fatuski	TBD	Hampton VA	VA	TBD	TBD

Franchisee	Phone	City	State/ Province	Zip Code	Email
Bron Launsby	(317) 218 1901	Madison WI	WI	42811	blaunsby@skyzone com
Sheila Nease	740 821-9087	Charleston WV	WV	TBD	Sheila nease@yahoo com

FRANCHISEES WHICH LEFT THE SYSTEM IN THE PAST FISCAL YEAR OR THAT FAILED TO COMMUNICATE WITH US

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

David O'Connor 805 N Colony Road Wallingford, CT (781) 439-1955 Sold Franchise location to Ryan Swift October 2016	Christopher Avery Three (3) franchise locations to be situated in Huntsville, AL Chattanooga, TN, and Jackson MS (901) 491-0153 Terminated in 2016 (never opened)
Joanne Holiday One (1) franchise location to be situated in Youngstown, OH 440-371-3165 Terminated in 2016 (never opened)	Joe Dillon Steve Ganote and Jeff Robbins One (1) franchise to be located in Knoxville, Tennessee Telephone (317) 339 7007 Terminated in 2016 (never opened)
Joseph Webber One (1) franchise location to be situated in State College PA 814-883-2979 Terminated in 2016 (never opened)	Brent & Suzanna Breems 5103 Portage Road Portage, MI 49002 (616) 293-6996 Sold Franchise location to Colleen Fitzgerald July 2016
Paul Lushin Franchise to be situated in Madison, Wisconsin Telephone (317) 218 1901 Transferred Franchise Agreement to Bron Launsby	Paul Lushin and Gary Rowe Two (2) franchises to be situated in Peoria, Illinois and Rockland Illinois Telephone (317) 218-1901 Terminated in 2016 (never opened)
David O'Connor 805 N Colony Road Wallingford, CT (781) 439-1955 Sold Franchise location to Ryan Swift October 2016	
Gary Morgan & Brian Morgan Two (2) franchises to be situated in San Antonio Texas and Austin, Texas Telephone (952) 484-6438 Terminated in 2016 (never opened)	

EXHIBIT G TO THE DISCLOSURE DOCUMENT
LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

NOTE SOME STATES REQUIRE THAT THE FRANCHISE BE REGISTERED WITH A STATE AGENCY WE DO NOT OFFER OR SELL FRANCHISES IN ANY OF THOSE STATES UNLESS WE ARE REGISTERED, AND THE LISTING OF A STATE BELOW DOES NOT MEAN THAT WE ARE SO REGISTERED

CALIFORNIA

Department of Business Oversight
320 West 4th Street Suite 750
Los Angeles, CA 90013
(213) 576-7500 or (866) 275-2677

Agent to Receive Process
Commissioner of Business Oversight
Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, CA 90013

FLORIDA

Department of Agriculture and Consumer Services, Division of Consumer Services
Mayo Building
407 South Calhoun Street
Tallahassee FL 32399
(850) 410-3754

HAWAII

Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586 2722

Agent to Receive Process
Hawaii Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu HI 96813

ILLINOIS

Office of the Attorney General
Franchise Bureau
500 South Second Street
Springfield, IL 62706
(217) 782-4465

INDIANA

Indiana Securities Division
Franchise Section
302 W Washington Street, Room E-111
Indianapolis, IN 46204
(317) 232-6681

Agent to Receive Process
Indiana Secretary of State
302 W Washington Street Room E-111
Indianapolis IN 4620

MARYLAND

Office of the Attorney General
Maryland Division of Securities
200 St Paul Place
Baltimore MD 21202-2020
(410) 576-6360

Agent to Receive Process
Maryland Securities Commissioner
200 St Paul Place
Baltimore MD 21202-2020

MICHIGAN

Michigan Department of the Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
670 Law Building
525 W Ottawa Street, 6th Floor
Lansing, MI 48913
(517) 373-7117

