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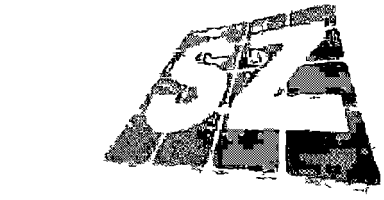

SKY ZONE℠

FRANCHISE DISCLOSURE DOCUMENT

Sky Zone Franchise Group, LLC
A Missouri limited liability company
1201 West Fifth Street, Suite T-900
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 $2,794,230, depending on the size of your park This includes $501,444 to $944,518 that must be paid to the franchisor and/or its affiliates, as applicable

The total investment necessary to operate multiple Parks under our form of Multi-Unit 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 to $1,731,933, 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-900, 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 28, 2018, as amended September 17, 2018

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

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	April 26, 2018, as amended [pending], 2018
Hawaii	April 10, 2018, as amended [pending], 2018
Illinois	April 2, 2018, as amended September 19, 2018
Indiana	April 4, 2018, as amended September 17, 2018
Maryland	April 11, 2018, as amended September 17, 2018 (Exempt)
Michigan	March 28, 2018, as amended September 17, 2018
Minnesota	April 10, 2018, as amended [pending], 2018
New York	June 6, 2018, as amended [pending], 2018
North Dakota	April 10, 2018, as amended [pending], 2018
Rhode Island	April 5, 2018, as amended [pending], 2018
South Dakota	April 3, 2018, as amended September 17, 2018
Virginia	April 2, 2018, as amended September 19, 2018
Washington	April 20, 2018, as amended [pending], 2018
Wisconsin	March 30, 2018, as amended September 18, 2018

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

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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EXHIBITS

A Franchise Agreement
B Multi-Unit 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 Form of Purchase Order
I 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

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-900, 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, certain 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) Except as noted below, neither we nor any of our affiliates have offered, or currently offer, franchises in other lines of business Except as noted below, 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

On or around December 27, 2017, we and our former principal(s) entered into a transaction whereby Circustrix Holdings, LLC, a Delaware limited liability company with a principal place of business at 86 North University Avenue, Suite 350, Provo, Utah 84601 (our "Parent"), became our parent Our Parent is owned by Trampoline Acquisition Holdings, LLC (same address as Parent) that is, in turn, owned by Trampoline Acquisition Parent Holdings, LLC (same address as Parent) that, in turn, is majority-owned by Trampoline Acquisition Corp (referred to as "TAC," which has a principal place of business at 1270 Avenue of the Americas, 31st Floor, New York, NY 10020) that is owned by Palladium Equity Partners IV LP (same address as TAC) None of the foregoing entities (a) offer franchises or licenses in any line of business, or (b) provide any products or services to our franchisees, that must be disclosed in this Item We have no 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-900, 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-900, 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

Our affiliate, Rockin' Jump Franchise, LLC ("RJF") is a limited liability company formed under California law on January 30, 2013 RJF has offered franchises for indoor trampoline parks and entertainment facilities under the ROCKIN' JUMP® mark since June, 2014 and, as of December 31, 2017, RJF (a) had a total of 43 franchised facilities open and operating within the United States, and (b) has also sold franchises or licenses in Canada, China and Thailand Rockin' Jump parks generally cater to a younger customer set than Sky Zone parks

Our affiliate, House of Trix, LLC ("HOT"), is a limited liability company formed under Delaware law on July 28, 2017 HOT began offering franchises for indoor trampoline and entertainment facilities under the HOUSE OF TRIX® mark in October 2017 until March 2018 and has no franchised facilities open and operational as of December 31, 2017 HOT intends to begin offering franchises for indoor trampoline and entertainment facilities under the DEFY™ mark during the fourth quarter of 2018 and has no franchised facilities open and operational as of December 31, 2017 Defy park attractions are designed to be more extreme and individual and Sky Zone parks attractions are more competitive and sports oriented

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 (**"Franchise Agreement"**), 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 a Multi-Unit Development Agreement (the **"MUDA"**) in the form attached as Exhibit B Under the MUDA, we will assign you a territory (**"Development Area"**) within which you must open and operate a designated number of Sky Zone Indoor Trampoline Parks (**"Businesses"**) within the specified periods of time as set forth in Attachment A to the MUDA (**"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 MUDA, and within the times specified in the Development Schedule, you must execute a Franchise Agreement for each subsequent Unit

Under the Franchise Agreement and MUDA, each of your shareholders, partners or members (and their shareholders, partners or members if they are an entity)who has a greater than 10% interest must sign a Guarantee of your monetary obligations and all other obligations under the respective Franchise Agreement and MUDA (as applicable) Additionally, your Responsible Person (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

Mr Platt has been our President 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

Keith Coleman Vice President of Franchise Development

Mr Coleman has been the Vice President of Franchise Development since May of 2017 From July 2010 to May of 2017, he was the Vice President of Franchise Development for Lubys Fuddruckers Restaurants LLC located in Houston, Texas

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

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

Cherokee Gray Eagle IP, LLC and Rebounderz Franchise and Development, Inc vs Sky Zone, LLC, Sky Zone Franchise Group, LLC, et al , in The United States District Court for the Middle District of Florida, Orlando Division On March 8, 2018 the Plaintiff filed a complaint against us, Sky Zone, LLF, RPSZ Construction, LLC, as well as certain Sky Zone franchisees, alleging infringement of United States Patent No 8,764,575, a design patent for an angled wall unit for trampolines ("575 Patent") and seeking an injunction and damages, fees and costs for the alleged infringement of the 575 Patent The 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

Initial Franchise Fee

You will be required to pay us an initial franchise fee of $60,000 (the "**Initial Franchise Fee**") upon the signing of your Franchise Agreement

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 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

Multi-Unit 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 the MUDA 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 MUDA 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.
Extension Fee (Note 4)	The then current initial franchise fee	Upon our approval of extension request	See Note 4
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
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 5)	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 5)	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

TYPE OF FEE*	AMOUNT	DUE DATE	REMARKS
Audit (Note 6)	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 6)	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
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 7)	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 H)	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 8)	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 9)	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
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

TYPE OF FEE*	AMOUNT	DUE DATE	REMARKS
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 Operations 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 Operations 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 **Extension Fee** You may request a three (3) month extension of this time frame to lease, sublease or purchase the Location by sending us a written request at least thirty (30) days before the

deadline ("**First Extension Period**") We may grant the First Extension Period, without your payment of any extension fee, if we believe you have engaged in a good faith effort to find a Location If no less than 30 days prior to the expiration of the First Extension Period, you request an additional extension of time to lease, sublease or purchase the Location ("**Additional Extension Period**"), we shall have the right, in our sole discretion, to grant such Additional Extension Period provided you pay us an extension fee in an amount equal to the then-current initial franchise fee

Note 5 **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 6 **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 7 **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 8 **Technology Suite** We may, but are under no obligation to, introduce a number of non-POS technology products or services at some point in 2018 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) We intend 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 us We expecs 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 9 **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 Franchise Agreement	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 - $25,000	Lump Sum	Before opening and within the first month of operation	Advertising company
TOTAL (Note 11)	**$1,343,813 - $1,649,833**			

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 - $720,000	Lump Sum	Before Opening	Landlord, architect, construction company
Signage	$24,961 - $36,942	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 - $50,200	Lump Sum	Before Opening	Vendors
Computer Software License and Hardware (Note 5)	$65,639 - $68,989	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)	**$1,523,950 - $1,996,154**			

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 - $1,153,544	Lump Sum	Before Opening	Landlord, architect, construction company
Signage	$23,885 - $38,205	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 - $68,106	Lump Sum	Before Opening	Vendors
Computer Software License and Hardware (Note 5)	$68,000 - $71,316	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 - $25,000	Lump Sum	Before opening and within the first month of operation	Advertising company
TOTAL (Note 11)	**$1,711,576 - $2,594,618**			

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 - $1,156,943	Lump Sum	Before Opening	Landlord, architect, construction company
Signage	$38,954 - $41,294	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 - $68,250	Lump Sum	Before Opening	Vendors
Computer Software License and Hardware (Note 5)	$68,000 - $71,666	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)	**$2,043,210 - $2,794,230**			

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 select a licensed architect that meets our standards or has been approved by us 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 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 (**"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 - 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 - $1,589,833	See Chart A of this Item 7		
Total (Note 5)	**$1,425,913 - $1,731,933**	This is the total estimated initial investment to enter into a MUDA 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 a MUDA 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 MUDA 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 MUDA The other costs to develop any Parks under the MUDA 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 11 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 submit a written request for approval and provide us with any information that we request We have the right to inspect the proposed supplier's facilities and test samples of the proposed products and to evaluate the proposed service provider and the proposed service offerings We may require the proposed supplier or service provider to visit our headquarters to evaluate the proposed supplier or service provider in person first notify us in writing You agree to pay us a charge not to exceed the reasonable cost of the inspection and our actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the item, service, supplier, or service provider is approved We have the right to grant, deny, or revoke approval of products, services, suppliers, or service providers based solely on our judgment We will notify you in writing of our decision as soon as practicable following our evaluation If you do not receive our approval within 90 days after submitting all of the information that we request, our failure to respond will be deemed a disapproval of the request You acknowledge that the products

and services that we approve for you to offer or use in your Business may differ from those that we permit or require to be offered or used in other Businesses

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 a new Technology Suite system and software in 2018, we and our affiliates may be the only approved supplier of Technology Suite for use in your Park

For the fiscal year ended December 31, 2017, be advised that Sky Zone, LLC's revenues from franchisees' required purchases or leases amounted to $22,162,373

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, as described in detail in Section 9 9 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 Multi-Unit Development Agreement (MUDA) It will help you find more detailed information about your obligations in the Franchise Agreement, MUDA, and in other items of this Disclosure Document

	Obligation	Section in Agreement	Disclosure Document Item
a	Site selection and acquisition/lease	FA 4	7 and 11
b	Pre-opening purchases / leases	FA 4	8
c	Site development and other pre-opening requirements	FA 4, MUDA 1, 2	6, 7 and 11
d	Initial and ongoing training	FA 6	11
e	Opening	FA 4, MUDA 2	11
f	Fees	FA 4 5, 5, 6 2, 6 4(7), 9 6, 9 14, 10 1, 10 4, 10 6, 12 3, 13 3, 13 6, 14 1, 15 4, 16 1, 19 8, MUDA 6, 7, 9, 16, 19 4	5 and 6
g	Compliance with standards and policies / Operations Manual	FA 6, 8, 9	11
h	Trademarks and proprietary information	FA 6, 7, 8	13 and 14
i	Restrictions on products/services offered	FA 6, 8, 9	16
j	Warranty and customer service requirements	FA 9 1	11
k	Territorial development and sales quotas	MUDA 1, 2, 7, 9	12
l	Ongoing product/service purchases	FA 9	8
m	Maintenance, appearance, and remodeling requirements	FA 9 3, 9 4, 14 1	11
n	Insurance	FA 4 3, 4 7, 9 9	6, 7 and 8
o	Advertising	FA 4 9, 10	6 and 11
p	Indemnification	FA 18 4	6
q	Owner's participation/ management/staffing	FA 2 3, 2 4, 9 1, MUDA 8	11 and 15
r	Records and reports	FA 11	6
s	Inspections and audits	FA 12	6 and 11
t	Transfer	FA 13, MUDA 15, 16	17
u	Renewal	FA 14 1, 14 2	17
v	Post-termination obligations	FA 16, MUDA 10, 14	17
w	Non-competition covenants	FA 2 2, 16 5, 16 6, MUDA 13	17

	Obligation	Section in Agreement	Disclosure Document Item
X	Dispute resolution	FA 19, MUDA 19	17
y	Other	Not Applicable	Not Applicable

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

Franchise Agreement

Pre-Opening Assistance

Before you open your Park, we will

1 Instruct you in our Methods of Operation (Article 9),

2 Approve your choice of a location (Article 4 1) though you are responsible for locating your site The factors we consider regarding your choice of a location for your Park include general location and neighborhood, demographics, zoning, traffic patterns, parking, overall interior and exterior size, physical characteristics of the existing building and lease terms There is no time limit within which we must approve or disapprove the suggested site or any contractual consequences if we cannot agree on a site,

3 You will typically lease, sublease, or purchase a location from a third-party landlord We will review and approve certain provisions of your lease for your location (Article 4 2) however we will not help you negotiate your lease,

4 Provide you with general specifications and a general floor plan for your Sky Zone location (Article 4 4) though you are responsible for conforming the premises to local ordinances and building codes and obtain any required permits, and construct, remodel and decorate the premises Note that you must work with your own architect to ensure that the layout of your space conforms with local ordinances and building codes and that your contractors are performing work in conformance with any architectural engineering (or similar) plans We may review your plans, but our review is only for the purpose of ensuring that the space conforms with the Sky Zone System requirements and we are not responsible for reviewing architectural or engineering plans (or similar plans) before or during construction,

5 Provide you with an initial training program (Article 6 1) We do not help you hire your employees or provide them with training aside from the initial training program,

6 Provide you with lists of start-up inventory, furniture, fixtures, software, equipment, signs, and supplies, (Article 4 6) but you must purchase such items yourself from approved suppliers, and

Ongoing Assistance

During the operation of your business, we will

1 Provide you with refresher training (Article 6 2) though you are responsible for all other training and the hiring of your employees,

2 Provide you with general guidance on operating issues concerning the location, system standards, marketing programs approvals, etc (Article 6 3),

3 Provide you the Internet and telephone consultation (Article 6 4),

4 Provide you with wholesaling services occasionally where we may ourselves act as an approved or designated source for products, merchandise, accessories, fixtures, furnishings, equipment, signs, etc (Article 6 4),

5 Provide you with ongoing marketing programs (not collateral) (Article 6 4),

6 Provide you, at your cost and expense, with mandatory and optional meetings and seminars where we may get together with you and other Parkes for business or social purposes (Article 6 4),

7 Provide you with research and development regarding our Methods of Operation (Article 6 4),

8 At our discretion, conduct mystery shopping services or inspections of your business (Article 9 10), and

Multi-Unit Development Agreement

The Multi-Unit Development Agreement grants you the right to develop multiple Sky Zone Parks However, for each Sky Zone Park, you will sign a separate Franchise Agreement Therefore, we have no ongoing obligations such as training or operational assistance to you under the Multi-Unit Development Agreement All ongoing and future obligations to you in opening your locations shall be provided in any Franchise Agreement between you and us, including our standard site selection criteria

Franchise Site Selection

You select the site for your Sky Zone location We will provide you with our standard site selection criteria or an on-site evaluation of your proposed sites, as we deem appropriate You must verify to us that your site complies with our site selection criteria. If we do not approve a site you propose, you may propose another site We do not select or endorse your site

Before you lease or purchase any site for a Sky Zone location, you must submit to us certain information related to the site We will review the site information and determine whether we approve or object to the

site you propose Factors we deem appropriate include the general location and neighborhood, demographic information, traffic patterns, access, visibility, location of other competing facilities, size, configuration, appearance and other physical characteristics of the site If you operate an existing trampoline park, you will already have a site for your Park location, subject to our approval before you sign a Franchise Agreement with us

Opening

We estimate the time from the date you sign the Franchise Agreement to the date you open your Sky Zone location to be between 12 and 18 months However, this time estimate may vary depending on numerous factors including, entitlements and permits, construction schedules and financing You must sign a lease for a location we approve within 9 months of your signing the Franchise Agreement If you and we can't reasonably agree on a suitable location for your franchise and you do not have a signed lease or purchase a location within 9 months of your signing the Franchise Agreement, we may terminate the Franchise Agreement, unless we have agreed with you to extend the amount of time for you to open the franchise location Your Sky Zone location must be open and operating within 18 months after you sign the Franchise Agreement or we may terminate the Franchise Agreement and retain your Initial Franchise Fee

You may open a Unit under a MUDA 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 MUDA

Manual

During the term of the Franchise Agreement, we will allow you to access or borrow our then-current Manual In our discretion, we may provide you the Manual in paper or electronic form The information provided contains mandatory and suggested specifications, standards, operating procedures and rules that we prescribe from time to time for the operation of a Business and information relating to your other obligations under the Franchise Agreement and related agreements We may modify the Manual from time to time to reflect changes in the law, marketplace or our Methods of Operation The Manual and our Methods of Operations constitute confidential trade secrets and will remain our property You agree to keep your copy of any bound operations manual and any information we share with you that is a part of our Methods of Operation and/or s Manual confidential pursuant to your confidentiality obligations set forth in the Franchise Agreement You further agree to keep all such information secure whether hard copies located at the Business or by keeping all password protected electronic information secure You agree that these requirements are reasonable and necessary to preserve the identity, reputation, value and goodwill of the system (Franchise Agreement –Article 6 5)

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 290 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 – Article 10)

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, 2017, the Advertising Fund contribution was used as follows (i) 43% toward media, search engine, and social media marketing, (ii) 14% toward content, asset creation and production, (iii) 5% toward website maintenance and site creation, (iv) 10% toward non-media (e g , research, analytics, advertising professional services support), (v) 13% toward administrative expenses, and (vi) 15% 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 – Article 4 9)

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 (Franchise Agreement – Article 10 5)

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

We or our Affiliates may, in our sole discretion, establish and operate websites, social media accounts (such as Facebook, Twitter, LinkedIn, Yelp, Instagram, Pinterest, etc), applications, keyword or adword purchasing programs, accounts with websites featuring gift certificates or discounted coupons (such as Groupon, Living Social, etc), mobile applications, or other means of digital advertising on the Internet or any electronic communications network (collectively, **"Digital Marketing"**) that are intended to promote the Marks, your Business, and the entire network of Businesses We will have the sole right to control all aspects of any Digital Marketing, including those related to your Business Unless we consent otherwise in writing, you and your employees may not, directly or indirectly, conduct or be involved in any Digital Marketing that use the Marks or that relate to the Business or the network You may not separately register any domain name, create any user name, or operate any web site containing any of the Marks without our written approval If we do permit you or your employees to conduct any Digital Marketing, you or your employees must comply with any policies, standards, guidelines, or content requirements that we establish periodically and must immediately modify or delete any Digital Marketing that we determine, in our sole discretion, is not compliant with such policies, standards, guidelines, or requirements We may withdraw our approval for any Digital Marketing at any time (Franchise Agreement – Article 10 8)

Advertising Cooperatives

There are currently no advertising cooperatives We have the right to establish or approve local and/or regional advertising cooperatives for businesses in your local or regional areas, covering such geographical areas as we may designate from time to time Each cooperative will be organized and governed in a form and manner, and begin operating on a date, we determine in advance You must participate in any such cooperative and its programs and abide by its by-laws If your business is within the territory of an existing cooperative at the time your business opens for business, you must immediately become a member of the cooperative as will all businesses, franchised or company-owned, which are located in such territory If a cooperative applicable to your business is established during the term of our Franchise Agreement, you must become a member no later than 30 days after the date approved by us for the cooperative to commence operation