Agent to Receive Process
Michigan Department of Commerce
Corporations and Securities Bureau
6546 Mercantile Way

Lansing, Michigan 48910

MINNESOTA

Minnesota Department of Commerce
Registration and Licensing Division
85 7th Place East, Suite 500
St Paul, MN 55101
(651) 296-4026

Agent to Receive Process
Minnesota Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 500
St Paul Minnesota 55101

NEBRASKA

Department of Banking and Finance
Bureau of Securities
1526 K Street, Suite 300
Lincoln, NE 68508
(402) 471-3445

NEW YORK

Office of the New York State Attorney General
Investor Protection Bureau
Franchise Section
120 Broadway, 23rd Floor
New York, NY 10271-0332

(212) 416-8211

Agent to Receive Process
New York Secretary of State
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard, State Capitol
5th Floor, Dept 414
Bismarck, ND 58505-0510
(701) 328-4712

Agent to Receive Process
North Dakota Securities Commissioner
600 East Boulevard
5th Floor - State Capitol, Dept 414
Bismarck, ND 58505

OREGON

Department of Consumer and Business Services
Division of Finance
Labor and Industries Building
Salem, OR 97310
(503) 378-4387

Agent to Receive Process
Director
Department of Insurance and Finance
700 Summer Street, N E
Suite 120
Salem, Oregon 97310

RHODE ISLAND

Department of Business Regulation
Division of Securities
1511 Pontiac Avenue
John O Pastore Complex - Building 69-1
Cranston RI 02920
(401) 462-9527

Agent to Receive Process
Director of Department of Business Regulation
Division of Business Regulation
John O Pastore Center
Building 69 First Floor
Cranston, Rhode Island 02920

SOUTH DAKOTA

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

Agent to Receive Process
Director Division of Securities
Department of Labor and Regulation
124 S Euclid, Suite 104
Pierre, SD 57501

TEXAS

Secretary of State
Statutory Document Section
P O Box 13563
Austin, TX 78711
(512) 475-1769

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

Agent to Receive Process
Clerk of the State Corporation Commission
Corporate Commission
1300 East Main Street, 1st Floor
Richmond Virginia 23219

WASHINGTON
Department of Financial Institutions
Securities Division
150 Israel Road S W
Tumwater, Washington 98501
(360) 902-8760

Agent to Receive Process
Director, Department of Financial Institutions
Securities Division
150 Israel Road S W
Tumwater, Washington 98501

WISCONSIN

Wisconsin Securities Commission
Securities and Franchise Registration
201 West Washington Avenue Suite 300
Madison, WI 53703
(608) 266-0448

Agent to Receive Process
Administrator Division of Securities
Department of Financial Institutions
201 West Washington Avenue Suite 300
Madison WI 53703

EXHIBIT H TO THE DISCLOSURE DOCUMENT

SAMPLE COPY OF LETTER OF INTENT

SKY ZONE
INDOOR TRAMPOLINE PARK

Sky Zone Franchise Group
1201 W Fifth St Suite T 340
Los Angeles CA 90017
www skyzone com

[Insert Date]
[Insert Prospect Name
and Address]

Dear NAME,

Congratulations on your decision to join the Sky Zone team! This letter is to confirm certain terms and conditions that the Franchise Selection Committee has approved and establishes the framework for a definitive Franchise Agreement or Area Development Agreement (an "ADA') between the parties (the 'Letter Agreement") The terms of this letter are legally binding commitments between the parties, but the grant of a franchise(s) on the terms set forth in this letter is subject to the execution of a written Franchise Agreement and/or ADA by both parties NAME will herein be referred to in this Letter Agreement as 'Franchisee '

1 **Purchase** A franchise for the right to independently own and operate a total of _____ Sky Zone park(s) (each, a "Park")