Computer System

You must obtain, maintain, and use the Technology System that we specify in your Business You must use the Technology System to (i) enter and track purchase orders and receipts, attendance, and customer information, (ii) update inventory, (iii) enter and manage your customers' contact information, (iv) generate sales reports and analysis relating to the Business, (iv) manage waivers, and (v) provide other services relating to the operation of the Business If we require you to use any proprietary software or to purchase any software from a designated vendor, you must execute and pay any fees associated with any software license agreements or any related software maintenance agreements that we or the licensor of the software require The standard package of both hardware and software includes on-site installation, training, technical support for the first year and 3 year warranty 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, and Group and Birthday 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 Technology 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 add, remove, or modify components of the Technology System periodically and may designate approved suppliers or specifications for such items You must replace, upgrade, or update at your expense the Technology System as we may require periodically without limitation You may be required to invest in and implement new technology initiatives at your own expense, which may include changes related to the acceptance of new payment methods, monitors, music, Internet TV broadcast, software management applications, surveillance systems, e-learning modules, and software applications designed to better manage business functions and control costs We will establish reasonable deadlines for

implementation of any changes to our Technology System requirements 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 Orland Park, Illinois and Daytona, Florida 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	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	Certified Training Park & Your Park
Training Team Members	0	3 0	1 0	Certified Training Park
Retaining Team Members	0	1 5	1 0	Certified Training Park
Risk Management	1 0	3 0	1 0	Certified Training Park
Service Recovery (H E A R T)	1 0	1 0	1 0	Certified Training Park & Your Park
Sales Basics	1 0	2 0	3 0	Certified Training
TOTAL	**6 5**	**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

The Franchise Agreement grants to you the right to own and operate a Park at a specific location The Multi-Unit Development Agreement grants you the right to develop multiple SKY ZONE Parks at specific locations under our then-current site criteria You may not conduct the business of your Park at any site other than the premises, or relocate your Park without our prior written consent The Franchise Agreement does not provide you with any options, rights of first refusal or similar rights to acquire additional franchises The Multi-Unit Development Agreement does not provide you with any options, rights of first refusal or similar rights to acquire additional franchises

You will not receive an exclusive territory You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control You will receive a Protected Territory, except for the circumstances set forth below Whether you are a single unit franchise or a Multi-Unit Developer, your territory will be delineated at the time you sign your Franchise Agreement or Multi-Unit Development Agreement and shall be based on zip codes or metes and bounds Typically, but not in all cases, each Protected Territory granted under a Franchise Agreement will encompass a population of at least 150,000 people If you sign a Multi-Unit Development Agreement, you will receive multiple Protected Territories that typically each will encompass a population of at least 150,000 people We use Buxton Analytics for purposes of determining population density We will mutually agree on the Protected Territory at the time you sign the Franchise Agreement or the Protected Territories at the time you sign the Multi-Unit Development Agreement and maintaining exclusivity does not depend on achieving a certain sales volume, market penetration, or other contingency or circumstances We reserve the right to modify a Protected Territory provided the modified Protected Territory encompasses a population of at least 150,000 people If you want to relocate your location we will evaluate your suggested new location in the same way as we evaluate requests for new locations If you want to open another location you will have to apply to us to enter into another Franchise Agreement with us and if you want to acquire rights to develop several new locations you will have to apply to us to enter into a Multi-Unit Development Agreement

Specifically, except for rights expressly granted to you under your Franchise Agreement or your Multi-Unit Development Agreement, we retain all of our rights with respect to the Marks, the System and Parks anywhere in the world, and the right to engage in any business whatsoever, including the right to do the following

1 operate, and grant to others the right to operate, Competitive Businesses offering similar or identical products, services, and classes and using the System or elements of the System (a) under the Marks anywhere outside of your Protected Territory or (b) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Protected Territory,

2 offer to sell, or sell and distribute, any products or services under any trade names, trademarks, service marks or trade dress, including the Marks, anywhere through any distribution

channels or methods, which may include retail stores, wholesale, and the Internet (or any other existing or future form of electronic commerce),and

3 acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere or business conducted anywhere, including in the Protected Territory, (a) convert the other businesses to the SKY ZONE name, (b) permit the other businesses to continue to operate under another name, and/or (c) permit the businesses to operate under another name and convert existing Parks to such other name

As previously mentioned in Item 1, our affiliates, Rockin' Jump Franchise, LLC, a California limited liability company, has offered Rockin' Jump franchises which operate indoor trampoline parks and entertainment facilities that offer group and individual arena style jumping and other attractions that combine fitness and competition, and House of Trix, LLC, a Delaware limited liability company, intends to offer Defy franchises for indoor trampoline and entertainment facilities under the Defy™ mark Rockin' Jump Franchise, LLC and House of Trix, LLC may franchise or open itself or through affiliates, company-operated parks anywhere, including in your Protected Territory and may solicit or accept orders within your Protected Territory The corporate address of Rockin' Jump Franchise, LLC is 5502 Sunol Boulevard, Pleasanton, California 94566 The corporate address of House of Trix, LLC is 32 W Center Street, Suite 201, Provo, Utah 84601 These systems maintain offices and training facilities that are physically separate from the offices and training facilities of our franchise network There is no formal mechanism in place for resolving any conflict that may arise between your Park and the units of our affiliates regarding territory, customers or franchisor support If conflicts do arise, we will resolve them as we deem appropriate

There is no restriction on us or any other party to solicit or accept orders from inside your Protected Territory, and we are not required to pay you any compensation for such solicitations We may use other channels of distribution, such as the Internet, catalog sales and other direct marketing sales and such channels of distribution may be used by us in your Protected Territory, both using the Marks and other trade and service marks

You may not use the Internet, catalog sales or other direct marketing for the sale of Sky Zone branded merchandise or any products or services other than for the sale of jump times and parties In addition, you may not use, reference or promote the Sky Zone Marks or System in connection with any current or future form of social media networks or platforms, including, without limitation, Facebook, Twitter, LinkedIn and so on without our prior approval and only in conformance with our Methods of Operation

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 (or your Responsible Person) agree to personally manage and operate the franchise and will not, without our prior written consent, delegate your (or your Responsible Person's) authority and responsibility with respect to management and operation You agree that you (or your Responsible Person) will at all times faithfully, honestly and diligently perform the obligations

hereunder and continuously exert best efforts to promote and enhance the franchise Each of your Owners must jointly and severally be bound by the terms of the Franchise Agreement and personally guarantee your (or your Responsible Person's) performance

If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you must designate in "Appendix A" to the Franchise Agreement or Exhibit "C" to the Multi-Unit Development Agreement a ' Responsible Person," who is an individual approved by us who (a) has the authority to bind you regarding all operational decisions with respect to your Park, and (b) has completed our training program to our satisfaction

You (or your Responsible Person) (a) must exert best efforts to the development and operation of your Park and all other Parks you own, and (b) absent our prior approval, may not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligations under the Franchise Agreement Your Park must, at all times, be managed by you (or your Responsible Person) or by a manager or shift supervisor who has completed our training program to our satisfaction Your Responsible Person or manager need not have an equity interest in the franchise

As more fully described in the Franchise Agreement, you (or your Responsible Person) must implement all reasonable procedures we periodically prescribe to prevent unauthorized use or disclosure of confidential information These procedures include the use of nondisclosure agreements with your owners, officers, directors, managers, assistant managers and your Responsible Person You and your owners must deliver these agreements to us Aside from requiring your Responsible Person, managers or shift supervisors to sign nondisclosure agreements, we do not currently require you to place any other restrictions on your Responsible Person, managers or shift supervisors At the end of the term of a Franchise Agreement, you must deliver to us all confidential information

If you or one of your affiliates have entered into a Multi-Unit Development Agreement with us and are entering into a Franchise Agreement under that Multi-Unit Development Agreement, and you are a business corporation, partnership, limited liability company or other legal entity, you must be at least 51% owned or controlled by a person or group of people that has at least a 51% ownership interest in and voting control of the entity that signed the Multi-Unit Development Agreement, except as we approved in writing in our business judgment We have the right to approve in advance your ownership structure

If you are a partnership, corporation, limited liability company or other legal entity, any person who has greater than a 10% interest in you must undertake to be personally bound, jointly and severally, by your obligations under the Franchise Agreement Copies of these guarantees are contained in Appendix B of the Franchise Agreement and Exhibit "B" of the Multi-Unit Development Agreement, which are attached to this Disclosure Document We do not currently require the spouses of owners to sign a personal guarantee

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer only the products and services we have approved in writing You must offer all services and products that we designate as required for franchisees There are no limits on our right to make modifications to the approved products and services periodically listed in the Operations

Manual Any failure to comply with our Methods of Operation or Operations Manual may result in termination of your Franchise Agreement

You may use only marketing and promotional materials that we have approved

You are not limited in the type of customers to whom you may sell approved products or services

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Article in Franchise Agreement	Summary
a	Length of the franchise term	3 1	Term is 10 years
b	Renewal or extension of the term	14	A successor franchise may be granted for a period of 10 years if you meet our conditions
c	Requirements for franchisee to renew or extend	14 1	Deficiencies are corrected within a reasonable cure period we specify, you have substantially complied with the Franchise Agreement, you remodel or relocate the Park, you provide us not less than 6 months nor more than 12 months' notice prior to expiration, you pay successor initial franchise fee, and may be required to sign a Franchise Agreement with materially different terms and conditions than your original Franchise Agreement
d	Termination by franchisee	15 1	You may terminate the agreement 30 days after we materially fail to comply with Franchise Agreement after 60 day cure period
e	Termination by franchisor without cause\	Not Applicable	
f	Termination by franchisor with cause	15 2, 15 3	We can terminate only if you commit one of several violations
g	"Cause" defined – curable defaults	15 3	Suit to foreclose any lien or mortgage not dismissed within 30 days, failure to comply with cleanliness or sanitation standard not corrected within 24 hours, failure to pay us or affiliates or suppliers within 30 days of due date, and failure to comply with any offer provision of Franchise Agreement within 30

	Provision	Article in Franchise Agreement	Summary
			days of notice of failure to comply
h	"Cause" defined – non-curable defaults	15 2	We can terminate upon delivery of notice of termination for insolvency, if you are adjudicated bankrupt, if you file a petition for bankruptcy, have a receiver appointed, if you make a general assignment for the benefit of your creditors, abandonment of Park, unauthorized Transfer, material misrepresentation in connection with purchase of franchise, termination of right to occupy premises, conviction of a felony or crime involving consumer fraud or moral turpitude, unauthorized disclosure of Confidential Information, underreporting of Total Gross Revenue repeated violations, failure to pay taxes, and violation of covenants not to compete
i	Franchisee's obligations on termination/ nonrenewal	16	Pay us what you owe us, including liquidated damages, cease using the Marks and System, and follow our termination procedures, including debranding your location, cancel any assumed name registrations and stop using our Confidential Information
j	Assignment of contract by franchisor	13 1	Fully transferable by us
k	"Transfer" by franchisee - defined	1 2	A transfer includes the direct or indirect sale, assignment, transfer, grant of a security, or other disposition of the Franchise Agreement, any form of ownership interest in you or the assets, including any merger or transfer as a result of a divorce, insolvency, dissolution or otherwise by operation of law, by reason of death or foreclosure
l	Franchisor's approval of transfer by you	13 2, 13 4	All transfers require our approval, except that you may transfer the Franchise Agreement to an entity wholly owned and controlled by you
m	Conditions for franchisor approval of transfer	13 3	The conditions include the character, aptitude and experience of the transferee, you having paid all amounts owed, transferee and others completing initial training and accepting the terms of the Franchise Agreement or signing our then current form of franchise agreement, you pay a transfer fee in the amount of 50% of the then-current franchise fee, you (and your Owners) sign a general release, we approve the general terms of the transfer

	Provision	Article in Franchise Agreement	Summary
n	Franchisor's right of first refusal to acquire franchisee's business	13 8	For all third party bona fide offers
o	Franchisor's option to purchase franchisee's business	16 4	60 day option upon termination or expiration of the Franchise Agreement
p	Death or disability of franchisee	13 5	Treated as a transfer
q	Non-competition covenants during the term of the franchise	1 2, 17 1	No direct or indirect involvement in the operation of any Competitive Business or diversion of customers or solicitation of employees
r	Non-competition covenants after the franchise is terminated or expires	17 2	No direct or indirect involvement in the operation of any Competitive Business for 2 years after termination, expiration, or transfer at the Location, within 15 miles of the Location, or within 15 miles of any other Park
s	Modification of the agreement	19 24	Requires consent of both parties and must be in writing
t	Integration / merger clause	19 22, 20 5	Oral statements not binding Franchise Agreement is the entire agreement Only the terms of the franchise agreement are binding (subject to state law) Any representations or promises outside the Disclosure Document and Franchise Agreement may not be enforceable Notwithstanding the foregoing, nothing in any Franchise Agreement is intended to disclaim the express representations made in this Disclosure Document
u	Dispute resolution by arbitration or mediation	19 11	All disputes resolved by mediation and arbitration except for actions for declaratory or equitable relief and actions in ejectment or for possession of any interest in real or personal property
v	Choice of forum	19 11(b)	City closest to our then current headquarters (currently, Los Angeles, California) (subject to applicable state law)
w	Choice of law	19 12	Missouri (subject to applicable state law)

MULTI-UNIT DEVELOPMENT AGREEMENT

This table lists certain important provisions of the Multi-Unit Development Agreement You should read these provisions in the Multi-Unit Development Agreement attached to this Disclosure Document

	Provision	Section in Agreement	Summary
a.	Length of the term of the franchise	3	The opening of the last Business listed under the Multi-Unit Development Agreement unless sooner terminated
b	Renewal or extension of the term	Not Applicable	You do not have the right to renew or extend the Multi-Unit Development Agreement
c	Requirement for franchisee to renew or extend	Not Applicable	You do not have the right to renew or extend the Multi-Unit Development Agreement
d	Termination by franchisee	Not Applicable	Not Applicable
e	Termination by franchisor without cause	Not Applicable	We will not terminate the Multi-Unit Development Agreement without cause
f	Termination by franchisor with cause	9, 10	We can terminate the Multi-Unit Development Agreement if you default or fail to comply with your obligations or if a Franchise Agreement is terminated, but we cannot terminate any Franchise Agreement solely as a result of the termination of a Multi-Unit Development Agreement
g	"Cause" defined – curable defaults	9	Where you fail to comply with the Development Schedule for any location at any time, or where you fail to comply with the other terms of the Multi-Unit Development Agreement, the Multi-Unit Development Agreement will terminate, following our giving you thirty (30) days' notice and opportunity to cure, without further recourse to you
h	"Cause" defined – non-curable defaults	9	Non-curable defaults include the termination of a Franchise Agreement
i	Franchisee obligations on termination/non-renewal	14	All development rights revert to us
j	Assignment of contract by franchisor	15	No restriction on our right to assign
k	"Transfer" by franchisee – defined	16	You may only transfer your rights and interests under the Multi-Unit Development Agreement if you obtain our consent and transfer all rights under all Franchise Agreements You are also subject to same restrictions on transfer as under the Franchise Agreement
l	Franchisor approval of transfer by you	16	You may only transfer your rights and interests under the Multi-Unit Development Agreement if you obtain our consent and transfer all rights under all Franchise Agreements

	Provision	Section in Agreement	Summary
m	Conditions for franchisor's approval of transfer	16	You may only transfer your rights and interests under the Multi-Unit Development Agreement if you obtain our consent and transfer all rights under all Franchise Agreements, you will pay a transfer fee we specify and you comply with other transfer conditions we specify if you propose to sell for more than the Development Fee paid by you
n	Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable
o	Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p	Death or disability of franchisee	Not Applicable	Not Applicable
q	Non-competition covenants during the term of the franchise	13 1	No direct or indirect involvement in the operation of any Competitive Business other than the business authorized in the Multi-Unit Development Agreement, no diversion of customers or solicitation of employees
r	Non-competition covenants after the franchise is terminated or expires	13 2	No direct or indirect involvement in a Competitive Business for 2 years (i) within the Development Area, (ii) within 15 miles of any Park developed by you, or (iii) within 15 miles of any other Park
s	Modification of the Agreement	27	Any modification must be in writing and signed by both parties
t	Integration/merger clause	26	Only terms of the Multi-Unit Development Agreement are binding Any promises not contained in the Multi-Unit Development Agreement, Franchise Agreement or the Disclosure Document may not be enforceable Notwithstanding the foregoing, nothing in any Multi-Unit Development Agreement is intended to disclaim the express representations made in this Disclosure Document
u	Dispute resolution by arbitration or mediation	19	All disputes resolved by mediation and arbitration except for actions for actions for declaratory or equitable relief and actions in ejectment or for possession of any interest in real or personal property
v	Choice of forum	19, 21	City closest to our then current headquarters (currently, Los Angeles, California) (subject to applicable state law)
w	Choice of law	20	Missouri (subject to applicable state law)

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

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, 2017 through December 31, 2017 (the "Measurement Period") These parks are described as Gen 1 and Gen 2 parks Gen 1 parks are parks that were mainly Trampoline based attractions Gen 2 parks are parks that incorporate both trampoline and other attraction, such as Warrior course, Warp Walls and Challenge Zones along with updated finishes and signage The results from a total of 100 (72%) of the 139 franchisee-owned parks that were open and operating over the Measurement Period are disclosed in Part I , Table I of this Item Of these 100 parks, 84 are Gen 1 parks and 16 are Gen 2 parks The results from all of the 16 franchisee-owned Gen 2 parks that were open and operating over the Measurement Period are disclosed in Part I , Table II 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 39 of the 139 parks in Table I 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 (31 parks) We also have excluded the data concerning five Affiliate-owned parks that were

open and operating as of December 31, 2017 All information included below is for franchisee-owned parks operating in the United States only

We have included averages and medians for all 100 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 (**"<135 Capacity"**), (b) parks with jumper capacity between 135 and 165 (**"135-165 Capacity"**), and (c) parks with jumper capacity of greater than 165 (**"> 165 Capacity"**) Table II provides averages and medians for all 16 Gen 2 Parks in this Item 19 (**"Gen 2 Parks"**) 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 13 new franchisee-owned Parks that opened in 2017, and that were open for at least 90 days as of December 31, 2017 (the **"2017 New Parks"**), and (ii) the 27 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"**) In Part II, we excluded the any Park that opened in 2016 or 2017, but was not opened for at least 90 days as of the applicable calendar year end

All amounts in Parts I 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/TABLE I 2017 REVENUE & EXPENSE AVERAGES

January 1, 2017 through December 31, 2017

	ALL PARK AVG (100)[1]	ALL PARK MEDIAN (100)	CAPACITY <135 (10)[2]	CAPACITY 135-165 (30)[3]	CAPACITY >165 (60)[4]
REVENUE					
Total Open Jump Revenue[5]	$1,119,654 (45/45%)	$1,068,594	$845,055 (2/20%)	$1,075,511 (13/43%)	$1 187 492 (29/48%)
Total Event Revenue[6]	$494,103 (39/39%)	$426,316	$338,565 (4/40%)	$475,332 (10/33%)	$529 412 (23/38%)
Total Non-Jumping Revenue[7]	$313,421 (40/40%)	$267,670	$241,188 (2/20%)	$324,478 (11/37%)	$319 931 (28/47%)
TOTAL REVENUE[1]	$2,075,003 (42/42%)	$1,964,526	$1,548,682 (3/30%)	$2,040,637 (9/30%)	$2,179,906 (25/42%)
EXPENSES					
COGS[8]	$159,605 (48/48%)	$189,772	$115,442	$162,937	$165,981
Advertising & Promotion[9]	$140,552 (42/42%)	$81 310	$98 525	$143 857	$146 549
Labor[10]	$553,624 (43/43%)	$531 378	$474,339	$553,637	$567,684

	ALL PARK AVG (100)	ALL PARK MEDIAN (100)	CAPACITY <135 (10)[2]	CAPACITY 135-165 (30)[3]	CAPACITY >165 (60)[4]
Occupancy Costs[11]	$294 343 (45/45%)	$273,261	$230,985	$274,105	$315,702
Royalties[12]	$123 502 (46/46%)	$119,119	$85,622	$123,714	$130,117
Other Operating Expenses[13]	$650,285 (40/40%)	$583,215	$523,310	$700,842	$712 598
TOTAL EXPENSES[14]	$1,756 420 (45/45%)	$1 634,679	$1 412 780 (4/40%)	$1 796,154 (10/33%)	$1,864,400 (28/47%)
OPERATING INCOME[15]	$99,056 (39/39%)	$53 870	$26,284 (2/20%)	$93,468 (12/40%)	$114,761 (24/40%)
EBITDA[16]	$299,905 (44/44%)	$272,410	$174, 094 (3/30%)	$309,324 (11/37%)	$318,104 (29/48%)
EBITDA + OWNERS COMPENSATION[17]	$394,620 (42/42%)	$341 237	$204,690 (3/30%)	$428,525 (12/40%)	$411 952 (25/42%)