2 **Obligation to Enter into Applicable Agreement(s)** Within two (2) weeks of executing this Letter Agreement, Franchisee must execute Franchisor's then-current form of Franchise Agreement and, if appropriate, form of ADA (the "Applicable Agreement(s)"), that will govern the franchise and (if applicable) development rights that Franchisee is obtaining the right to exercise and undertaking the obligation to perform Failure to execute the Applicable Agreements within this two (2) week period will result in the automatic termination of this Letter Agreement, and Franchisor will have the right to retain all amounts paid upon execution of this Letter Agreement as described more fully herein

3 **Site Selection Area**

a Site Selection Area the geographical area comprised of the following list of zip codes [**INSERT ZIP CODES**] (the "Site Selection Area")

b Rights within Site Selection Area Provided Franchisee complies with the terms of this Letter Agreement and the terms of the Applicable Agreements upon signature, Franchisor will not permit any third party to secure a site or open a Park within the Site Selection Area for a period of six (6) months following the execution of this Letter Agreement in a good faith effort to provide Franchisee with sufficient time wherein to secure a site that Franchisor approves from which to operate the initial Park governed by the Applicable Agreement(s) (the "Site")

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4 Payment

If a single Park franchise purchased pursuant to a Franchise Agreement

a A deposit in the amount of $20,000 must be paid by Franchisee to Franchisor immediately upon execution of this Letter Agreement (the "Deposit") This Deposit will be deemed fully earned upon payment and will not be refundable under any circumstances

b As disclosed in the Franchise Disclosure Document disclosed to Franchisee (the "FDD"), the Deposit will be credited towards the $60,000 Initial Franchise Fee such that $40,000 will be due under the Franchise Agreement (i) prior to Franchisor providing Franchisee with any type of design or layout template or proposal in connection with any proposed Site for the single Park at issue, or (ii) six (6) months from the date the Franchise Agreement is executed, whichever is earlier The Initial Franchise Fee will be deemed fully earned upon payment and is not refundable under any circumstances

If multi Park franchise development rights purchased pursuant to an ADA

a The entire Development Fee (as defined in the FDD) in connection with the development rights being granted under the contemplated ADA must be paid to Franchisor by Franchisee immediately upon execution of this Letter Agreement The Development Fee is deemed fully earned and non-refundable upon payment

b Once the Development Fee has been paid, Franchisor will not charge any additional Initial Franchise Fee for any Park that is being developed to fulfill Franchisee's obligations under the original ADA entered into by the parties

5 Time of the Essence, Letter Agreement Term

a This approval and Letter Agreement must be signed and returned by Franchisee to Franchisor on or before close of business on **[INSERT DATE]**

b This Letter Agreement is valid until the earlier of (i) the date the parties execute the Applicable Agreements that will govern the parties' relationship moving forward, or (ii) the date this Letter Agreement automatically terminates under Section 2 of this Letter Agreement The termination of this Letter Agreement for any reason shall not limit or otherwise affect the acknowledgements made by Franchisee herein

6 Additional Expenses

a Franchisee acknowledges that additional investments in materials, location, and technology exist in connection with opening and operating a Park on an ongoing basis These investments may include items such as, but not limited to
   i Additional Signage and Identification
   ii Insurance
   iii Deposits

iv Computer Systems and Hardware
v Leasehold Improvements
vi Additional Inventory and Supplies
vii Training Funds, i e Travel/Living Expenses
viii Working Capital

7 Acknowledgements

a Franchisee acknowledges that (i) the estimated initial investment for a given Park (depending on its size) is disclosed in Item 7 of the FDD, and (ii) the actual costs and investment associated with opening and initially operating the Park(s) governed by the Applicable Agreement(s) will be largely be dictated by local market conditions and, under special circumstances, the investment could exceed this amount Franchisee acknowledges this and is prepared to invest whatever the necessary amount is to open and establish operations of such Park(s)

b Franchisee acknowledges that the FDD containing Franchisor's standard form of Applicable Agreements and other required exhibits was delivered to Franchisee at least 14 calendar days before the date of this letter