Note 1 Of the total Parks included in Table I of this Item 19, the Park with the highest Total Revenue had Total Revenues of $5,157,856 and the Park with the Lowest Total Revenue had Total Revenues of $891,713 Of the Parks in the <135 Capacity, the Park with the highest Total Revenue had Total Revenues of $2,650,986 and the Park with the Lowest Total Revenue had Total Revenues of $1,129,479 Of the Parks in the 135-165 Capacity, the Park with the highest Total Revenue had Total Revenues of $5,157,856 38 and the Park with the Lowest Total Revenue had Total Revenues of $1,116,745 Of the Parks in the > 165 Capacity, the Park with the highest Total Revenue had Total Revenues of $4,625,298 and the Park with the Lowest Total Revenue had Total Revenues of $891,713

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 relating to Revenue and Income (for example, the number 45 in the first cell under the "All Park Avg" heading), this figure represents the number of and percentage of Parks within the subset at issue that exceeded the average amount set forth in that cell If there is a number next to a given figure in any of the other rows relating to Expenses (for example, the number __ in the first cell under the "All Park COGS" heading), this figure represents the number of and

percentage of Parks within the subset at issue with lower actual expenses than the average amount set forth in that cell

Note 2 The median figures for Parks in the <135 Capacity are as follows Median Total Open Jump Revenue $788,823, Median Total Event Revenue $308,554, Median Total Non-Jumping Revenue $209,079, Median Total Revenue $1,423,672, Median COGS $143,667 Median Advertising & Promotion $42,319, Median Labor $437,250, Median Occupancy Costs $197,122, Median Royalties $86,988, Median Other Operating Expenses $377,832, Median Total Expenses $1,235,936, Median Operating Income ($24,584), Median EBIDTA $70,886, and Median EBIDTA + Owners Compensation $82,811

Note 3 The median figures for Parks in the 135-165 Capacity are as follows Median Total Open Jump Revenue $1,046,242, Median Total Event Revenue $400,573, Median Total Non-Jumping Revenue $272,603, Median Total Revenue $1,840,012, Median COGS $177,873 Median Advertising & Promotion $82,482, Median Labor $519,783, Median Occupancy Costs $234,356, Median Royalties $108,889, Median Other Operating Expenses $579,603, Median Total Expenses $1,566,757, Median Operating Income $50,652, Media EBIDTA $246,763, and Median EBIDTA + Owners Compensation $346,397

Note 4 The median figures for Parks in the > 165 Capacity are as follows Median Total Open Jump Revenue $1,159,127, Median Total Event Revenue $487,323, Median Total Non-Jumping Revenue $284,197, Median Total Revenue $2,096,308, Median COGS $204,730 Median Advertising & Promotion $87,084, Median Labor $554,556, Median Occupancy Costs $283,413, Median Royalties $125,879, Median Other Operating Expenses $612,033, Median Total Expenses $1,778,034, Median Operating Income $83,648, Median EBIDTA $326,211, and Median EBIDTA + Owners Compensation $359,840

Note 5 Total Open Jump Revenue includes jump time purchased for open jump

Note 6 Total Event Revenue includes birthday parties, private parties, corporate events, and other special events hosted at Sky Zone parks

Note 7 Non-Jump Revenue includes concessions, Sky Socks, lockers, merchandise, and other non-jumping related sales

Note 8 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 COGS associated with event revenue (paper goods, food and beverage, etc)

Note 9 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 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 10 Labor includes the cost of hourly and management labor costs Franchisees are solely responsible for determining Owner Compensation and Management Fees Some franchisees choose not to take Owners Compensation or Management Fees

Note 11 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 Includes any office expense

Note 12 Franchisees whose data is included in this Item 19 were required to pay royalties of 6%

Note 13 Other Operating Costs include 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 Includes back office supplies such as stamps, printer ink, paper, and other items Amortization and Depreciation is included as an expense line item but is added back into the EBITDA calculation Over the 2017 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 Interest is included as an expense line item but is added back into the EBITDA calculation 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 14 Total Expenses means the total of all the amounts listed under the heading Expenses in this chart

Note 15 Operating Income means Total Revenue for a given subset less Total Expenses for that subset

Note 16 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 17 EBITDA + Owners Compensation is calculated by adding EBITDA for a given subset to the Owners Compensation figure for that subset

PART I/TABLE II 2017 REVENUE & EXPENSE AVERAGES – GEN 2 PARKS

January 1, 2017 through December 31, 2017

[redacted]	ALL GEN 2 PARK AVG (16)[1]	ALL GEN 2 PARK MEDIAN (16)
REVENUE	[redacted]	
Total Open Jump Revenue	$1,359,577 (6/38%)	$1 159,127
Total Event Revenue	$532,443 (5/31%)	$456,624
Total Non Jumping Revenue	$389 461 (9/56%)	$404,560

	ALL GEN 2 PARK AVG (16)	ALL GEN 2 PARK MEDIAN (16)
TOTAL REVENUE[1]	$2 451 787 (7/44%)	$2 266 057
EXPENSES		
COGS	$183,177 (8/50%)	$191 078
Advertising & Promotion	$151,087 (8/50%)	$146,206
Labor	$558,285 (7/44%)	$538,122
Occupancy Costs	$333,791 (8/50%)	$318,959
Royalties	$148,325 (7/44%)	$138 464
Other Operating Expenses	$651 835 (8/50%)	$663,406
TOTAL EXPENSES	$1,875,506 (9/56%)	$1,891,055
OPERATING INCOME	$352,123 (8/50%)	$317,906
EBITDA	$569,331 (7/44%)	$512,301
EBITDA + OWNERS COMPENSATION	$640,239 (7/44%)	$549,306

Note 1 Of the total 16 Gen 2 Parks included in Table II of this Item 19, the Gen 2 Park with the highest Total Revenue had Total Revenues of $5,157,856 and the Gen 2 Park with the Lowest Total Revenue had Total Revenues of $1,239,295

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 achieved these amounts 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 2017 NEW PARKS COMPARED TO 2016 NEW PARKS

Parks	Average Daily Revenue	Median Daily Revenue	Number of New Parks that Met of Exceed this Average
2017 New Parks	$5,266[1]	$4,658[1]	5 (or 38% of the 13 2017 New Parks)
2016 New Parks	$6,089[2]	$5,946[2]	14 (or 52% of the 27 2016 New Parks)

Explanatory Notes to Part II of this Item

Note 1 In calculating Average Daily Revenue for the 13 2017 New Parks disclosed in Part II above, we (i) took the total revenue generated by each 2017 New Park in the 2017 calendar year and divided that figure by the number of total days that this 2017 New Park was open and operating over the 2017 calendar year (each, a "2017 New Park Daily Average"), and (ii) added the 2017 New Park Daily Average for all 13 Parks in this subset, and divided that figure by 13

Note 2 In calculating Average Daily Revenue for the 27 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 27 Parks in this subset, and divided that figure by 27

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-900, 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 2015 through 2017

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	**2015**	88	110	+22
	2016	110	138	+28
	2017	138	150	+12
Company-Owned*	**2015**	4	4	0
	2016	4	5	+1
	2017	5	5	0
Total Outlets	**2015**	92	114	+22
	2016	114	143	+29
	2017	143	155	+12

*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 2015 through 2017

State	Year	Number of Transfers
Arizona	2015	0
	2016	0
	2017	0
California	2015	0
	2016	0
	2017	1
Connecticut	2015	0
	2016	1
	2017	0
Indiana	2015	0
	2016	0
	2017	1
Kansas	2015	0
	2016	0
	2017	1
Kentucky	2015	0
	2016	0
	2017	1
Michigan	2015	0
	2016	1
	2017	1
Maryland	2015	0
	2016	0
	2017	1
Massachusetts	2015	0
	2016	1
	2017	0
Nevada	2015	0
	2016	0
	2017	1
New York	2015	0
	2016	0
	2017	1
Ohio	2015	0
	2016	0
	2017	2
Pennsylvania	2015	0
	2016	0
	2017	2

State	Year	Number of Transfers
Texas	2015	0
	2016	0
	2017	1
Virginia	2015	0
	2016	0
	2017	1
TOTAL	2015	0
	2016	3
	2017	14

Table No 3
Status of Franchised Outlets
For years 2015 through 2017

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	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	1	0	0	0	0	2
AR	2015	1	0	0	0	0	1	0
	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
AZ	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
CA	2015	5	1	0	0	0	0	6
	2016	6	3	0	0	0	0	9
	2017	9	0	0	0	0	0	9
CO	2015	2	0	0	0	0	0	2
	2016	2	1	0	0	0	0	3
	2017	3	0	0	0	0	0	3
CT	2015	2	0	0	0	0	0	2
	2016	2	1	0	0	0	0	3
	2017	3	0	0	0	0	0	3
DE	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
FL	2015	5	4	0	0	0	0	9
	2016	9	3	0	0	0	0	12
	2017	12	1	0	0	0	1	12

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
GA	2015	3	0	0	0	0	0	3
	2016	3	3	0	0	0	0	6
	2017	6	0	0	0	0	0	6
IL	2015	1	1	0	0	0	0	2
	2016	2	2	0	0	0	0	4
	2017	4	1	0	0	0	0	5
IN	2015	5	1	0	0	0	0	6
	2016	6	1	0	0	0	0	7
	2017	7	0	0	0	0	0	7
IA	2015	1	1	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
KS	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	1	0	0	0	0	2
KY	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
LA	2015	0	2	0	0	0	0	2
	2016	2	1	0	0	0	0	3
	2017	3	0	0	0	0	0	3
MD	2015	2	1	0	0	0	0	3
	2016	3	2	0	0	0	0	5
	2017	5	0	0	0	0	0	5
MA	2015	4	1	0	0	0	0	5
	2016	5	0	0	0	0	0	5
	2017	5	0	0	0	0	0	5
MI	2015	5	1	0	0	0	0	6
	2016	6	1	0	0	0	0	7
	2017	7	0	0	0	0	0	7
MN	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
MO	2015	2	2	0	0	0	0	4
	2016	4	0	0	0	0	0	4
	2017	4	1	0	0	0	0	5
MS	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	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
NE	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
NH	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
NJ	2015	3	3	0	0	0	0	6
	2016	6	1	0	0	0	0	7
	2017	7	0	0	0	0	0	7
NY	2015	6	0	0	0	0	0	6
	2016	6	1	0	0	0	0	7
	2017	7	1	0	0	0	0	8
NV	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
NC	2015	3	0	0	0	0	0	3
	2016	3	1	0	0	0	0	4
	2017	4	1	0	0	0	1	4
ND	2015	1	0	0	0	0	0	1
	2016	1	1	0	0	0	0	2
	2017	2	0	0	0	0	0	2
OH	2015	6	1	0	0	0	0	7
	2016	7	1	0	0	0	0	8
	2017	8	1	0	0	0	0	9
OK	2015	1	1	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
PA	2015	7	2	0	0	0	0	9
	2016	9	0	0	0	0	0	9
	2017	9	3	0	0	0	0	12
RI	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
SC	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
SD	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	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
TN	2015	2	1	0	0	0	0	3
	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
TX	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
	2017	4	1	0	0	0	0	5
VA	2015	1	1	0	0	0	0	2
	2016	2	2	0	0	0	0	4
	2017	4	0	0	0	0	0	4
WI	2015	1	0	0	0	0	0	1
	2016	1	1	0	0	0	0	2
	2017	2	1	0	0	0	0	3
WA	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	1	0	0
WV	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Totals	2015	88	25	0	0	0	1	110
	2016	110	28	0	0	0	0	138
	2017	138	15	0	0	1	2	150

Table No 4
Status of Company-Owned Outlets
For years 2015 to 2017

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	**2015**	2	0	0	0	0	2
	2016	2	0	0	0	0	2
	2017	2	0	0	0	0	2
IL	**2015**	0	0	0	0	0	0
	2016	0	1	0	0	0	1
	2017	1	0	0	0	0	1
MO	**2015**	1	0	0	0	0	1
	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
NV	**2015**	1	0	0	0	0	1
	2016	1	0	0	0	0	1
	2017	1	0	0	0	1	0
WA	**2015**	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	1	0	0	1
Totals	**2015**	4	0	0	0	0	4
	2016	4	1	0	0	0	5
	2017	5	0	1	0	1	5

Table No 5
Projected Openings as of December 31, 2017

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
Arizona	1	1	0
California	1	0	0
Florida	2	1	0
Georgia	2	1	0
Illinois	1	1	1
Maryland	1	1	0
Minnesota	1	2	0
Missouri	1	0	0
Nevada	2	1	0
New Jersey	0	2	0
North Carolina	2	2	0
Pennsylvania	0	0	0
South Carolina	1	0	0
Texas	1	1	0
Virginia	1	3	0
Wisconsin	1	1	0
Total	**18**	**17**	**1**

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, 2015, December 31, 2016 and December 31, 2017 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 - Multi-Unit Development Agreement
Exhibit H - 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-900, Los Angeles, California 90017

EXHIBIT A TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

SKY ZONE
FRANCHISE AGREEMENT

[NAME OF FRANCHISEE]

[NAME OF AREA]

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SKY ZONE FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into as of the date listed on Appendix A (the "**Effective Date**") Sky Zone Franchise Group, LLC, a limited liability company formed under Missouri law, with its principal business address at 1201 West Fifth Street, Suite T-900 Los Angeles, California 90017 (referred to in this Agreement as '**we**,' "**us**" or "**our**"), and the person or entity identified on Appendix A as the franchisee with its principal place of business as set forth on Appendix A (referred to in this Agreement as "**you**" or "**your**")

1 PREAMBLES AND DEFINITIONS

1 1 Preambles This Agreement governs your ownership and operation of one Sky Zone business offering a method of operating recreational centers that offer all trampoline Playing Fields (as defined below) which use our proprietary System and our Marks (a "**Business**") Businesses are developed and operated in accordance with a distinctive business format and set of business methods, designs, layouts, standards, specifications, and Methods of Operation that we and our Affiliates have developed and will continue to develop (the "**System**") We identify the Businesses operating under the System by means of the SKY ZONE mark and certain other trademarks, service marks, trade names, trade dress, signs, associated designs, artwork, and logos that we may specify from time to time (collectively, the "**Marks**") We may change, improve, add to, and further develop the elements of the System and the Marks from time to time We grant franchises to persons who meet our qualifications and are willing to undertake the investment and effort required to own and operate a Business offering the products and services we authorize and approve and utilizing the System and the Marks You have indicated to us that you desire a franchise to own and operate a Business, and we are willing to grant you a license to own and operate a Business on the terms and conditions of this Agreement

1 2 Certain Definitions The terms listed below have the meanings which follow them and include the plural as well as the singular Other terms are defined elsewhere in this Agreement in the context in which they arise

"**Accounting Period**" - Each monthly period during the term of the Agreement

"**Affiliate**" - Any person or Entity that directly or indirectly owns or controls the referenced party, that is directly or indirectly owned or controlled by the referenced party, or that is under common control with the referenced party The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction, of the management and policies of an Entity, whether through ownership of voting securities, by contract or otherwise

"**Applicable Laws**" - All federal, state, and local laws, rules, regulations, and ordinances that are applicable in your Territory

Competitive Business" - Any trampoline based recreational facility This is not intended to include any centers specializing in gymnastics, which may contain trampolines

"**Confidential Information**" - Defined in Section 8 1 (Confidential Information)

"**Control Group**" - Defined in Section 2 4 (Control Group)

"**Controlling Interest**" - A "controlling interest" in you means 33 33% or more of your voting shares or other voting rights if you are an Entity owned by three or more persons, otherwise, 50% or more of your voting shares or other voting rights will constitute a "controlling interest "

"**Dispute**" - Any dispute, controversy or claim between and among the parties and any of our or your Affiliates, officers, directors, shareholders, members, guarantors, employees or owners arising under, out of, in connection with or in relation to (i) this Agreement, (ii) any lease or sublease for your Business, (iii) any loan or other finance arrangement between us or our Affiliates and you, (iv) the parties' relationship, (v) your Business, or (vi) any Method of Operation

"**Effective Date**" – The Effective Date listed on Appendix A

"**EFT**" - The term "EFT" means the electronic transfer of funds to us from a credit card, debit card or bank account, as well as any other current or future form of pre-authorized payment

"**Entity**" - A corporation, general or limited partnership limited liability company, corporation, association, cooperative or other legal entity

"**FDD**" - The Franchise Disclosure Document that was furnished to you by us, which describes this Agreement and the Franchise

"**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 Business whether for cash, on credit, barter or otherwise, exclusive of applicable sales, use or service taxes

"**Guarantor**" – Each Owner who has a greater than 10% interest in your Entity who must sign an agreement in the form we prescribe, undertaking to be bound jointly and severally by the terms of this Agreement, the current form of which is attached hereto as **Appendix B** (Owners' Personal Guaranty of Franchisee's Obligations)

"**Immediate Family**" - Spouse parents (including step parents), siblings (including half siblings), and children (including step children), whether natural or adopted

"**Initial Term**" - Defined in Section 3 1 (Grant of Franchise)

"**Internet**" - All communications between computers and between computers and television, telephone, facsimile and similar communications devices, including the World Wide Web, proprietary online services, e-mail, news groups and electronic bulletin boards

"**Location**" - The franchise location identified in Section 3 1 (Grant of Franchise)

"**Methods of Operation**" - The information we provide to you containing mandatory and suggested specifications, standards, operating procedures and rules that we prescribe from time to time for the operation of a Business, including the Operations Manual and any other information we provide to you during the term of the Agreement relating to your operation of the franchise business or to any other of your obligations under this Agreement and related agreements

"**NAF**" - Our National Advertising Fund, as defined in Section 10 1 (National Advertising)

"**Operations Manual**" - Our confidential policy manual, as amended from time to time, which may consist of one or more manuals, including any of our operating system manuals, compliance manuals, and management training manuals, containing our Methods of Operation relating to the development and operation of Businesses and other information relating to your obligations under this Agreement The term "Operations Manual" also includes alternative or supplemental means of communicating such information by other media, including lists templates, bulletins, e-mails, digital postings, CDs DVDs, applications, software, digital audio or video files, and any information we share with you through our company intranet or project management system

"**Operating Assets**" - All fixtures, furnishings signs, and equipment used in the Business, including the Technology System

"**Owner**" - Each person that has any direct or indirect legal or beneficial ownership interest in you, if you are an Entity, including any person who has a direct or indirect interest in you, this Agreement the Franchise or the Business and any person who has any other legal or equitable interest, or the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets thereof As used in this Agreement, any reference to Owner includes all Owners, including Silent Investors If the franchisee is one or more individuals, each individual is an Owner Your Owner(s) is/are identified on **Appendix A** to this Agreement

"**Person**" - A "person" refers to both an individual natural person and an Entity

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

"**Responsible Person**" - The individual you so designate in **Appendix A** and any replacement thereof approved by us The Responsible Person must be someone who has the authority to, and does in fact, actively direct your business affairs related to the Business

"**Royalty Billing Day**" – Twice per month on the 16th and the first day after month ends If the payment date falls on a holiday, the fees will be due on the next business day On these days each calendar month that we designate, we or our authorized designee are authorized by you to withdraw via electronic funds transfer from your designated bank account all Royalty Fees and other amounts then due to us under the terms of the Agreement

'**Silent Investor**" - All individuals and/or entities identified in **Appendix D**

"**Technology System**" - The hardware, software, security cameras, other equipment and network connections that we specify periodically in the Operations Manuals necessary to operate our point-of-sale system, the security camera system, reservation system, waiver processing system, and other technology systems that we designate

"**Transfer**" - The voluntary, involuntary, direct or indirect sale, assignment, transfer, license, sublicense, sublease, collateral assignment, grant of a security, collateral or conditional interest, Inter-vivos transfer, testamentary disposition or other disposition of this Agreement, any interest in or right under this Agreement, or any form of ownership interest in you or the assets, revenues or income of your Business including (1) any transfer, redemption or issuance of a legal or beneficial ownership interest in the capital stock of, or a partnership interest in, you or of

any interest convertible to or exchangeable for capital stock of, or a partnership interest in, you, (2) any merger or consolidation between you and another Entity, whether or not you are the surviving corporation, (3) any transfer in, or as a result of, a divorce, insolvency, corporate or partnership dissolution proceeding or otherwise by operation of law, (4) any transfer upon your death or the death of any of your Owners by will, declaration of or transfer in trust or under the laws of intestate succession, or (5) any foreclosure upon your Business or the transfer, surrender or loss by you of possession, control or management of your Business

2 YOUR ORGANIZATION AND MANAGEMENT

2 1 Organizational Documents If you are, or at any time become an Entity, you and each of your Owners agree and represent that

(a) you are duly organized and validly existing under the laws of the state of your organization, and, if a foreign Entity, you are duly qualified to transact business in the state in which your Business is located,

(b) you have the authority to execute and deliver this Agreement and to perform your obligations hereunder,

(c) your activities are restricted to those necessary solely for the development, ownership and operation of a Business in accordance with this Agreement and in accordance with any other agreements entered into with us or any of our Affiliates,

(d) the articles or certificate of incorporation, partnership agreement or other organizational documents recite that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interest is restricted by the terms of this Agreement, and

(e) all certificates representing direct or indirect legal or beneficial ownership interests in you now or hereafter issued must bear a legend in conformity with Applicable Law reciting or referring to such restrictions

2 2 Ownership Interests

(a) You and each of your Owners represent, warrant and agree that the attached **Appendix A** is a current, complete and accurate list of all Owners Every time there is a change in the persons or Entities who are your Owners, you must, within seven calendar days from the date of such change, notify us of the change and cooperate with us in updating **Appendix A** so that it is at all times current, complete and accurate

(b) Each person who is or becomes an Owner who has a greater than 10% interest in the franchisee Entity must execute an agreement in the form we prescribe, undertaking to be bound jointly and severally by the terms of this Agreement the current form of which is attached hereto as **Appendix B** (Owners' Personal Guaranty of Franchisee's Obligations) However, if we are entering into this Agreement totally or partially based on the financial qualifications, experience, skills or managerial qualifications of any person or Entity who directly or indirectly owns 10% or less interest in the franchisee Entity, we have the right to designate that person as an Owner who must sign **Appendix B** to this Agreement

(c) Each person who is or becomes an Owner that (i) has a greater than 10% interest in in the franchisee Entity or (ii) is given access to our Confidential Information must

execute an agreement in the form we prescribe, undertaking to be bound by the confidentiality and non-competition covenants contained in the Agreement, the current form of which is attached hereto as **Appendix C**

(d) If you have one or more Silent Investors you and each of your Owners must execute the attached **Appendix D**

(e) If you are a partnership Entity, then each person or Entity who, now or hereafter is or becomes a general partner is deemed an Owner who must sign **Appendix B** and **Appendix C**, regardless of the percentage ownership interest

2 3 Responsible Person/Management of Business If you are, or at any time become, an Entity, you must designate in **Appendix A** as the "Responsible Person" an individual approved by us who must have the authority to bind you regarding all operational decisions with respect to your Business, and have completed our training program to our satisfaction You (or your Responsible Person) shall exert your best efforts to the development and operation of your Business and all other Businesses you own, and absent our prior approval may not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligations hereunder We shall have no responsibility, liability or obligation to any party to any such arrangement, agreement or contract, or any amendments thereto, on account of our approval thereof or otherwise, and you agree to indemnify and hold us harmless with respect thereto You must notify us of any proposed change of the Responsible Person and receive our written approval prior to such change If such change results from the voluntary or involuntary termination of the Responsible Person, you must submit a new proposed Responsible Person within 15 days after such termination Neither you nor your owners will, directly or indirectly, take any actions to avoid or restrict the authority requirement for the Responsible Person Your Business at all times must be managed by you (or your Responsible Person) or by an on-site general or assistant manager or a shift supervisor who has completed the appropriate training programs

2 4 Control Group If you or one of your Affiliates have entered into a Multi-Unit Development Agreement with us and are entering into this Agreement pursuant thereto, and you are an Entity, you acknowledge and agree that the Owner or group of Owners described in **Appendix A** hereof that has, directly or indirectly, 51% or more ownership interest in you and voting control over its ownership interests in you ("**Control Group**"), has the same ownership interest in and voting control of the Entity that executed the Multi-Unit Development Agreement Furthermore, you acknowledge and agree that we have the right to approve in advance your ownership structure

3 GRANT OF RIGHTS

3 1 Grant Of Franchise

(a) Grant Subject to the terms of and upon the conditions contained in this Agreement, we hereby grant you a non-exclusive license (the "**Franchise**") to operate one Business using the System and the Marks at the location identified on **Appendix F** (the "**Location**"), for a term commencing on the Effective Date and expiring on the tenth anniversary of that date ("**Initial Term**"), unless sooner terminated in accordance with Section 15 (Termination of Agreement) You hereby accept the Franchise and agree to operate the Business according to the provisions of this Agreement for the entire Initial Term You have no

right to (i) sublicense the Marks or the System to any other person or entity, (ii) use the Marks or the System at any location other than the Location, or (iii) to use the Marks or the System in any wholesale, e-commerce, or other channel of distribution besides the operation of the Business at the Location

(b) **Protected Territory** This Agreement grants to you a Franchise for a single Business with a protected territory as identified on **Appendix F** (the **"Protected Territory"**) If the Location has not been identified when you sign this Agreement, we may, in our sole discretion, revise the Protected Territory once we have accepted the Location The final Protected Territory will be identified on **Appendix F** During the term of this Agreement, we have the right to modify the Protected Territory and revise **Appendix F** provided however, that the Protected Territory shall continue to include a population of at least 150,000 people Except as provided in Section 3 2 (Our Reservation of Rights), we will not open, or license a third party to open, a Business within your Protected Territory

3 2 **Our Reservation of Rights** Except as otherwise expressly provided in Section 3 1(b) (Protected Territory), we and all of our Affiliates (and our and their respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all of our rights with respect to the Marks, the System and Businesses anywhere in the world, and the right to engage in any business whatsoever, including the right to

(a) operate, and/or grant to others the right to operate, Competitive Businesses offering similar or identical products, services, and classes and using the System or elements of the System (i) under the Marks anywhere outside of the Protected Territory or (ii) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Protected Territory,

(b) offer to sell, or sell and distribute, any products or services under any trade names, trademarks, service marks or trade dress, including the Marks, anywhere through any distribution channels or methods, which may include retail stores, wholesale, and the Internet (or any other existing or future form of electronic commerce), and

(c) acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere or business conducted anywhere and, even if such businesses are located in the Protected Territory, (i) convert the other businesses to the SKY ZONE name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Businesses to such other name

4 LOCATION SELECTION, LEASE OR PURCHASE OF LOCATION AND LOCATION DEVELOPMENT

4 1 **Location Selection** You acknowledge that, following your signing this Agreement, you (with or without our assistance) will find and submit to us for our acceptance a Location for your Business You acknowledge and agree that our recommendation or acceptance of the Location, and any information regarding the Location communicated to you regarding our standard site selection criteria for Businesses, do not constitute a representation or warranty of any kind, express or implied, as to the suitability of the Location for a Business or for any other purpose Our recommendation or acceptance of the Location indicates only that we believe that the Location falls within the acceptable criteria for locations that we have established as of the time of our recommendation or acceptance of the Location You

acknowledge and agree that your selection of the Location is based on your own independent investigation of the suitability of the Location We have the right to grant or withhold acceptance of any proposed Location in our business judgment

4 2 Purchase Or Lease Of The Location You must lease, sublease or purchase the Location within nine months after signing this Agreement Your failure to sign a lease within this timeframe constitutes grounds for immediate termination of this Agreement under Section 15 2 (Termination By Us) and the loss of your non-refundable Initial Franchise Fee You may request a three (3) month extension of this time frame to lease, sublease or purchase the Location by sending us a written request at least thirty (30) days before the deadline ("**First Extension Period**") We may grant the First Extension Period, without your payment of any extension fee, if we believe you have engaged in a good faith effort to find a Location If no less than 30 days prior to the expiration of the First Extension Period, you request an additional extension of time to lease, sublease or purchase the Location ("**Additional Extension Period**"), we shall have the right, in our sole discretion, to grant such Additional Extension Period provided you pay us an extension fee in an amount equal to the then-current initial franchise fee We have the right, but not the obligation, to review the business terms of any lease, sublease or purchase contract for the Location and you agree to deliver a copy to us for our review before you sign it You agree that any lease or sublease for the Location must, in form and substance satisfactory to us, include all of the provisions set forth on **Appendix E** attached hereto You may not execute a lease, sublease purchase contract or any modification thereof without our approval Our approval of the lease, sublease or purchase contract does not constitute a warranty or representation of any kind express or implied, as to its fairness or suitability or as to your ability to comply with its terms We do not, by virtue of approving the lease, sublease or purchase contract, assume any liability or responsibility to you or to any third parties Such approval indicates only that we believe that the Location and certain terms of the lease, sublease or purchase contract fall within the acceptable criteria we have established as of the time of our approval You further acknowledge that we have advised you to seek legal counsel to review and evaluate the lease You must deliver a copy of the fully signed lease, sublease or purchase contract to us within five days after its execution

4 3 Location Development

(a) Development You are solely responsible for developing the Business and for all expenses associated with it We will furnish you with mandatory specifications and layouts for a Business, including requirements for dimensions, design, image, interior layout, decor, Operating Assets, and color scheme and other suggestions The mandatory specifications and layouts we provide will not contain the requirements of any federal, state or local laws, codes or regulations You are obligated to have prepared, at your expense, all required construction plans and specifications to suit the shape and dimensions of the Location and to ensure that such plans and specifications comply with all Applicable Laws, building codes and permit requirements and with lease requirements and restrictions, including those concerning the Americans with Disabilities Act ("**ADA**") or similar rules governing public accommodations for persons with disabilities We will furnish such guidance to you in developing the Location as we deem appropriate You will consult with our real estate team in order to obtain the services of an architect approved by us to produce construction plans, based on the preliminary layout provided by us to suit the shape and dimensions of the location

(b) Plans After the preliminary layout is completed, you will hire a local licensed architect that meets our standards, or may use an architect approved by us, to detail the layout into construction plans You are responsible for the cost for both the approved

architect's services and the local architect's services We shall provide the first three (3) space plans ("**Space Plan**") to you at no additional cost If additional Space Plans are necessary, the cost shall be Three Hundred Fifty Dollars ($350) for each additional Space Plan You must submit all such modified plans and specifications, including design specifications to us for our approval before starting to develop the Location You acknowledge that design quality is important to us All final plans are subject to our approval At our request, you must submit all revised or 'as built" plans and specifications All development and any signage must be in accordance with the plans and specifications we have approved and must comply with all Applicable Laws, ordinances and local rules and regulations We may periodically inspect the Location during its development We do not, by approving your plans or specifications or inspecting the Location, assume any liability or responsibility to you or to any third parties Such approvals and inspections shall be solely for the purpose of assuring compliance with our standards and shall not be construed as any express or implied representation or warranty that your Business complies with any Applicable Laws (including the ADA or any other laws regulating standards for the access to, use of, or modifications of buildings for any by persons whose disabilities are protected by law) or that the construction thereof is sound or free from defects All prototype and modified plans and specifications for your Business remain our sole and exclusive property, and you may claim no interest therein

(c) **Construction** You must employ a general contractor acceptable to us You must procure all applicable construction insurance in amounts and coverages acceptable to us You must provide us with weekly progress reports during construction in a format acceptable to us We have the right to visit and inspect, the site during the construction phase Such visits shall be at our expense, except for visits made upon your request, which shall be at your expense The requirement to complete construction of your Business includes obtaining all required construction and occupancy licenses and permits, developing the Location (including all outdoor features and landscaping of the Location, if applicable), installing all required Operating Assets, and doing all other things as may be required pursuant to this Agreement or by practical necessity to have your Location ready to open for business

(d) **Force Majeure** Notwithstanding anything to the contrary contained in this Section 4 3, you shall not be deemed to be in breach of this Section 4 3 if your failure to start construction, finish construction or open your Business as above provided results solely from windstorms, rains, floods, earthquakes, typhoons, mudslides, fires or other natural disasters Any delay resulting from any of such causes shall extend performance accordingly, in whole or in part, as may be reasonable, except that no such cause alone or in combination with other causes, shall extend performance more than 90 days without our prior written consent, which consent may be withheld

4 4 **Your Obligations** You agree, at your own expense, to do the following with respect to developing the Business at the Location

(a) secure all financing required to develop and operate the Business,

(b) obtain all permits and licenses required to construct and operate the Business,

(c) construct all required improvements to the Location and decorate the Business in compliance with plans and specifications we have approved, and which comply with all governmental requirements,

(d) purchase or lease and install all required Operating Assets required for the Business, and

(e) purchase an initial inventory of authorized and approved products, materials and supplies

4 5 Operating Assets You agree to use in developing and operating the Business only those Operating Assets that we have approved for Businesses as meeting our specifications and standards for quality, design, appearance, function and performance You agree to place or display at the Location (interior and exterior) only such signs, emblems, lettering, logos and display materials that we approve from time to time See Section 9 6 (Products, Supplies, Operating Assets, and Services) for details relating to the acquisition of the Operating Assets

4 6 Start-Up Inventory Subsequent to your execution of this Agreement and prior to your commencement of operations hereunder, we will give you lists of the start-up inventory we require you to obtain prior to commencing operations hereunder See Section 9 5 (Products and Services You May Offer) and 9 6 (Products, Supplies, Operating Assets, and Services) for details relating to your inventory **Business Commencement** You agree not to commence operation of the Business until

(a) we approve the Business as developed in accordance with our specifications and standards,

(b) pre-opening training has been completed by you your Responsible Person, and/or your employees to our as provided in Section 6 1 (Training),

(c) you have given us a copy of your lease, sublease or purchase contract for the Location,

(d) the Initial Franchise Fee and all other amounts then due to us have been paid,

(e) we have been furnished with copies of all insurance policies required by this Agreement and been named as an additional insured, or such other evidence of insurance coverage and payment of premiums as we request or accept, and

(f) you have obtained all required permits, licenses and certifications for operating the Business, and the Location is in compliance with all Applicable Laws

4 8 Commencement Deadline You agree to commence Business operations within 18 months after the execution of this Agreement and within five days after we notify you that the conditions set forth in this Section have been satisfied

4 9 Grand Opening Marketing You agree to conduct grand opening marketing for the Business The grand opening marketing period is the period beginning a minimum of 120 days immediately preceding the date that you commence regular operations at the Business to the date you commence regular operations at the Business You must spend a minimum of $25,000 for your pre-opening marketing obligations (the "**Grand Opening Marketing Expense**") You must spend one-half (1/2) of such Grand Opening Marketing Expense prior to the opening of the Business and the remainder in the month in which the Business opens Such

pre-opening marketing will utilize marketing and public relations programs and media and advertising materials we have approved

4 10 Opening Assistance We will send at least one (1) representative to provide on-site opening assistance for at least five (5) days during the opening of the Business If additional training is required on-site, you will be responsible for all expenses, incurred by the trainers and we will have the right to charge a reasonable training and assistance fee

4 11 Relocation You may not relocate the Business without our prior written consent Such approval will not be unreasonably withheld, provided that (i) the new location for the Business premises is satisfactory to us and you comply with our then-current real estate requirements, (ii) your lease, if any, for the new location complies with our then-current requirements (iii) you comply with our then-current requirements for constructing and furnishing the new location, (iv) the new location will not as determined in our sole discretion, materially and adversely affect the revenue of any other Business, (v) you have fully performed and complied with each provision of this Agreement within the last three years prior to, and as of, the date we consent to such relocation (the **"Relocation Request Date"**), and (vi) you are not in default under this Agreement as of the Relocation Request Date If your Location lease expires or is otherwise terminated, you must secure our approval of another site and enter into a lease, sublease, or purchase agreement for the new approved site within 90 days If we consent to the Business's relocation we have the right to charge you for the expenses we incur in connection with the relocation We reserve the right to terminate this Agreement if you fail to secure a new approved site within 90 days after you lose the original lease or sublease

5 FEES

5 1 Initial Franchise Fee You agree to pay us a nonrecurring and nonrefundable initial franchise fee in the amount of Sixty Thousand Dollars ($60,000), that shall be due when you execute the Agreement (the "**Initial Franchise Fee**") The Initial Franchise Fee is non-refundable

5 2 Royalty Fee You agree to pay us a nonrefundable royalty (the "**Royalty Fee**") per Accounting Period via EFT The Royalty Fee your Business will pay shall be equal to 6% of the Gross Sales for the Business We will collect the Royalty Fee on the Royalty Billing Day, pursuant to our Methods of Operation, via the EFT initiated by us or by a third party authorized by us from the designated account identified in Section 5 5 (Designated Account), or by such other means as we may authorize and approve

5 3 Ad Fee You must pay to us a continuing advertising fee in the amount of two percent (2%) of the Gross Sales for the Business (the "**Ad Fee**"), payable in the same manner as the Royalty Fee The Ad Fee may be increased or decreased by us with at least thirty (30) days' notice to you but shall not exceed two and one-half percent (2 5%)

5 4 Other Fees You agree to pay us or our Affiliates such other fees that are set forth in this Agreement or that we otherwise impose Such fees shall be due at the same time and payable in the same manner as the Royalty Fee, unless different payment terms are expressly stated for such fees at the time they are imposed or thereafter

5 5 Designated Account Prior to the opening of the Business, and as a condition thereof, you shall establish a designated bank account from which we or our authorized designee shall be authorized to withdraw in any manner which we prescribe, which may include

EFT or wire transfer, any amounts due to us our Affiliates or any supplier from you under this Agreement, including but not limited to Royalty Fees and Ad Fees We have the right to review your sales numbers on a daily basis On the days designated as your Royalty Billing Days, we or our authorized designee shall calculate the Royalty Fee due for that Accounting Period and withdraw such amount and any other amounts due under this Agreement, including any Ad Fees or other fees, directly from the designated account All costs and expenses of establishing and maintaining such designated account, including transaction fees and wire transfer fees, shall be paid by you You agree to maintain at all times sufficient funds in such designated bank accounts for such withdrawals

5 6 Interest On Late Payments All amounts which you owe us and do not pay us when due will bear interest after their due date at the lesser of (a) the highest rate of interest permitted by law, or (b) 18% per annum You acknowledge that this Section does not constitute our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Business

5 7 Application Of Payments Notwithstanding any designation you might make, we have the right to apply any of your payments to any of your past due indebtedness to us You acknowledge and agree that we have the right to set off any amounts you or your owners owe us against any amounts we might owe you or your owners