8 Claims Franchisee acknowledges that (i) no earning claims or revenue claims have been made or implied by Franchisor or any of Franchisor's representatives or agents other than the information disclosed in Item 19 of the FDD, (ii) Franchisee did not rely on any earnings claim or other representation in deciding to purchase the franchise and/or development rights described herein, and (iii) the franchise and/or development rights granted under the Applicable Agreements, like any other business opportunity, have risk potential and Franchisee has been advised of (and has had time to consult with its business advisors about) these risks

9 Onboarding Program and Training Franchisee acknowledges Franchisee and other required personnel identified in the FDD and/or Applicable Agreement will need to attend the Sky Zone Onboarding Program in Los Angeles, CA within 90 to 180 days from the date this Letter Agreement is executed

10 Development Schedule You will be required to open your Park within the prescribed time period set forth in the Franchise Agreement governing that location or, if applicable, the Development Schedule governing the Park opening

If the terms in this Letter Agreement are acceptable, please sign below and date so we may generate the Applicable Agreements

Kind regards,
Sky Zone Franchise Group, LLC ("Franchisor")
By _____
Name _____
Title _____
Date _____

©2017 Sky Zone Franchise Group LLC

Franchisee
Print Name(s) _____
Signatures _____
Date _____

©2017 Sky Zone Franchise Group LLC

EXHIBIT I TO THE DISCLOSURE DOCUMENT

FORM OF PURCHASE ORDER

SKY ZONE

Project Details

- **Franchise Partner**
- **Contact Email Address** **Quote Date**
- **Installation Address**
- **Projected Start Date** **Projected Completion Date** Quote valid 15 days

Completion date depends on the general construction schedule and current lead time for materials General construction delays could result in a change of the court completion date and are not the responsibility of Sky Zone LLC

Scope of Work

Court	**Sqft**	**Capacity**	**Serial #**	**Total**
Main				**$0 00** T
Dodgeball #1				**$0 00** T
Dodgeball #2				**$0 00** T
Dodgeball #3				**$0 00** T
Fusion 2 Wall Dodgeball				**$0 00** T
Fusion 3 Wall Dodgeball				**$0 00** T
Fusion 4-Wall Dodgeball				**$0 00** T
Kids Court				**$0 00** T
Kids Pit				**$0 00** T
SkyJoust & SkyLadder				**$0 00** T
SkyJoust				**$0 00** T
SkyLadder				**$0 00** T
SkyLine				**$0 00** T
SkyHoops				**$0 00** T
SkySlam				**$0 00** T
Foam Zone				**$0 00** T
Performance Trampolines & Padding (Performance Wall by contractor)				**$0 00**
Double Warped Wall (Includes 12 & 10 walls railing & rail padding pole with right side exit to ground level graphic side & back panels & crash pad Excludes runway flooring)				**$0 00** T
Triple Warped Wall (Includes 12 10 & 8 walls railing & rail padding pole with right side exit to ground level, graphic side & back panels & crash pad Excludes runway flooring)				**$0 00** T
Warrior Course				
Junior Warrior Lane				
Element 1 TBD				
Element 2 TBD				
Element 3 TBD				
Warrior Lane				
Element 1 TBD				**$0 00** T
Element 2 TBD				
Element 3 TBD				
Ultimate Warrior Lane				
Element 1 TBD				
Element 2 TBD				
Element 3 TBD				
		Qty	**Price**	
WC Airbag (21 8 W x 19 10 L x 4 T With 2 Color Print Top Sheet and 2 Blowers)				**$0 00** T
WC Airbag Installation & Training				**$0 00** T
WC Pit Foam (Blend of 40% blue 40% grey and 20% glow cubes)				**$0 00** T
WC Pit Foam Liner Sheets (8 Safety foam under Pit Foam)				**$0 00** T
Total	0	0		
Tools & Equipment Rental				**$0 00** T
Labor				**$0 00** T
Overhead & Management				**$0 00** T
Travel				**$0 00** T
Per Diem, Lodging				**$0 00** T
		Court Subtotal		