5 8 Authorized Supplier Payment You acknowledge and agree that in order to insure quality and consistency at all Businesses, we may require that you obtain goods or services from certain designated suppliers Pursuant to our Methods of Operation, we may identify certain suppliers, that may include us, or any Affiliate, as a mandatory or approved supplier You hereby acknowledge and agree that in the event we receive notice from any supplier that you are over 60 days past due on any payment to such supplier, and you have not provided any notice to the supplier disputing such overdue amount prior to our receipt of notice from the supplier concerning any such past due amount, you hereby authorize us to make payment on your behalf of any such overdue amount to such supplier You acknowledge and agree we may pay any such overdue amount by withdrawing from your designated bank account an amount equal to the overdue amount owed to the supplier **Non-Compliance Fee** In the event you are found in violation of any of the terms of this Agreement beyond any applicable cure period, we may impose a fee of $250 per day for each day you remain out of compliance If there is no cure period, the $250 per day fine shall begin the day after we give you written notice For any jumper who you do not obtain a waiver prior to them using the trampolines or other attractions at your Business, we have the right to charge you a fee of $2,500 per violation Nothing herein is intended to limit our rights of termination based on your violation of this Agreement

5 10 Inspection And Compliance Reimbursement You agree to reimburse us for our actual costs if, after an inspection of your Business, we determine (in our business judgment) that additional follow up inspections or assessments are required Our actual costs may include (but are not necessarily limited to) travel, meal and hourly wage expenses

6 TRAINING, ASSISTANCE, AND METHODS OF OPERATION

6 1 Training Before the Business begins operating, we will furnish initial training on the operation of a Business to you (or, if you are an Entity, your Responsible Person) and your management team that consists of a minimum of three (3) managers and one (1) additional leader (collectively, "**Management Team**") The initial training will be furnished at such time and

place as we may designate You (or your Responsible Person), and your Management Team are required to complete the initial training to our satisfaction If you are an existing franchisee and you have previously completed our initial training program, you will not be required to attend the initial training program, however, we may require that certain of your employees and that any new general manager complete the initial training program You also are required to participate in all other activities required to operate the Business Although we will furnish initial training to you (or your Responsible Person) and your Management Team, at no additional fee or other charge, you will be responsible for all travel and living expenses and compensation which you (or your Responsible Person) and your Owners or employees incur in connection with training If we determine that you (or your Responsible Person) are unable to complete initial training to our satisfaction, we have the right to terminate this Agreement pursuant to Section 15 1 (Termination By Us) As of the Effective Date we do not have plans to change the initial training, but we reserve the right to do so If the initial training changes before you enroll in the training program you, your Owners and your employees will be required to complete the initial training that is required of franchisees at such time

6 2 Refresher Training We may require you (or your Responsible Person) and/or previously trained and experienced employees to attend periodic refresher training courses at such times and locations that we designate, and we may charge reasonable fees for such courses We also may require you to pay us fees for training additional employees or your new employees hired after your Business commences operations

6 3 General Guidance We may advise you from time to time regarding operating issues concerning the Business disclosed by reports you submit to us or on-site inspections we make from time to time Such guidance may be furnished in our Operations Manual, bulletins, e-mails, through our company intranet or other written materials or by any electronic transmission and/or during telephone consultations and/or consultations at our office or the Business In addition, we may furnish guidance to you with respect to

(a) standards, specifications and operating procedures and methods utilized by the Business,

(b) purchasing required Operating Assets, products, materials and supplies,

(c) advertising and marketing program approvals,

(d) employee training,

(e) administrative, bookkeeping and accounting procedures,

(f) use of authorized and approved Technology Systems, and

(g) sample or template forms or documents ANY SUCH SAMPLE OR TEMPLATE FORMS ARE PROVIDED FOR INFORMATIONAL PURPOSES ONLY AND ARE NOT INTENDED AS LEGAL ADVICE WE DO NOT WARRANT THE COMPLETENESS, LEGALITY OR ENFORCEABILITY OF ANY DOCUMENT OR INFORMATION PROVIDED BY US YOU SHOULD RETAIN YOUR OWN LEGAL COUNSEL TO REVIEW AND REVISE ANY SUCH DOCUMENT OR INFORMATION TO CONFORM TO ALL APPLICABLE FEDERAL, STATE AND LOCAL LAWS

6 4 On-Site Consultation And Additional Guidance During the term of this Agreement, additional guidance may be provided in any of the following ways

(a) Internet and telephone consultation during such times as are outlined in the Operations Manual,

(b) wholesaling services whereby we may ourselves act as an approved or designated source for products, merchandise, accessories, Operating Assets, etc ,

(c) website and social media marketing assistance,

(d) ongoing marketing programs (not collateral) to fulfill our obligations in Section 10 (Marketing),

(e) meetings, seminars or conferences whereby we may get together with you and other franchisees for business or social purposes,

(f) research and development regarding Methods of Operation, and/or

(g) at your request, we may furnish additional guidance and assistance and, in such a case, may charge a reasonable fee for such assistance If you request, or if we require additional or special training for your employees, all of the expenses that we incur in connection with such training, including per diem charges and travel and living expenses for our personnel, will be your responsibility

6 5 Operations Manual During the term of this Agreement, we will allow you to access or borrow our then-current Operations Manual In our discretion, we may provide you the Operations Manual in paper or electronic form The information provided contains mandatory and suggested specifications, standards, operating procedures and rules that we prescribe from time to time for the operation of a Business and information relating to your other obligations under this Agreement and related agreements We may modify the Operations Manual from time to time to reflect changes in the law, marketplace or our Methods of Operation The Operations Manual and our Methods of Operations constitute confidential trade secrets and will remain our property You agree to keep your copy of any bound operations manual and any information we share with you that is a part of our Methods of Operation and/or Operations Manual confidential pursuant to your confidentiality obligations set forth in this Agreement You further agree to keep all such information secure whether hard copies located at the Business or by keeping all password protected electronic information secure You agree that these requirements are reasonable and necessary to preserve the identity reputation, value and goodwill of the system

7 MARKS

7 1 Ownership And Goodwill Of Marks Your right to use the Marks is derived solely from this Agreement and limited to your operation of the Business pursuant to and in compliance with this Agreement and the Methods of Operation Your unauthorized use of the Marks will be a breach of this Agreement and an infringement of our rights in and to the Marks You acknowledge and agree that your usage of the Marks and any goodwill established by such use will be exclusively for our and our Affiliates' benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Business in compliance with this Agreement) All provisions of this Agreement applicable to the

Marks apply to any additional proprietary trademarks and service marks and commercial symbols we authorize you to use You will not represent in any manner that you have any ownership in the Marks or the right to use the Marks except as provided in the Agreement and in the Operations Manual

7 2 Limitations On Your Use Of Marks You agree to use the Marks as the sole identification of the Business, except that you agree to identify yourself as the independent owner thereof in the manner we prescribe You may not use any Marks, or any name that is confusingly similar with any Marks as part of any corporate or legal business name or as part of an Internet domain name or Internet e-mail address or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you hereunder), or in any modified form, nor may you use any Marks in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing No Marks may be used in any advertising concerning the transfer, sale or other disposition of the Business or an ownership interest in you You agree to display the Marks in the manner we prescribe at the Business, on supplies or materials we designate and in connection with forms and advertising and marketing materials You agree to give such notices of trademark and service marks registrations, i e , "®", ' ™", as we specify and to obtain any fictitious or assumed name registrations required under Applicable Law You agree to withdraw any fictitious or assumed name registrations immediately upon termination or expiration of this Franchise Agreement

7 3 Notification Of Infringements And Claims You agree to notify us immediately of any apparent infringement or challenge to your use of any Marks, or of any claim by any person of any rights in any Marks, and agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim We have the right to take such action as we deem appropriate and the right to control exclusively any litigation, United States Patent and Trademark Office ("**USPTO**') proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Marks You agree to sign any and all instruments and documents, render such assistance and do such acts and things as, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or USPTO proceeding or other proceeding or otherwise to protect and maintain our interests in the Marks

7 4 Discontinuance Of Use Of Marks If it becomes advisable at any time for us and/or you to modify or discontinue the use of any Marks and/or use one or more additional or substitute trademarks or service marks, you agree to comply with our directions within a reasonable time after receiving notice thereof We will not be obligated to reimburse you for any expenses or loss of revenue attributable to any modified or discontinued Marks or for any expenditures you make to promote a modified or substitute trademark or service mark

7 5 Indemnification Of Franchisee We agree to indemnify you against, and to reimburse you for, all damages for which you are held liable in any proceeding arising out of your authorized use of any Mark pursuant to and in compliance with this Agreement and, except as provided herein, for all costs you reasonably incur in defending any such claim brought against you, provided you have timely notified us of such claim and provided further that you and your Owners and Affiliates are in compliance with this Agreement and all other agreements entered into with us or any of our Affiliates We are entitled to prosecute, defend and/or settle any proceeding arising out of your use of any Mark pursuant to this Agreement, and, if we undertake to prosecute, defend and/or settle any such matter, we have no obligation to indemnify or reimburse you for any fees or disbursements of any legal counsel retained by you

8 CONFIDENTIAL INFORMATION

8 1 Confidential Information We possess (and will continue to develop and acquire), and may disclose to you either orally or in writing, certain confidential information relating to the development and operation of Businesses (the '**Confidential Information**"), which may include

(a) site selection criteria and methodologies

(b) plans and specifications for the development of Businesses,

(c) the Methods of Operation methods and knowledge and experience used in developing and operating Businesses, including the Operations Manuals,

(d) sales, marketing and advertising programs and techniques for Businesses,

(e) marketing research and promotional, marketing, advertising, public relations, customer relationship management and other brand-related materials and programs for Businesses,

(f) knowledge of specifications for and suppliers of certain Operating Assets, products, materials and supplies,

(g) knowledge of the operating results and financial performance of Businesses other than the Business,

(h) methods of training and management relating to Businesses,

(i) customer communication and retention programs, along with data used or generated in connection with those programs,

(j) computer system and software programs used or useful in Businesses and

(k) any and all other information related to the Business or Businesses generally that we reasonably designate from time to time as confidential or proprietary This includes all customer and membership lists and information for the Business and Businesses generally

"Confidential Information" does not include (i) information that is part of the public domain or becomes part of the public domain through no fault of you, (ii) information disclosed to you by a third party having legitimate and unrestricted possession of such information, or (iii) information that you can demonstrate by clear and convincing evidence was within your legitimate and unrestricted possession when the parties began discussing the sale of the franchise

8 2 Nondisclosure of Confidential Information We will disclose the Confidential Information to you solely for your use in the operation of your Business The Confidential Information is proprietary to us and our Affiliates and includes our trade secrets During the term of this Agreement and thereafter (a) you and your Owners may not use the Confidential Information in any other business or capacity, (b) you and your Owners must exert your best

efforts to maintain the confidentiality of the Confidential Information, (c) you and your Owners may not make unauthorized copies of any portion of the Confidential Information disclosed in written electronic or other form, and (d) you and your Owners must implement all reasonable procedures we prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including the use of nondisclosure agreements (in a form that we prescribe or approve that identifies us as a third party beneficiary of such agreements with the independent right to enforce the agreement) with your Owners, officers, directors, managers, assistant managers, shift supervisors, and any other individuals who have access to the Confidential Information, which you must deliver to us At the end of the term of this Agreement, you and your Owners must deliver to us all such Confidential Information in your possession You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to utilize Confidential Information disclosed to you in operating the Business during the term of this Agreement, and that the use or duplication of any Confidential Information in any other business will constitute an unfair method of competition and a violation of this Agreement

8 3 Customer Information

(a) Protection of Customer Information You must comply with our Methods of Operation, other directions from us, and all Applicable Laws regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of Customer Information on your Technology System or otherwise in your possession or control and, in any event, employ reasonable means to safeguard the confidentiality and security of Customer Information You shall at all times be in compliance with the Payment Card Industry Data Security Standards **"Customer Information"** means names, contact information, financial information and other personal information of or relating to the Business's customers and prospective customers If there is a suspected or actual breach of security or unauthorized access involving your Customer Information, you must notify us immediately after becoming aware of such actual or suspected occurrence and specify the extent to which Customer Information was compromised or disclosed You are responsible for any financial losses you incur or remedial actions that you must take as a result of a breach of security or unauthorized access to Customer Information in your control or possession

(b) Ownership of Customer Information You agree that all Customer Information that you collect in connection with your Business is deemed to be owned by us and must be furnished to us at any time that we request it In addition, we and our affiliates may, through the Technology System or otherwise, have independent access to Customer Information

(c) Use of Customer Information You have the right to use Customer Information while this Agreement or a successor franchise agreement is in effect, but only to market SKY ZONE products and services to customers in accordance with the policies that we establish periodically and Applicable Laws You may not sell, transfer, or use Customer Information for any purpose other than marketing SKY ZONE products and services We and our Affiliates may use Customer Information in any manner or for any purpose You must secure from your actual and prospective customers and others all consents and authorizations, and provide them all disclosures, that Applicable Law requires to transmit Customer Information to us and our Affiliates, and for us and our Affiliates to use that Customer Information, in the manner that this Agreement contemplates

9 SKY ZONE METHODS OF OPERATION

9 1 Compliance With Methods Of Operation You acknowledge that each and every aspect of the interior and exterior appearance, layout decor, services and operation of your Business is important to protect our reputation and goodwill and to maintain uniform operating standards under the Marks Any required standards exist to protect our interest in the System and the Marks, and are not for the purpose of establishing any control, or the duty to take control, over those matters that are clearly reserved to you You agree to operate and maintain the Business in full compliance with any mandatory specifications, standards, and operating procedures set forth in our Methods of Operation and Operations Manual, as we periodically modify and supplement them during the term of this Agreement, relating to the appearance, function, cleanliness or operation of a Business Your Business may not be used for any purpose, other than the operation of a Business in compliance with this Agreement You agree that your Business will offer courteous and efficient service and a pleasant ambiance You must keep the Business open for business to the public at least during the hours we prescribe from time to time in the Operations Manual or otherwise approve, unless prohibited by Applicable Laws or by the lease for the Location You acknowledge and agree that such mandatory standards also include that you shall, under no circumstances, exceed the maximum capacity of the Business as determined by us including maximum capacity for individual pieces of equipment, and that you shall at all times ensure that its security camera system is operational and that we have independent access to such security camera system You further acknowledge and agree that the maximum capacity set by us as described herein may be more stringent than maximum capacity requirements of local laws, but we have established the maximum capacity for safety reasons based on the size, layout and design of your Business

9 2 Provisions Of This Agreement You agree that the Methods of Operation prescribed from time to time in the Operations Manual, or otherwise communicated to you in writing or other tangible form, constitute provisions of this Agreement as if fully set forth herein All references to this Agreement include the Operations Manual and all of the Methods of Operation as may be periodically modified

9 3 Modification Of Methods Of Operation We may periodically modify the Methods of Operation, which modifications may include regional or local variations as we determine, provided, however, that such modifications will not alter your fundamental status and rights under this Agreement You acknowledge that any modifications to the Methods of Operation may obligate you to invest additional capital in the Business (**"Capital Modifications"**) and/or incur higher operating costs We will not obligate you to make any Capital Modifications when such investment cannot, in our reasonable judgment, be amortized during the remaining term of this Agreement, unless we agree to extend the term of this Agreement so that such additional investment, in our reasonable judgment, may be amortized, or unless such investment is necessary in order to comply with Applicable Laws

9 4 Condition Of Your Business

(a) Maintenance You must maintain your Business's condition and appearance so that it is attractive, clean and efficiently operated in accordance with the Operations Manual You agree to maintain your Business's condition and appearance and to make such modifications and additions to its layout, decor, operations, and general theme as we require from time to time, including replacement of worn-out or obsolete Operating Assets, repair of the interior and exterior and appurtenant parking areas, and periodic cleaning and redecorating If at any time the general state of repair, appearance or cleanliness of your

Business, or its Operating Assets, does not meet our standards, we may notify you and specify the action you must take to correct such deficiency If, within ten days after receiving such notice, you fail or refuse to initiate and thereafter continue in good faith and with due diligence a bona fide program to complete such required maintenance, we have the right (in addition to our rights under Section 15 (Termination of this Agreement), but not the obligation, to enter the Location and do such maintenance on your behalf and at your expense You must promptly reimburse us for such expenses

(b) Remodeling and Upgrades You must periodically re-equip, upgrade and/or remodel your Business pursuant to our plans and specifications, provided, however, that, with the exception of signage, we will not require substantial remodeling more often than every four years during the term of this Agreement In addition, on or about the tenth anniversary of the Effective Date, we have the right, in our business judgment, to require that you fully remodel and/or expand the Business, add or replace improvements, equipment and signs and otherwise modify the Business as we require to bring it into compliance with specifications and standards then applicable for Businesses, or if you are unable to maintain possession of the Location, or if in our judgment the Business should be relocated, you must secure substitute premises we approve, develop such premises in compliance with specifications and standards then applicable for Businesses and continue to operate the Business at the Location until operations are transferred to the substitute premises

(c) Repair and Reconstruction If your Business is damaged or destroyed by fire or other casualty, you must initiate within 30 days (and continue until completion) all repairs or reconstruction to restore your Business to its original condition If, in our reasonable judgment, the damage or destruction is of such a nature that it is feasible, without incurring substantial additional costs, to repair or reconstruct your Business in accordance with our then-standard layout and decor specifications, we may require you to repair or reconstruct your Business in accordance with those specifications You may not make any alterations to your Business, nor any replacements, relocations or alterations of Operating, without our written approval We have the right, at your expense, to rectify any replacements, relocations or alterations not previously approved by us

9 5 Products and Services You May Offer

(a) Offerings You agree that your Business will offer for sale such services, products, and merchandise related to the concept that we determine from time to time to be appropriate for your Business You further agree that your Business will not, without our written approval, offer any services, products (including promotional items), or attractions not then authorized by us In addition, you must offer the specific products, services, and attractions that we require in the Operations Manual or otherwise in writing You may sell products and services only in the varieties, forms, and packages that we have approved in accordance with our Methods of Operation We may change these specifications periodically, and we may designate specific products, services, or attractions as optional or mandatory You must maintain a sufficient supply of required products to meet the inventory standards we prescribe in the Operations Manual (or to meet reasonably anticipated customer demand, if we have not prescribed specific standards) You may not install or operate any video, arcade, lottery games or games of chance, which are strictly prohibited from your Business

(b) Test Marketing We may conduct market research to determine consumer trends and salability of new services and products You agree to cooperate by participating in our market research programs, by test marketing new services and merchandise

in your Business and providing us timely reports and other relevant information regarding such market research You must purchase a reasonable quantity of such test products and make a reasonable effort to sell them

9 6 Products, Supplies, Operating Assets, and Services

(a) Purchases We have the right to require that products supplies, Operating Assets, and services that you purchase for resale or purchase or lease for use in your Business (i) meet specifications that we establish from time to time (ii) be a specific brand, kind or model, (iii) be purchased or leased only from suppliers or service providers that we have expressly approved, and/or (iv) be purchased or leased only from a single source that we designate (which may include us or our Affiliates or a buying cooperative organized by us or our Affiliates) To the extent that we establish specifications, require approval of suppliers or service providers, or designate specific suppliers or service providers for particular items or services, we will publish our requirements in the Operations Manual or otherwise in writing You will establish independent commercial relationships with our approved suppliers for specific items and with other suppliers for the goods and services for which we only provide specifications

(b) Required Purchases from SFG or its Affiliates So long as this Agreement is in effect, you agree to purchase the products which may be listed in the Manual or otherwise in writing from us or our Affiliates Currently these products are the Playing Fields (including installation), balls, stickers, wristbands and SkySocks You may purchase certain marketing materials and certain merchandise from us or our Affiliates These items may change in the future and other items may be added You acknowledge that your 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, you acknowledge that the use of any proprietary products which you must purchase from us or our Affiliates, are an integral part of operating the Business You acknowledge that we and our Affiliates may be approved suppliers and may be the only approved suppliers for certain products If we or our Affiliates are unable to offer these items, we may designate an approved supplier or suppliers for these items

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

(d) Pricing We and our Affiliates, in order to preserve our legitimate interest in protecting the quality of the Sky Zone Indoor Trampoline Businesses 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 you Pricing of product is subject to change at any time or from time to time by us or our Affiliates effective upon thirty (30) days prior notice to you Generally, prices will change when the manufacturer's prices to us or our Affiliates change or the cost of oil or steel increases You must submit for our approval any attempts to discount or promote the jump time pricing due to the fact that is may impact brand equity

(e) Terms of Purchase All purchases of product, supplies and equipment from us or our Affiliates, must be personally guaranteed by the individuals who are required to guarantee this Agreement pursuant to the Guarantee attached hereto The terms of payment will be established by us and our Affiliates from time to time

(f) Revenue from Purchases You acknowledge and agree that we and/or our Affiliates may derive revenue based on your purchases and leases, including from charging you for products and services we or our Affiliates provide to you and from promotional allowances, volume discounts, and other payments made to us by suppliers and/or distributors that we designate or approve for some or all of our franchisees We and our Affiliates may use all amounts received from suppliers and/or distributors, whether or not based on your or other franchisees' actual or prospective dealings with them, without restriction for any purposes we or our Affiliates deem appropriate If you derive any revenue based on payments or promotional allowances received from suppliers and/or distributors, you must report to us the details of the arrangement and such revenue shall be included as part of your Gross Sales

(g) Approval Process If you would like to offer products, services, or classes or use any supplies, Operating Assets, or services that we have not approved or to purchase or lease from a supplier or service provider that we have not approved, you must submit a written request for approval and provide us with any information that we request We have the right to inspect the proposed supplier's facilities and test samples of the proposed products and to evaluate the proposed service provider and the proposed service offerings We may require the proposed supplier or service provider to visit our headquarters to evaluate the proposed supplier or service provider in person You agree to pay us a charge not to exceed the reasonable cost of the inspection and our actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the item, service, supplier, or service provider is approved We have the right to grant, deny, or revoke approval of products, services, suppliers, or service providers based solely on our judgment We will notify you in writing of our decision as soon as practicable following our evaluation If you do not receive our approval within 90 days after submitting all of the information that we request, our failure to respond will be deemed a disapproval of the request You acknowledge that the products and services that we approve for you to offer or use in your Business may differ from those that we permit or require to be offered or used in other Businesses

(h) Revocation of Approval We reserve the right to reinspect the facilities and products of any approved supplier and to reevaluate the services provided by any service provider at and to revoke approval of the item, service, supplier, or service provider if any fail to meet any of our then-current criteria If you receive a notice of revocation of approval, you agree to cease purchasing or leasing the formerly-approved item or service or any items or services from the formerly-approved supplier or service provider and you must dispose of your remaining inventory of the formerly-approved items and services as we direct If we revoke approval of a previously-approved product that you have been selling to customers or service that you have been offering to customers, you must immediately discontinue offering the service and may continue to sell the product only from your existing inventory for up to 30 days following our disapproval We have the right to shorten this period if, in our opinion, the continued sale of the product would prove detrimental to our reputation After the 30-day period, or such shorter period that we may designate, you must dispose of your remaining formerly-approved inventory as we direct

9 7 Compliance With Laws You must maintain in force in your name all required license permits and certificates relating to the operation of your Business You must operate your Business in full compliance with all Applicable Laws You must notify us in writing immediately upon the commencement of any legal or administrative action, or the issuance of an order of any court, agency or other governmental instrumentality, which may adversely affect the development, occupancy or operation of your Business or your financial condition, or the delivery of any notice of violation or alleged violation of any Applicable Law, including those relating to health or sanitation at your Business All of your advertising and promotion must be completely factual and must conform to the highest standards of ethical advertising In all dealings with us, as well as your customers, suppliers, lessors and the public, you must adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct You agree to refrain from any business or advertising practice which may be injurious to our business, to the business of other Businesses or to the goodwill associated with the Marks You agree to keep up-to-date on the developing ASTM standards for the safe operations of trampoline parks and to comply with such standards

9 8 Personnel

(a) Your Responsibility You are solely responsible for all employment decisions with respect to your personnel, including hiring firing, compensation, benefits, training, supervision and discipline, regardless of whether you receive any advice from us on any of these subjects We do not require you to implement any employment-related policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Operations Manuals or otherwise for your optional use You shall determine to what extent, if any, these policies and procedures may be applicable to your operations at the Business Any training that we provide to your employees will be limited to teaching them brand standards and about the System

(b) Management Your Business must be staffed by at least one trained general manager and appropriate numbers of assistant managers, shift supervisors, and personnel so that all shifts are staffed by at least one assistant manager or shift supervisor, unless otherwise approved by us

(c) Non-Solicitation You may not recruit or hire any person who is, or in the previous six months has been, an employee of ours or of any Business operated by us, our Affiliates or another franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason Likewise, we may not recruit or hire any person who is, or in the previous six months has been, an employee of yours or your Affiliates without obtaining the employer's consent, which consent may be withheld for any reason

9 9 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

(a) 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

(b) 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

(c) 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

(d) 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

(e) 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

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

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

(h) 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

(i) 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

(j) 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

(k) 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

(l) 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

(m) 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

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

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

(p) Business Interruptions For any interruption in the operation of the Business, you shall continue to pay us, during such period of interruption, continuing Royalty Fees based on the average monthly Royalty Fees paid by you during the 12 months immediately preceding the period of interruption, if you have business interruption insurance

9 10 Quality Control We have the right to establish "quality control" programs, such as a "mystery shopper" or "secret shopper" program, a customer satisfaction measurement program, and/or a "customer intercept" program, to ensure the highest quality of service and products in all Businesses You shall participate in any such quality control programs, and bear your pro-rata share, as determined by us, of the costs of any such program

9 11 Pricing Policies If we determine that we may lawfully require you to charge certain prices for goods or services, certain minimum prices for goods or services, or certain maximum prices for goods or services, you must adhere to our pricing policies as set forth in the Operations Manual or otherwise in writing from time to time You must provide us with your current price list upon our request

9 12 Technology System

(a) Use of Technology System You must obtain, maintain, and use the Technology System that we specify in your Business You must use the Technology System to (i) enter and track purchase orders and receipts, attendance, and customer information, (ii) update inventory, (iii) enter and manage your customers' contact information, (iv) generate sales reports and analysis relating to the Business, (iv) manage waivers, and (v) provide other services relating to the operation of the Business If we require you to use any proprietary software or to purchase any software from a designated vendor, you must execute and pay any fees associated with any software license agreements or any related software maintenance agreements that we or the licensor of the software require

(b) Changes to Technology System We may add, remove or modify components of the Technology System periodically and may designate approved suppliers or specifications for such items You must replace, upgrade, or update at your expense the Technology System as we may require periodically without limitation You may be required to invest in and implement new technology initiatives at your own expense, which may include changes related to the acceptance of new payment methods, monitors, music, Internet TV broadcast, software management applications, surveillance systems, e-learning modules, and software applications designed to better manage business functions and control costs We will establish reasonable deadlines for implementation of any changes to our Technology System requirements

(c) Restrictions on Technology System You agree (i) that your Technology System will be dedicated for business uses relating to the operation of the Business (ii) to use the Technology System in accordance with our policies and operational procedures, (iii) to transmit financial and operating data to us as required by the Operations Manual, (iv) to do all things necessary to give us unrestricted access to the Technology System at all times (including users IDs and passwords, if necessary) so that we may independently download and transfer data via a modem or other connection that we specify, (v) to maintain the Technology System in good working order at your own expense, (vi) to ensure that your employees are adequately trained in the use of the Technology System and our related policies and procedures, and (vii) not to load or permit any unauthorized programs or games on any hardware included in the Technology System In the event that you use or download any

unauthorized software, you shall be liable for all damages and problems caused by the unauthorized software in addition to the other remedies provided under this Agreement

(d) **Security Cameras** As part of the Technology System you must install and maintain security cameras to our specifications that will be used to ensure that quality and safety standards are maintained You must ensure that your security camera system is operational at all times and that we have independent access to your security system at all times

(e) **Digital Communication** You must, at your expense, communicate electronically with us, using methods that we designate, including e-mail and use of our Intranet Your right to participate in the SKY ZONE web site or any intranet system we may develop or otherwise use the Marks or System on the internet or other on-line communicators terminates when this Agreement expires or terminates

9 13 Reciprocal Membership/Coupons You must participate fully in any reciprocal access program or company discount coupons that we may design or implement You agree and acknowledge that when a person redeems any discounted coupons at your Business or uses your Business pursuant to a reciprocal access program, you are not entitled to reimbursement for membership fees or the cost of goods or services provided to the member as a reciprocal access benefit

9 14 Non-Compliance While the day-to-day operation of your Business and the safety and well-being of your customers is your responsibility, we reserve the right to turn off your access to the point-of-sale system, or limit the number of jumpers who can simultaneously be entered through the point-of-sale system, if we believe the safety or well-being of any of your customers are in danger, or if there are other significant quality breaches in the operation of your Business Any such business interruption shall be without liability to us, and we will not be responsible for any lost profits or other damages you sustain

9 15 Innovations All ideas, concepts, procedures, techniques or processes relating to a Business or the System ("**Innovations**"), 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 To the extent any item does not qualify as a "work made-for-hire" for us, you will assign ownership of that item, and all related rights to that item, to us and agree to sign (and to cause your Owners, employees, and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation We and our Affiliates have no obligation to make any payments to you or any other person with respect to any Innovations You may not use any Innovation in operating the Business or otherwise without our prior approval

9 16 General Conduct You will not, and will not allow your Owners or employees to, engage in conduct that, in our sole determination, may result in or tends to (a) degrade, offend, shock or insult the community, (b) ridicule public morals or decency, or (c) prejudice or harm us, our Affiliates, the Marks or the System generally You will (and will ensure that your Owners and employees) conduct yourself with due regard to public conventions and morals

9 17 Safety and Security Procedures You are solely responsible to take appropriate security and safety measures to protect its employees, guests, those engaging in business with you, those coming on the premises of the Business and the general public at

large We do not in any way share any of that responsibility You are responsible for obtaining its own legal advice with respect to the preparation and enforceability of any guest waiver forms

10 MARKETING

10 1 National Advertising

(a) National Advertising Fund Recognizing the value of advertising and marketing to the goodwill and public image of Businesses and the SKY ZONE brand, we have established and administer a National Advertising Fund ("**NAF**") for the creation and development of marketing, advertising and related programs and materials, including electronic, print and Internet media as well as the planning and purchasing of national and/or regional network advertising You agree to contribute the Ad Fee to the NAF We will direct all programs financed by the NAF and retain the right to determine the creative concepts materials and endorsements used therein and the geographic market and media placement and allocation thereof

(b) Use of Funds You agree that the NAF may be used to pay the costs researching, developing, administering and preparing national, regional, point of sale and local direct sales advertising and marketing strategy materials for use by the SKY ZONE brand and Businesses, including preparing and producing video, audio and written advertising materials, website design, development and updating, electronic advertising efforts, including search engine optimization and social media networks and related platforms, administering regional and multi-regional advertising programs, including purchasing direct mail and other media advertising, administrative and other costs associated with all NAF efforts, and employing advertising, promotion and marketing agencies to assist therewith and supporting public relations, market research and other advertising promotion and marketing activities and amounts expended pursuant to this Section All payments, plus income earned therefrom, shall be used exclusively for the above-stated purposes, and shall not be used to defray any of our general operating expenses, except for reasonable salaries, administrative costs, travel expenses, overhead, and similar expenses we may incur in activities related to the administration of the NAF and all costs of development and preparing national, regional, point of sale, and local advertising materials for use within the System

(c) Materials We will furnish you with samples of advertising, marketing formats, promotional formats and other materials produced by the NAF at no additional cost to you when we deem appropriate Multiple copies of such materials will be furnished to you at your direct cost of producing them plus any related shipping handling and storage charges

(d) Advisory Council We currently have set up an advisory council that works with us to improve the System, including the products and services offered advertising campaign, and other matters of interest to us and our franchisees to improve the System (**"FAC"**) FAC will not have any decision-making authority and will be constituted, modified and dissolved by us, in our sole discretion If you participate on any advisory council including the FAC, you must pay any expenses you incur related to your participation, including travel, lodging and meal expenses to attend council meetings We have the right to form, change, merge or dissolve any advisory council at any time

10 2 Accounting The NAF will be accounted for separately from our other funds The NAF will have the right to negotiate and retain any commissions or marketing payments received from suppliers of any marketing or other materials or products We may spend, on

behalf of the NAF, in any fiscal year, an amount that is greater or less than the aggregate contribution of all Businesses to the NAF in that year and the NAF may borrow from us or others to cover deficits or invest any surplus for future use All interest earned on monies contributed to the NAF will be used to pay advertising costs before other assets of the NAF are expended We will prepare an annual statement of monies collected and costs incurred by the NAF and furnish the statement to you upon written request We have the right to cause the NAF to be incorporated or operated through a separate Entity at such time as we deem appropriate and such successor Entity will have all of the rights and duties specified herein

10 3 Proportionality You acknowledge that the NAF is intended to maximize recognition of the Marks and patronage of Businesses Although we will endeavor to utilize the NAF to develop advertising and marketing materials and programs and to place advertising that will benefit all Businesses, we are not obligated to ensure that expenditures by the NAF in or effecting any geographic area are proportionate or equivalent to the contributions to the NAF by Businesses operating in that geographic area Nor are we under any obligation to ensure that any Business will benefit directly or in proportion to its NAF contributions paid to the NAF from the development of advertising and marketing materials or the placement of advertising Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering the NAF We do not act as trustee or in any other fiduciary capacity with respect to the NAF

10 4 Deferrals Or Reductions We reserve the right to defer or reduce contributions of any Business franchisee and, upon 30 days' prior written notice to you, to reduce or suspend your payment of contributions to the NAF and suspend operations of the NAF for one or more periods of any length and to terminate (and if terminated to reinstate) the NAF If the NAF is terminated, all unspent monies on the date of termination will be distributed to our franchisees in proportion to their respective contributions to the NAF during the preceding three month period and amounts required to be paid pursuant to Section 10 1 (National Advertising) shall be added to amounts required to be expended pursuant to Section 10 5 (Local Advertising)

10 5 Local Advertising

(a) Obligation to Advertise You must participate in such advertising, promotional, and community outreach programs that we may specify from time to time, at your own expense You must use your best efforts to promote the use of the Marks in your Territory You must ensure that all of your advertising, marketing, promotional, customer relationship management, public relations and other brand related programs and materials that you or your agents or representatives develop or implement relating to the Business is completely clear, factual and not misleading, complies with all Applicable Laws, and conforms to the highest ethical standards and the advertising and marketing policies that we periodically specify Any media advertising or direct mail marketing that you conduct must be predominantly focused within your Territory, unless we agree otherwise There are no territorial restrictions from accepting business from retail customers that reside or work or are otherwise based outside of your Territory if these customers contact you, but we reserve the right to implement rules and restrictions regarding soliciting such customers in the future in our Manuals or otherwise in writing

(b) Approvals You must submit to us at least 30 days prior to their intended use, for our prior approval, a marketing plan and samples of all advertising and promotional materials not prepared or previously approved by us in the prior 12 months You must obtain our advance written approval prior to using or producing any advertising or marketing materials

using any of the Marks, in whole or in part If you elect to work with an advertising agency, you must obtain our written approval of such advertising agency before you sign any contracts or share any Confidential Information with the advertising agency You agree to conduct all advertising in a dignified manner and to conform to the standards and requirements we specify in the Operations Manuals We will have the final decision on all creative development of advertising and promotional messages If our written approval is not received within 15 days from the date we received the material, the material is deemed approved We will own the copyright to anything so submitted, whether approved by us or not We reserve the right to require you to discontinue the use of any advertising or marketing materials

(c) Local Advertising Funding Requirement In addition to the contributions you pay to the NAF and the Pre-Opening Marketing Expense, in the second, third and fourth months in which the Business is open, you must spend at least Twelve Thousand Dollars ($12,000) per month (depending on the size of the Business and its location) on local advertising on local advertising and promotional activities in your Territory (the "**Local Advertising Funding Requirement**") Thereafter, you must spend a minimum of four percent (4%) of the Business' Gross Sales per month on local advertising on a quarterly basis

(d) Valid Expenditures The following expenses may count towards the Local Advertising Funding Requirement (i) amounts contributed to advertising cooperatives, (ii) amounts spent by you for advertising media, such as television, radio, Internet, newspaper, billboards, posters, direct mail, collateral and promotional items, advertising on public vehicles (transit and aerial), and (iii) if not provided by us, cost of producing approved materials necessary to participate in these media The following expenses do not count towards the Local Advertising Requirement (a) permanent on-premises signs, (b) lighting, personnel salaries or administrative costs, (c) transportation vehicles (even though such vehicles may display the Marks), (d) Yellow Pages advertising, (e) discounts, (f) free offers, and (g) employee incentive programs We have the right to modify or designate in the Operations Manual the types of expenditures that will or will not count toward the Local Advertising Funding Requirement

(e) Payment to Us At our request, you must submit appropriate documentation to verify compliance with the Local Advertising Funding Requirement If you fail to spend (or prove that you spent) the Local Advertising Funding Requirement in any month, then we may, in addition to and without limiting our other rights and remedies, require you to pay us the shortfall as an additional Ad Fee or to pay us the shortfall for us to spend on local marketing for your Business In addition, we may require you to pay the Local Advertising Funding Requirement to us for us to use to administer your local advertising (or to reimburse you, up to an amount not to exceed the monies so collected, for the costs incurred by you in implementing local marketing plans developed by you and approved by us) if, in our business judgment, we determine that (i) you are under-performing, (ii) our participation is appropriate or necessary, or (iii) you have failed to comply with the Local Advertising Funding Requirement If we require you to pay the Local Advertising Funding Requirement, you must pay it to us in the same manner and at the same time as the Royalty Fees

10 6 Advertising Cooperatives We have the right to establish or approve local and/or regional advertising cooperatives for Businesses in your local or regional areas, covering such geographical areas as we may designate from time to time You must participate in any such cooperative and its programs and abide by its by-laws If your Business is within the territory of an existing Cooperative at the time your Business opens for business, you agree to immediately become a member of the Cooperative If a Cooperative applicable to your Business is established during the term of this Agreement, you agree to become a member no later than

30 days after the date approved by us for the Cooperative to commence operation The following provisions shall apply to each Cooperative

(a) Each Cooperative shall utilize a voting system of one vote per one eligible Business

(b) Each Cooperative shall be organized and governed in a form and manner, and shall commence operations on a date, approved in advance by us in writing No changes in the by-laws or other governing documents of a Cooperative shall be made without our prior written consent We shall have the right to unilaterally change the by-laws or other governing documents of a Cooperative

(c) Each Cooperative shall be organized for the exclusive purpose of administering advertising programs and developing subject to our approval promotional materials for use by the members in the Cooperative

(d) No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without prior approval by us in accordance with the procedure and standards set forth in Section 10 5(b) (Approvals)