Replacement Parts	QTY	Item Price	Subtotal	
Post 1a			$0 00	
Post 1c			$0 00	
Post 3			$0 00	
Post 16			$0 00	
Post 17			$0 00	
Pad Eye Anchor Plate			$0 00	
Anchor Plate Bracket			$0 00	
Anchor Plate Strap (4 3)			$0 00	
Sky Slam Anchor Plate Bracket			$0 00	
Sky Slam Anchor Plate Strap			$0 00	
Net Wall Bracket Hardware			$0 00	
Chain (ft)			$0 00	
Hammer Lock			$0 00	
Wedge Anchor (5/8 x 5)			$0 00	
Wedge Anchor (3/4 x 6 SkySlam Hoops)			$0 00	

Carabiner (Silver 5/16 Spring Hook Diam 5/16 L O -3-1/8 S O- 3/8)			$0 00		
3/4 x 6 Turnbuckle Bolts & Nuts (with pre-drilled spring holes)			$0 00		
1/2 x 6 Turnbuckle			$0 00		
Bolt (5/8 x 2 75 For SkyHoops Middle Plates)			$0 00		
Bolt (5/8 x 4 5 For SkyHoops Stabilizers Brackets)			$0 00		
Lock Washer (5/8 For SkyHoops)			$0 00		
Plain Washer (5/8 For SkyHoops)			$0 00		
Hex Lock Nut (5/8 For SkyHoops)			$0 00		
Bolt (5/8 x 5 1/2 For Top Beams)			$0 00		
Flat Washer (5/8 For Top Beams)			$0 00		
Lock Nut (5/8 For Top Beams)			$0 00		
8 375 Springs (Box of 100)			$0 00		
7 Springs (Box of 100)			$0 00		
5 5 Springs (Box of 100)			$0 00		
10 25 GME Performance Trampoline Spring (Box of 100)			$0 00		
7 0 x14 0 (84 x168) Performance Trampoline Bed With Velcro Skirt			$0 00		
6 11 x6 11 (83 x83) Floor Trampoline Bed With Velcro Skirt & Orange Glow Border			$0 00		
6 11 x8 11 (83 x107) Floor Trampoline Bed With Velcro Skirt & Orange Glow Border			$0 00		
6 11 x8 11 (83 x107) Floor Trampoline Bed With Velcro Skirt & Orange Glow Border			$0 00		
6 5 x6 11 (77 x83) Floor Trampoline Bed With Velcro Skirt & Orange Glow Border			$0 00		
6 5 x7 5 (77 x89) Floor Trampoline Bed With Velcro Skirt & Orange Glow Border			$0 00		
2 5 x14 5 (29 x173) Floor Trampoline Bed With Velcro Skirt & Orange Glow Border			$0 00		
4 5 x15 5 (53 x185) Floor Trampoline Tumble Track Bed With Velcro Skirt & Orange Glow Border			$0 00		
4 5 x19 5 (53 x233) Floor Trampoline Tumble Track Bed With Velcro Skirt & Orange Glow Border			$0 00		
4 5 x23 11 (53 x287) Floor Trampoline Tumble Track Bed With Velcro Skirt & Orange Glow Border			$0 00		
6 1 x21 1 (73 x253) Floor Trampoline Bed With Velcro Skirt & Orange Glow Border			$0 00		
8 2 x7 9 (98 x93) Wall Trampoline Bed With Velcro Skirt			$0 00		
8 2 x9 5 (98 x113) Wall Trampoline Bed With Velcro Skirt			$0 00		
8 2 x11 4 (98 x136) Wall Trampoline Bed With Velcro Skirt			$0 00		
8 2 x11 9 (98 x141) Wall Trampoline Bed With Velcro Skirt			$0 00		
8 2 x13 3 (98 x159) Wall Trampoline Bed With Velcro Skirt			$0 00		
8 2 x14 5 (98 x173) Wall Trampoline Bed With Velcro Skirt			$0 00		
8 2 x14 7 (98 x175) Wall Trampoline Bed With Velcro Skirt			$0 00		
8 2 x15 7 (98 x187) Wall Trampoline Bed With Velcro Skirt			$0 00		