(e) You and each other member of the Cooperative shall contribute to the Cooperative, using a collection structure selected and established by us, the amount determined in accordance with the Cooperative's by-laws Any Businesses owned by us or any of our Affiliates located in such designated local or regional area(s) will contribute to the Cooperative on the same basis At our request, you shall furnish us with copies of such information and documentation evidencing your Cooperative contributions as we may require in order to evidence your compliance with this Section 10 6 Contributions to such local and/or regional advertising cooperatives are credited towards the Local Advertising Funding Requirement, however, if we provide you and your Cooperative 90 days' notice of a special promotion, including any regional promotions, you must participate in such promotion and pay to us any special promotion advertising fees assessed in connection therewith, beginning on the effective date of such notice and continuing until such special promotion is concluded Any such special promotion advertising fees shall be in addition to, and not credited towards, the other advertising expenditures and commitments required of you by this Section 10

10 7 Community Marketing Programs You must participate in, at your expense, our guerrilla marketing programs and campaigns that we develop and administer from time to time in our Operations Manual or other communications with you Community marketing may include participation in community events, street fairs, seasonal events and festivals, farmers markets and sponsorships of adult and children's sports teams You must also sponsor local fundraising events by making your park available as a venue and revenue sharing programs

10 8 Digital Marketing

(a) Restrictions on Use We or our Affiliates may, in our sole discretion, establish and operate websites, social media accounts (such as Facebook, Twitter, LinkedIn, Yelp, Instagram, Pinterest, etc), applications, keyword or adword purchasing programs, accounts with websites featuring gift certificates or discounted coupons (such as Groupon, Living Social, etc), mobile applications, or other means of digital advertising on the Internet or any electronic communications network (collectively, **"Digital Marketing"**) that are intended to promote the Marks, your Business, and the entire network of Businesses We will have the sole

right to control all aspects of any Digital Marketing, including those related to your Business Unless we consent otherwise in writing, you and your employees may not, directly or indirectly, conduct or be involved in any Digital Marketing that use the Marks or that relate to the Business or the network You may not separately register any domain name, create any user name, or operate any web site containing any of the Marks without our written approval If we do permit you or your employees to conduct any Digital Marketing, you or your employees must comply with any policies standards, guidelines, or content requirements that we establish periodically and must immediately modify or delete any Digital Marketing that we determine, in our sole discretion, is not compliant with such policies, standards, guidelines, or requirements We may withdraw our approval for any Digital Marketing at any time

(b) **Our Website** As part of our Digital Marketing, we or one of our designees will operate and maintain a SKY ZONE website, which will include basic information related to the Business You must promptly provide us with any information that we request regarding your Business for inclusion on the website We retain all rights relating to the SKY ZONE web site and may alter or terminate the web site

11 RECORDS, REPORTS AND FINANCIAL STATEMENTS

11 1 **Records** You agree to establish and maintain at your own expense a bookkeeping, accounting and record keeping system conforming to the requirements and formats we prescribe from time to time You agree to prepare and to maintain for three years complete and accurate books, records (including invoices and records relating to your advertising expenditures) and accounts (using our then-current standard chart of accounts) for your Business, copies of your sales tax returns and such portions of your state and federal income tax returns as relate to your Business All such books and records shall be kept at your principal address indicated on the first page of this Agreement, unless we otherwise approve You must record all sales using the Technology System which we have the independent right to access at any time All data pertaining to your Business, and all data you create or collect in connection with the System, or in connection with your operation of the Business (including data pertaining to or otherwise concerning your members) or otherwise provided by you (including data uploaded to, or downloaded from your computer system) is and will be owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you Such data will be part of the Confidential Information We hereby license use of such data back to you for the term of this Agreement, at no additional cost, solely for your use in connection with the Business conducted under this Agreement

11 2 **Periodic Reports** You must furnish us

(a) within 30 days after the end of each fiscal quarter, a quarterly balance sheet and income statement and statement of cash flow of your Business for such quarter, reflecting any adjustments and accruals,

(b) within 90 days after the end of each fiscal year, a year-end balance sheet and income statement and statement of cash flow of your Business for such year, reflecting all year-end adjustments and accruals, and

(c) within 30 days of our request, such other information as we may require from time to time, including sales data and labor cost reports and sales and income tax statements All such reports shall use our then-current standard chart of accounts

11 3 Verification You agree to verify and sign each report and financial statement in the manner we prescribe We reserve the right to require that your annual financial statements be audited, at your expense, by an independent certified public accountant approved by us We reserve the right to publish or disclose information that we obtain under this Section in any data compilations, collections, or aggregations that we deem appropriate so long as we do not disclose information relating to performance of your individual Business unless such disclosure is required by Applicable Law or order of a court

12 INSPECTIONS AND AUDITS

12 1 Our Right To Inspect The Business To determine whether you and the Business are complying with this Agreement and Methods of Operation, we and our designated agents have the right at any time during your regular business hours, and without prior notice to you, to

(a) inspect the Business,

(b) observe photograph and videotape the operations of the Business for such consecutive or intermittent periods as we deem necessary,

(c) remove samples of any products, materials or supplies for testing and analysis,

(d) interview personnel and customers of the Business,

(e) inspect and copy any books records (whether electronic or hard copy) and documents relating to your operation of the Business, including member and membership information

(f) retrieve such data and information from your security camera system or other components of the Technology System including obtaining such information from third parties or vendors

12 2 Cooperation You agree to cooperate with us fully in connection with any such inspections, observations, photographing, videotaping, product removal and interviews You agree to present to your customers such evaluation forms that we periodically prescribe and to participate and/or request your customers to participate in any surveys performed by us or on our behalf

12 3 Our Right To Audit We have the right at any time during your business hours, and without prior notice to you, to inspect and audit, or cause to be inspected and audited, your (if you are an Entity) and the Business's business, bookkeeping and accounting records, sales and income tax records and returns and other records You agree to cooperate fully with our representatives and independent accountants we hire to conduct any such inspection or audit In the event such inspection or audit is made necessary by your failure to furnish reports, supporting records or other information as herein required, or to furnish such items on a timely basis, you agree to reimburse us for the reasonable cost of such inspection or audit, including the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees In the event an inspection or audit reveals that any payments have been understated in any report to us then you shall immediately pay to us the amount understated upon demand, in addition to interest from the date such amount was due

until paid, at the highest contract rate of interest permitted by Applicable Law If an inspection or audit discloses an understatement in any report of 2% or more, you shall, in addition to repayment of monies owed with interest, reimburse us for any and all costs and expenses connected with the inspection or audit, including the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees The foregoing remedies are in addition to our other remedies and rights under this Agreement and Applicable Law

13 TRANSFER

13 1 By Us We have the right to sell or assign, in whole or in part, our interests in this Agreement, and any such sale or assignment will inure to the benefit of any assignee or other legal successor to our interests herein

13 2 By You You understand and acknowledge that the rights and duties created by this Agreement are personal to you (or if you are an Entity, to your Owners) and that we have granted the Franchise to you in reliance upon our perceptions of your (or your Owners') individual or collective character, skill, aptitude, attitude, business ability, acumen and financial capacity Accordingly, you and your Owners may not conduct a Transfer without our prior written approval Any Transfer without such approval constitutes a breach of this Agreement and is void and of no effect For any proposed Transfers, you must promptly give us written notice and submit a copy of all proposed contracts and other information concerning the Transfer and transferee that we may request We have sole and absolute discretion to withhold our consent, except as otherwise provided in this Section 13 We have the right to communicate with both you, your counsel, and the proposed transferee on any aspect of a proposed Transfer You agree to provide any information and documentation relating to the proposed Transfer that we reasonably require No Transfer that requires our consent may be completed until at least 60 days after we receive written notice of the proposed Transfer Our consent to a Transfer does not constitute a waiver of any claims that we have against the transferor, nor is it a waiver of our right to demand exact compliance with the terms of this Agreement If your Business is not open and operating, we will not consent to your Transfer of this Agreement and we are under no obligation to do so

13 3 Conditions For Approval Of Transfer If you (and your Owners) are in full compliance with this Agreement and the conditions of this Section 13 3 are met, we will not unreasonably withhold our consent to Transfer, but we may give our consent subject to reasonable conditions A Transfer of ownership, possession or control of the Business may be made only in conjunction with a Transfer of this Agreement

(a) Control Transfers If the Transfer is of this Agreement or a controlling interest in you, or is one of a series of Transfers which in the aggregate constitute the Transfer of this Agreement or a controlling interest in you, all of the following conditions must be met prior to or concurrently with the effective date of the Transfer

(i) the transferee and its direct and indirect owners have the moral character, aptitude, attitude, experience, references, acumen and financial capacity to operate the Business and meet our then-current standards for franchisees and the proposed transferee may not be an Entity, or be affiliated with an Entity, that is required to comply with reporting and information requirements of the Securities Exchange Act of 1934, as amended,

(ii) you have paid all Royalties, Ad Fees, amounts owed for purchases from us and all other amounts owed to us or to third party creditors and have submitted all required reports and statements,

(iii) the transferee (or its Responsible Person) and its managers, shift supervisors and personnel must have completed our initial training program or must be currently certified by us to operate and/or manage a Business to our satisfaction prior to closing,

(iv) the transferee has agreed to be bound by all of the terms and conditions of this Agreement for the remainder of its term or, at our option, must execute our then-current standard form of franchise agreement and related documents used in the state in which your Business is located (which may provide for different royalties, advertising contributions and expenditures, duration and other rights and obligations than those provided in this Agreement),

(v) the transferee (and, if the transferee is an individual, such owners of a legal or beneficial interest in the transferee as we may request) must (i) enter into a written assignment, in a form satisfactory to us, assuming and agreeing to discharge and guarantee all of your obligations under this Agreement and (ii) must execute our then-current form of personal guarantee,

(vi) you pay us a transfer fee equal to fifty percent (50%) of the then-current initial franchise fee If the proposed Transfer is among your Owners, this Section 13 3(a)(vi) will not apply, although you are required to reimburse us for any reasonable legal and administrative costs we incur in connection with the Transfer,

(vii) you (and your transferring Owners) have executed a general release, in form satisfactory to us, of any and all claims against us, our Affiliates, and our and their shareholders, officers, directors, employees and agents,

(viii) we have approved the material terms and conditions of such Transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the Business,

(ix) if you or your Owners finance any part of the sale price of the transferred interest, you and/or your Owners have agreed that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests that you or your Owners have reserved in the Business are subordinate to the transferee's obligation to pay Royalty Fees, Ad Fees, and other amounts due to us and otherwise to comply with this Agreement,

(x) you must provide us with written notice from your landlord indicating that your landlord has agreed to transfer the lease for the Location to your transferee,

(xi) your proposed transferee must covenant that it will continue to operate the Business under the Marks and using the System and must make arrangements to modernize, renovate, or upgrade the Business, at its expense, to conform to our then-current standards for new Businesses, and

(xii) you and/or any transferring Owner(s) have executed an agreement in favor of us agreeing to remain bound by the restrictions contained in Sections 16 2 (Discontinue Use of the System and the Marks), 16 3 (Return of Confidential Information),

and 17 2 (Post-Term Covenant Not to Compete) as if this Agreement had terminated You agree that the restrictions referenced in the immediately preceding sentence will continue to apply regardless of whether you and/or any transferring Owner(s) actually execute an agreement confirming the survival of these restrictions You and each of your Owners further agree that the provisions of Section 19 12 (Governing Law) and 19 13 (Consent to Jurisdiction) survive the partial or full Transfer of an Owner's interest in you

(b) Other Transfers For all other Transfers other than a Transfer of the Agreement or a controlling interest in you, we may require you to comply with all or a selection of conditions in Section 13 3(a), which we will identify on a case-by-case basis, provided that Section 13 3(e) will not apply, although you are required to reimburse us for any reasonable legal and administrative costs we incur in connection with the Transfer

13 4 Transfer To A Wholly Owned Entity Notwithstanding Section 13 3 (Conditions for Approval of Transfer), if you are in full compliance with this Agreement, you may Transfer this Agreement to an Entity which conducts no business other than the Business and, if applicable, other Businesses, in which you maintain management control and of which you own and control 100% of the equity and voting power of all issued and outstanding capital stock or membership interests, and further provided that all assets of the Business are owned, and the entire business of the Business is conducted, by a single Entity Transfers of shares in such Entity will be subject to the provisions of Section 13 3 Notwithstanding anything to the contrary herein, you agree to remain personally liable under this Agreement as if the Transfer to such Entity had not occurred

13 5 Transfer Upon Your Death Or Disability Upon your death or permanent disability or, if you are an Entity, the death or permanent disability of the Owner of a controlling interest in you, your or such Owner's executor, administrator, conservator, guardian or other personal representative must Transfer your interest in this Agreement or such Owner's interest in you to a third party Such disposition of this Agreement or the interest in you (including Transfer by bequest or inheritance) must be completed within a reasonable time, not to exceed six months from the date of death or permanent disability, and will be subject to all of the terms and conditions applicable to Transfers contained in this Section A failure to Transfer your interest in this Agreement or the ownership interest in you within this period of time constitutes a breach of this Agreement For purposes hereof, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an Owner of a controlling interest in you from managing and operating the Business for a period of three months from the onset of such disability, impairment or condition

13 6 Operation Upon Your Death Or Disability If, upon your death or permanent disability or the death or permanent disability of the Owner of a controlling interest in you, the Business is not being managed by a trained manager, your or such Owner's executor, administrator, conservator guardian or other personal representative must within a reasonable time, not to exceed 15 days from the date of death or permanent disability, appoint a manager to operate the Business Such manager will be required to successfully complete training at your expense within 60 days of being appointed to operate the Business Pending the appointment of a manager as provided above or if, in our judgment, the Business is not being managed properly any time after your death or permanent disability or after the death or permanent disability of the Owner of a controlling interest in you, we have the right, but not the obligation, to appoint a manager for the Business All funds from the operation of the Business during the management by our appointed manager will be kept in a separate account and all expenses of the Business including compensation, other costs and travel and living expenses

of our manager, will be charged to this account We also have the right to charge a reasonable management fee (in addition to the Royalty Fees and Ad Fees payable under this Agreement) during the period that our appointed manager manages the Business Operation of the Business during any such period will be on your behalf, provided that we only have a duty to utilize reasonable efforts in doing so and will not be liable to you or your Owners for any debts, losses or obligations incurred by the Business or to any of your creditors for any products, materials, supplies or services the Business purchases during any period it is managed by our appointed manager

13 7 Bona Fide Offers If you (or any of your Owners) at any time determine to sell, assign or Transfer for consideration an interest in this Agreement and the Business or an ownership interest in you, you (or such Owner) agree to obtain a bona fide, executed written offer and earnest money deposit (in the amount of 5% or more of the offering price) and a complete franchise application from a fully disclosed offeror including lists of the owners of record and beneficially of any corporate or limited liability company offeror and all general and limited partners of any partnership and immediately submit to us a true and complete copy of such offer, which includes details of the payment terms of the proposed sale To be a valid, bona fide offer, the proposed purchase price must be denominated in a dollar amount The offer must apply only to an interest in you or in this Agreement and the Business and may not include an offer to purchase any of your (or your Owners') other property or rights However, if the offeror proposes to buy any other property or rights from you (or your Owners) under a separate, contemporaneous offer, such separate, contemporaneous offer must be disclosed to us, and the price and terms of purchase offered to you (or your Owners) for the interest in you or in this Agreement and the Business must reflect the bona fide price offered therefor and not reflect any value for any other property or rights Any Transfer in violation of our right of first refusal is null and void

13 8 Our Right Of First Refusal We have the right, exercisable by written notice delivered to you or your selling Owners within 30 days from the date of the delivery to us of both an exact copy of such bona fide offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in such bona fide offer, provided that

(a) we may substitute cash for any form of payment proposed in such offer,

(b) our credit will be deemed equal to the credit of any proposed purchaser,

(c) we will have not less than 60 days after giving notice of our election to purchase to prepare for closing, and

(d) we are entitled to receive, and you and your Owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the capital stock of an incorporated business, as applicable, including representations and warranties as to (i) ownership and condition of and title to stock or other forms of ownership interest and/or assets, (ii) liens and encumbrances relating to the stock or other ownership interest and/or assets and (iii) validity of contracts and the liabilities, contingent or otherwise, of the corporation whose stock is being purchased

13 9 Non-Exercise If we do not exercise our right of first refusal, you or your Owners may complete the sale to such purchaser pursuant to and on the exact terms of such bona fide offer, subject to our approval of the Transfer as provided in Sections 13 2 (By You) , 13 3

(Conditions for Approval of Transfer), and 13 4 (Transfer to a Wholly Owned Entity) If the sale to such purchaser is not completed within 120 days after delivery of such bona fide offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), the sale will be treated as a new sale subject to our right of first refusal as provided in Section 13 8 (Our Right of First Refusal)

13 10 Securities Offerings Neither you nor any of your Owners may issue or sell, or offer to issue or sell any of your securities or any securities of any of your Affiliates, regardless of whether such sale or offer would be required to be registered pursuant to the provisions of the Securities Act of 1933, as amended, or the securities laws of any other jurisdiction, without obtaining our prior consent and complying with all of our requirements and restrictions concerning use of information about us and our Affiliates Neither you nor any of your Owners may issue or sell your securities or the securities of any of your Affiliates if (1) such securities would be required to be registered pursuant to the Securities Act of 1933, as amended, or such securities would be owned by more than 35 persons, or (2) after such issuance or sale, you or such Affiliate would be required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended Any proposed private placement of your or of your Affiliate's securities must be approved by us

14 SUCCESSOR FRANCHISES AND EXPIRATION

14 1 Acquisition Of A Successor Franchise Upon the expiration of the Initial Term, if (a) you (and each of your Owners) are in full compliance with this Agreement during the Initial Term, (b) you give us written notice of your desire to acquire a successor franchise not less than six months nor more than 12 months prior to the expiration of this Agreement (the "**Successor Request**"), and (c) (i) you maintain possession of and agree to remodel and/or expand the Business, add or replace improvements, equipment and signs and otherwise modify the Business as we require to bring it into compliance with specifications and standards then applicable for Businesses or (ii) if you are unable to maintain possession of the Location, or if in our judgment the Business should be relocated, you secure substitute premises we approve, develop such premises in compliance with Section 4 11 (Relocation) and continue to operate the Business at the Location until operations are transferred to the substitute premises, then, subject to the terms and conditions set forth in this Section 14 you will have the right to acquire a successor franchise to continue to operate the Business

14 2 Grant Of A Successor Franchise We will give you notice (**"Our Notice"**), not later than 60 days after our receipt of your Successor Request, of our decision, pursuant to Section 14 1 (Acquisition of a Successor Franchise)

(a) to grant you one ten-year successor franchise,

(b) to grant you one ten-year successor franchise on the condition that deficiencies of the Business, or in your operation of the Business, are corrected within a reasonable cure period that we specify, or

(c) not to grant you a successor franchise based on our determination (which will be described in the notice) that you and your Owners have not substantially complied with this Agreement during the Initial Term

Your right to acquire a successor franchise is subject to your continued compliance with all of the terms and conditions of this Agreement through the date of the expiration of the Initial Term,

in addition to your compliance with any obligations described in Our Notice If you fail to cure any deficiencies specified in Our Notice in the specified cure period, you will not have the right to a successor franchise, unless, we, in our sole discretion, decide to extend the Initial Term to allow you additional time to cure the deficiencies If we fail to provide Our Notice to you within 60 days after our receipt of your Successor Request, it is your responsibility to provide us with written notice of our failure to respond which we must cure within 15 days after our receipt of such notice

14 3 Agreements/Releases If we grant you a successor franchise, you and your Owners must execute the form of franchise agreement and any ancillary agreements we are then customarily using in connection with the grant of successor franchises for Businesses (which may include materially different terms and fees than this Agreement), provided, however, that the successor initial franchise fee will be equal to 25% of the initial franchise fee we are then currently customarily charging for new franchises You and your Owners further agree to execute general releases, in a form satisfactory to us, of any and all claims against us, our Affiliates, and our and their shareholders, officers, directors, employees, agents, successors and assigns Failure by you or your Owners to sign such agreements and releases and deliver them to us for acceptance and execution within 30 days after their delivery to you will be deemed an election not to acquire a successor franchise Additionally, we may require you to, at your expense, upgrade the Business to then System standards