8 2 x16 9 (98 x201) Wall Trampoline Bed With Velcro Skirt			$0 00		
9 5 x 7'5 x 3 6 (113 x 89 x 42) Trapezoid Corner Trampoline Bed With Velcro Skirt			$0 00		
8 6 x 20 Netting (#36 x 1 7/8 squares no rope border)- Extra net for trampoline walls			$0 00		
8 x8 x8 Foam Pit Cubes (pallet of 180)- Grey			$0 00		
8 x8 x8 Foam Pit Cubes (pallet of 180)- Blue			$0 00		
8 x8 x8 Foam Pit Cubes (pallet of 180) Orange			$0 00		
SkyJoust Bosu Ball			$0 00		
Post Cap			$0 00		
Tie Down Strap (100 yd roll)			$0 00		
Rope (3 000 ft spool)			$0 00		
			Replacement Part Total		**$0 00** T
Plastic Covering On Court Floors After Project Completion (optional)					**$0 00** T
Advance Trampoline Layout	Layout Start Date		Layout End Date		
	Labor Tools & Materials- 2 workers for 3 days (including travel days) to conduct layout				**$0 00** T
	Travel Per Diem Lodging				**$0 00** T
		ft	Qty	Unit Price	
3 4 Perimeter Skirt (All courts except Foam Zone installed by FP before opening) (optional)					**$0 00** T
4 10 Perimeter Skirt (Foam Zone installed by FP before opening) (optional)					**$0 00** T
Netting Divider Curtain NDC-SW					**$0 00** T
Netting Divider Curtain NDC SS					**$0 00** T
Ultimate Volleyball Net UVN		0			**$0 00** T
Top Beam for Ultimate Volleyball Net					**$0 00** T
Netting Wall Brackets & Hardware					**$0 00** T
7/32 Black Nylon Cord, Kevlar core (1,000 ft spool)					**$0 00** T
SkyJoust Pugil Stick 60" (Royal Blue/Silver)					**$0 00** T
SkyJoust Pugil Stick Youth Size- 40" (Royal Blue/Black)					**$0 00** T
Glow Trampoline Borders (Optional)					**$0 00** T
Right Side Entrance Pad With Support Bracket (for entrance to main and dodgeball courts)			0		**$0 00** T
Left Side Entrance Pad With Support Bracket (for entrance to main and dodgeball courts)			0		**$0 00** T
7 Column Pad (for columns in platforms farther than 5 from court surface)			0		**$0 00** T
13 Column Pad (for columns in platforms within 5 of court surface)			0		**$0 00** T
Airbag Pit Liner Sheet 2" x 48" x 108" (2 Safety foam under Airbag)			0		**$0 00** T
Custom Ceiling Padding Material					**$0 00** T
Custom Ceiling Padding Installation Labor			0		**$0 00** T
Court Occupancy Information Plate (1 per court)					**$0 00** T
Shipping (Estimated)					**$0 00** T
Sales Tax					**$0 00**
Engineering (Standard stamped engineer structural calculations & plans provided Any additional services for non standard slab condition or jurisdiction approval to be billed as required)					**$0 00**
Insurance					**$0 00**
Local Permits, Expenses, Additional Fees (Sky Zone LLC is not responsible for additional fees expenses permits etc that may be required by local ordinances They will be billed at cost if incurred)					**$0 00**
			Grand Total		**$0 00**

Payment Schedule

> **1 st Payment** 50% Due when order is placed		January 15 1900	**$0 00**
> **2 d Payment** 40% Due before shipment of court materials		TBD	**$0 00**
> **3rd Payment** 10% Due upon project completion		TBD	**$0 00**

Please make checks payable to Sky Zone LLC and mail to
Sky Zone LLC
Attn Accounting Department
1201 W 5th Street Suite T-340
Los Angeles CA 90017

For Wire Transfers
1 Please notify Accounting@skyzone com when you are going to process a wire so we can apply the funds according y
2 Please make sure that you put the invoice number somewhere so we can identify the deposit
Direct To Wire Routing Transit Number (RTN/ABA) 121000248
Bank Name Wells Fargo Bank N.A
Bank Address 420 Montgomery St San Francisco CA 94104
BNF/Field 4200 Beneficiary Account Number 4942782517
Beneficiary Account Name Sky Zone LLC
For International Transfers Only International SWIFT BIC WFBIUS6S

Print Name _____

Signature _____ Date _____

EXHIBIT J TO THE DISCLOSURE DOCUMENT

RECEIPT
(Your Copy)

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language Read this Disclosure Document and all agreements carefully

If Sky Zone Franchise Group, LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to us or an affiliate in connection with the proposed franchise sale Under Iowa or Maine law, if applicable, we must provide this Disclosure Document to you at your 1st personal meeting to discuss the franchise Under Connecticut, Indiana, Michigan, if applicable we must provide this Disclosure Document to you at least 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale Under New York or Oklahoma if applicable, we must provide this Disclosure Document to you at the earliest of your 1st personal meeting to discuss the franchise or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale

If we do not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the appropriate state agency identified on Exhibit G

The name, principal business address and telephone number of each franchise seller offering the franchise ☐ Paizley Bishop, Franchise Development Coordinator, Sky Zone Franchise Group LLC, at 1201 West Fifth Street, Suite T-340, Los Angeles, California 90017, 310-734-0300, ☐ Lesley Hawks, VP-Global Development, Sky Zone Franchise Group, LLC, at 1201 West Fifth Street, Suite T-340, Los Angeles, California 90017, 562-760-1611, ☐ Glenn Lord, Sky Zone Franchise Group, LLC, at 1201 West Fifth Street, Suite T-340, Los Angeles, California 90017, 310-734-0300, ☐ Joe Sexton, Director of Franchise Development, Sky Zone Franchise Group LLC, at 1201 West Fifth Street, Suite T-340, Los Angeles California 90017 310-734-0300

Issuance Date March 29, 2017

See Exhibit G for our registered agents authorized to receive service of process

I have received a disclosure document dated March 29, 2017, that included the following Exhibits

EXHIBIT A	FRANCHISE AGREEMENT
EXHIBIT B	AREA DEVELOPMENT AGREEMENT
EXHIBIT C	STATE LAW ADDENDA
EXHIBIT D	TABLE OF CONTENTS OF MANUAL
EXHIBIT E	LIST OF FRANCHISEES
EXHIBIT F	AUDITED FINANCIAL STATEMENTS
EXHIBIT G	LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS
EXHIBIT H	SAMPLE COPY OF LETTER OF INTENT
EXHIBIT I	FORM OF PURCHASE ORDER
EXHIBIT J	RECEIPTS

_____
Date

_____ _____
Signature Print Name

Please keep this copy of the Receipt for your records

©2017 Sky Zone Franchise Group LLC

RECEIPT
(Our Copy)

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EXHIBIT J	RECEIPTS

_____
Date

_____ _____
Signature Print Name

Please sign this copy of the Receipt, date your signature and return it to Glenn T Lord Chief Operating Officer, Sky Zone Franchise Group, LLC, at 1201 West Fifth Street, Suite T-340 Los Angeles, California 90017

©2017 Sky Zone Franchise Group LLC