15 TERMINATION OF AGREEMENT

15 1 Termination By You If you and your Owners are in compliance with this Agreement and we materially fail to comply with this Agreement and do not correct such failure within 60 days after written notice of such material failure is delivered to us, you may terminate this Agreement, effective 30 days after delivery to us of written notice of termination Your termination of this Agreement for any other reason or without such notice will be deemed null and void

15 2 Termination By Us In addition to our right to terminate pursuant to other provisions of this Agreement and under Applicable Law, we have the right to terminate this Agreement, effective upon delivery of notice of termination to you, if

(a) you become insolvent, file for bankruptcy, or make an assignment for the benefit of your creditors, execution is levied against your business assets, or a suit to foreclose any lien or mortgage is instituted against you and not dismissed within 30 days,

(b) you (i) fail to lease, sublease or purchase the Location in accordance within the timeframe set forth in Section 4 2 (Purchase or Lease of the Location) (ii) fail to meet any construction deadline set forth in Section 4, or (iii) fail to open your Business in the time period set forth in Section 4 8 (Commencement Deadline),

(c) you abandon or fail to actively operate your Business for three consecutive business days, except where such failure to actively operate results solely from causes beyond your reasonable control,

(d) you or any of your Owners surrender or transfer control of the operation of your Business or make any unauthorized Transfer without our written consent

(e) you or any of your Owners have made any material misrepresentation or omission in connection with your purchase of the Franchise,

(f) you suffer cancellation or termination of the lease or sublease for your Business,

(g) you, any Owner, or any of your officers or directors are convicted of or plead nolo contendere to a felony, a crime involving moral turpitude or consumer fraud, or any other crime or offense that we believe is likely to have an adverse effect on our franchise system, the Marks and any associated goodwill, or the SKY ZONE concept (an **"Adverse Effect"**) or you, any Owner, or any of your officers or directors has engaged in or engages in activities that, in our reasonable opinion, have an Adverse Effect,

(h) you or any of your Owners make any unauthorized use or disclosure of any Confidential Information or use, duplicate or disclose any portion of the Operations Manual in violation of this Agreement,

(i) you fail or refuse to comply with any mandatory specification, standard, or operating procedure prescribed by us relating to the cleanliness or sanitation of your Business or violate any health, safety or sanitation law, ordinance or regulation, that we reasonably believe may pose harm to the public or to your or our reputation, and do not correct such failure, refusal or violation within 24 hours after written notice thereof is delivered to you,

(j) you fail, refuse, or neglect to pay any monies owing to us or our affiliates or fail to make sufficient funds available to us as provided in Section 5 5 (Designated Account) within ten days after receiving written notice of your default or 30 days after due date of the payment, whichever is the shorter period, or (ii) you have previously been given at least two notices of nonpayment for any reason within the last 24 months and you subsequently fail to timely pay when due any monies, or (iii) you fail to do all things necessary to give us access to the information contained in your Technology System within 10 days after receiving notice,

(k) you fail to make a timely payment of any amount due to a supplier unaffiliated with us (other than payments which are subject to bona fide dispute), and do not correct such failure within 30 days after we deliver to you notice of such failure to comply,

(l) you underreport Gross Sales by more than 2% two times or more in any two-year period or by 5% or more for any Accounting Period,

(m) you fail to comply with any other provision of this Agreement or any other agreement between you (or any of your Owners or Affiliates) and us or our Affiliates, and do not correct such failure within 30 days after notice of such failure to comply is delivered to you,

(n) you fail on three or more separate occasions within any period of 12 consecutive months to submit when due reports or other data, information or supporting records or to pay when due Royalty Fees, Ad Fees, or other payments due us, any of our Affiliates or any unaffiliated suppliers or otherwise fail to comply with this Agreement, whether or not such failure is corrected after notice is delivered to you

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

(p) you fail to appoint a manager within 15 days after your death or permanent disability or the death or permanent disability of the Owner of a controlling interest in you or such manager fails to complete our training within 60 days after being appointed,

(q) you or any of your Owners or employees violate Section 6 8 (General Conduct), y

(r) you or any Owner violates the noncompete covenants in Section 17 (Covenants Not to Compete), or

(s) you are in default three or more times within any 18-month period, whether or not the defaults are similar and whether or not they are cured

We have no obligation whatsoever to refund any portion of the Initial Franchise Fee or any other monies upon any termination of this Agreement

15 3 Our Right To Operate The Business And Management Fee If we issue you a notice of default and you fail to cure such default within any applicable time period, we have the right, in our sole discretion, to assume the operation of the Business for such length of time as we determine in our business judgment You authorize us to operate the Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement All monies from the operation of the Business during such period of operation by us shall be accounted for separately and the expenses of the business, including travel, food, lodging, and salaries of our representatives who operate the Business, shall be charged to such account We shall be entitled to retain 50% of the Gross Sales of your Business as our management fee after operating expenses are paid You shall indemnify us and our representatives from any and all claims arising from the acts and omissions of us and our representatives pursuant to this Section 15 3

15 4 Alternatives To Termination In addition to our rights under Section 15 3 (Our Right to Operate the Business and Management Fee), if we issue you a notice of default and you fail to cure such default within any applicable time period, we have the right, in our sole discretion, upon delivery of notice to you, and without waiving our right to terminate this Agreement as a result of such failure, to take any or all of the following actions without terminating this Agreement

(a) provide you with written notice that we have temporarily elected not to terminate this Agreement and allow you additional time to cure any default(s), provided that you pay to us the non-compliance fee set forth in Section 5 9 (Non-Compliance Fee) until such time you cure the default Our collection of the non-compliance fee and temporary extension of the applicable cure period does not waive our right to require your full compliance with this Agreement,

(b) temporarily or permanently limit, curtail, or remove certain services or benefits provided or required to be provided to you hereunder, including (i) restricting your or any of your staff's attendance at any training, meetings, workshops, or conventions, (ii) refusing to sell or furnish to you any advertising or promotional materials (iii) refusing to provide you with ongoing advice about the operation of the Business, (iv) refusing any of your requests to approve a new supplier or the use of any advertising or promotional materials, and (v) refusing to permit you to enter into a new franchise agreement for a Business at any other location,

(c) temporarily or permanently reduce the size of the Protected Territory, in which event the restrictions on us and our affiliates under Section 3 1(b) (Protected Territory) will not apply in the geographic area that was removed from the Protected Territory,

(d) temporarily remove information concerning the Business from our website and/or stop your or the Business's participation in any other programs or benefits offered on or through our website,

(e) suspend or terminate any temporary or permanent fee reductions to which we might have agreed (whether as a policy, in an amendment to this Agreement, or otherwise),

(f) suspend our performance of, or compliance with, any of our obligations to you under this Agreement or other agreements, and/or

(g) undertake or perform on your behalf any obligation or duty that you are required to, but fail to perform under this Agreement You will reimburse us upon demand for all costs and expenses that we reasonably incur in performing any such obligation or duty

15 5 Exercise of Other Remedies Our exercise of our rights under Section 15 3 (Our Right to Operate the Business and Management Fee) and 15 4 (Alternatives to Termination) will not (i) be a defense for you to our enforcement of any other provision of this Agreement or waive or release you from any of your other obligations under this Agreement or any other agreement, (ii) constitute an actual or constructive termination of this Agreement, or (iii) be our sole or exclusive remedy for your default You shall hold us harmless with respect to any action we take pursuant to Section 15 3 and 15 4, and you agree that we shall not be liable for any loss, expense, or damage you incur because of any action we take pursuant to Section 15 3 and 15 4 You must continue to pay all fees and otherwise comply with all of your obligations under this Agreement following our exercise of any of these rights If we exercise any of our rights under Section 15 3 or 15 4 we may thereafter terminate this Agreement without providing you any additional corrective or cure period, unless the default giving rise to our right to terminate this Agreement has been cured to our reasonable satisfaction We may, in our business judgment, reinstate any services or benefits removed, curtailed, or limited pursuant to this Section 15 4, and you agree to accept immediately any such reinstatement of services or benefits so removed, curtailed, or limited

16 RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT

16 1 Payment Of Amounts Owed To Us - Liquidated Damages You agree to pay us within 15 days after the effective date of termination, for any reason, or expiration of this Agreement, or on such later date that the amounts due to us are determined, such Royalty Fees, Ad Fees, amounts owed for purchases from us, interest due on any of the foregoing and all other amounts owed to us which are then unpaid If we terminate this Agreement for cause, you must pay us liquidated damages equal the average monthly Royalty Fees paid by you during the 12 months immediately preceding the period multiplied by the remaining months in the term of this Agreement after termination

16 2 Discontinue Use of the System and the Marks Upon the termination, for any reason, or expiration of this Agreement

(a) you must immediately cease using, by advertising or in any other manner, (i) the Marks, (ii) the System and all other elements associated with the System, and (iii) any colorable imitation of any of the Marks or any trademark, service mark, trade dress, or commercial symbol that is confusingly similar to any of the Marks or that indicates or suggests a connection or association with us,

(b) you may not directly or indirectly at any time or in any manner (except with respect to other Businesses you own and operate) identify yourself or any business as a current or former Business, or as one of our licensees or franchisees,

(c) you agree to take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any Marks and to change your corporate or legal business name, if necessary, so that it does not contain any of the Marks,

(d) if we do not exercise our option to purchase the Business pursuant to Section 16 4 (Our Right to Purchase Business) you agree to comply with our then-current de-branding checklist, which requires you to (i) deliver to us within 30 days after the Notification Date the Operations Manual, all signs, sign-faces, sign-cabinets, marketing materials, uniforms, forms, stationary, packaging, promotional materials, and other materials containing any Marks or otherwise identifying or relating to a Business and allow us, without liability to you or third parties, to remove all such items from the Business,

(e) if we do not exercise our option to purchase the Business pursuant to Section 16 4 (Our Right to Purchase Business), you agree that, after the Notification Date, you will promptly and at your own expense make such alterations as we may specify to distinguish the Business clearly from its former appearance and from other Businesses so as to prevent confusion therewith by the public,

(f) if we do not exercise our option to purchase the Business pursuant to Section 16 4 (Our Right to Purchase Business), you agree that, after the Notification Date to cancel or transfer to us or our designee all authorized and unauthorized domain names, social media accounts, telephone numbers, post office boxes, and classified and other directory listings relating to, or used in connection with, the Business or the Marks (collectively, **"Identifiers"**) You acknowledge that as between you and us, we have the sole rights to and interest in all Identifiers If you fail to comply with this Section 16 2(f), you hereby authorize us and irrevocably appoint us or our designee as your attorney-in-fact to direct the telephone company, postal service, registrar, Internet Service Provider and all listing agencies to transfer such Identifiers to us The telephone company, the postal service, registrars, Internet Service Providers and each listing agency may accept such direction by us pursuant to this Agreement as conclusive evidence of our exclusive rights in such Identifiers and our authority to direct their transfer and

(g) you agree to furnish us, within 30 days after the Notification Date, with evidence satisfactory to us of your compliance with the foregoing obligations

16 3 Return of Confidential Information You agree that, upon termination of this Agreement (including the full or partial transfer of rights by Franchisee or any Owner), for any reason, or expiration of this Agreement, you will immediately and forever cease to use any of our Confidential Information in any business or otherwise and return to us (or at our direction, destroy or delete) all copies of the Operations Manual and any other confidential materials,

including computer software and any mechanisms (electronic key) used to access the software, that we have allowed you to use

16 4 Our Right To Purchase Business

(a) Exercise of Option Upon termination or expiration of this Agreement in accordance with its terms and conditions, we have the option, exercisable by giving written notice thereof to you within 60 days from the date of such termination or expiration, to purchase the Business from you, including the leasehold rights to the Location, free and clear of all liens, restrictions or encumbrances (The date on which we notify you whether or not we are exercising our option is referred to in this Agreement as the "**Notification Date** ") We have the unrestricted right to assign this option to purchase the Business We will be entitled to all customary warranties and representations in connection with our asset purchase, including representations and warranties as to ownership and condition of and title to assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities effecting the assets, contingent or otherwise

(b) Leasehold Rights You agree, at our election, to assign your leasehold interest in the Location to us or, to enter into a sublease for the remainder of the lease term on the same terms (including renewal options) as the prime lease

(c) Purchase Price The purchase price for the Business will be its fair market value, determined in a manner consistent with reasonable depreciation of the Business's equipment, signs, inventory, materials and supplies, provided that the Business will be valued as an independent business and its value will not include any value for the Franchise or any rights granted by this Agreement, the Marks, or participation in the network of Businesses The Business's fair market value will include the reasonable goodwill you developed since your commencement of operations that exists independent of the goodwill of the Marks and the System The length of the remaining term of the lease for the Location will also be considered in determining the Business's fair market value

(d) Exclusions We may exclude from the assets purchased hereunder cash or its equivalent and any Operating Assets, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the Business's operation or that we have not approved as meeting standards for Businesses, and the purchase price will reflect such exclusions

(e) Appraisal If we and you are unable to agree on the Business's fair market value, its fair market value will be determined by one independent qualified appraiser that we appoint in our business judgment We will appoint the appraiser within 15 days after the date we determine we are unable to agree on the Business's fair market value You and we will share equally the fees and expenses of the appraiser You and we further agree to take reasonable actions to cause the appraiser to complete the appraisal within 30 days after the appraiser's appointment

(f) Closing The purchase price will be paid at the closing of the purchase, which will take place not later than 90 days after determination of the purchase price We have the right to set off against the purchase price, and thereby reduce the purchase price by, any and all amounts you or your Owners owe to us

(g) Instruments At the closing, you agree to deliver instruments transferring (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us, if any), with all sales and other transfer taxes paid by you, and all licenses and permits of the Business which may be assigned or transferred, and (ii) the leasehold interest in the Location and improvements thereon

(h) Escrow If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale will, at our election, be accomplished through an escrow arrangement with an independent escrow agent selected by us

(i) Releases You and your owners agree to execute general releases, in form satisfactory to us of any and all claims against us and our shareholders, officers directors, employees, agents, successors and assigns

(j) Operation of Franchise because of your Inability In order to prevent any interruption of the Business which would cause harm to the Business, if you are unable to operate the Business for any reason whatsoever, you authorize us and our agents and Affiliates to operate the Business for so long as we deem necessary and practical All income from the operation of the Business will be kept in a separate account, and the expenses of the business, including reasonable compensation and expenses of us and our agents, will be charged to said account Nothing contained herein will be construed to require us to operate the Business in the case of your inability to operate same, and the rights set forth herein may be exercised in our sole and absolute discretion

16 5 Continuing Obligations All of our and your (and your Owners' and Affiliates') obligations which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including Sections 7 (Marks), 8 (Confidential Information), 17 (Covenants Not to Compete), 18 4 (Indemnification), 19 11 (Dispute Resolution), and 16 (Rights and Obligations Upon Termination or Expiration of this Agreement)

17 COVENANTS NOT TO COMPETE

17 1 In-Term Covenant Not To Compete You specifically acknowledge that, pursuant to this Agreement, you will receive valuable, specialized training, Confidential Information, and other proprietary and specialized information and knowledge that provide a valuable, competitive advantage in operating a trampoline park You further acknowledge that we would be unable to protect the Confidential Information against unauthorized use or disclosure or to encourage the free exchange of ideas and information among our franchisees if you were permitted to hold interests in or perform services for a Competitive Business, and we have granted you the rights hereunder in consideration of, and in reliance upon, your agreement to deal exclusively with us You therefore covenant that during the term of this Agreement (except as otherwise approved in writing by us), you, your Owners, and you and their Immediate Families shall not, either directly, indirectly or through, on behalf of, or in conjunction with any person or legal Entity

(a) Divert or attempt to divert any present or prospective business or customer of any Business to any Competitive Business, by direct or indirect inducement or

otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System, or

(b) Own, maintain, operate, engage in, be employed by, act as a consultant for, perform services for, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business

17 2 Post-Term Covenant Not To Compete You covenant that, except as otherwise approved in writing by us, you and your Owners shall not, for a continuous, uninterrupted period of two years commencing upon the date of (a) a Transfer permitted under Section 13 (Transfer), with respect only to Transfers that result in you no longer owning and operating the Business (or, in the case of an Owner, results in that Owner no longer having any direct or indirect ownership in you), (b) expiration of this Agreement, (c) termination or non-renewal of this Agreement (regardless of the cause for termination or non-renewal), or (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 17 2, either directly or indirectly, for yourself or your Immediate Family, or through, on behalf of, or in conjunction with any person or legal Entity, own, maintain, operate, engage in, be employed by, act as a consultant for, perform services for, provide assistance to, or have any interest in (as an owner or otherwise) any Competitive Business that is, or is intended to be, located (a) at the Location, (b) within 15 miles of the Location, or (c) 15 miles of any Business in operation or under construction as of the date that you are required to comply with this Section 17 2 You agree and acknowledge that the two-year period of this restriction shall be tolled during any time period in which you are in violation of this restriction

The restrictions in Sections 17 1(c) and 17 2 do not apply to (a) interests in or operation of a Business under a written Franchise Agreement with us, or (b) the ownership of shares of a class of securities that are listed on a public stock exchange or traded on the over-the-counter market and that represent less than 5% of that class of securities

17 3 Reasonable Scope Of Covenants You acknowledge that the scope of the restrictions in Sections 17 1 (In-Term Covenant Not to Compete) and 17 2 (Post-Term Covenant Not to Compete) are reasonable and necessary to protect us the Confidential Information, and the System, and that such restrictions are designed solely to prevent you from taking information, materials, training, and know-how that we provided to you and using them to compete with us In addition, your operation of a Competitive Business in violation of Section 17 1 and 17 2 would necessarily involve your use of Confidential Information that would result in an unfair competitive advantage vis-à-vis other SKY ZONE franchisees You further acknowledge that you and your Owners possess skills and abilities of a general nature and have other opportunities for exploiting these skills Consequently, our enforcement of the covenant in Section 17 1 and 17 2 will not deprive you or your Owners of personal goodwill or the ability to engage in a lawful trade or business and earn a living

17 4 Reduction Of Scope Of Covenants You understand and acknowledge that we shall have the right, in our business judgment, to reduce the scope of any covenant set forth in Sections 17 1 (In-Term Covenant Not to Compete) and 17 2 (Post-Term Covenant Not to Compete), or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof, and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all thereof,

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

17 5 Covenant Not To Compete Upon Exercise Of Right Of First Refusal If we exercise our right of first refusal pursuant to Section 13 8 (Our Right of First Refusal), you and your selling Owner(s) agree that, for a period of two years commencing on the date of the closing, you and they will be bound by the noncompetition covenant contained in Section 17 2 (Post-Term Covenant Not to Compete) **RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION**

18 1 Independent Contractors Neither this Agreement nor the dealings of the parties pursuant to this Agreement shall create any fiduciary relationship or any other relationship of trust or confidence between the parties hereto You acknowledge and agree that we and you are and shall be independent contractors Nothing contained in this Agreement, or arising from the conduct of the parties hereunder, is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose whatsoever We have no relationship with your employees and you have no relationship with our employees You may not make any express or implied agreements, warranties, guarantees or representations or incur any debt in our name or on our behalf or using the Marks, and you may not represent that the relationship of the parties hereto is anything other than that of independent contractors We shall not be construed to be have any liability, including joint liability, for any of your acts or omissions under any circumstances We will not be obligated for any damages to any person or property arising directly or indirectly out of the operation of your Business

18 2 Notice of Independent Contractor You agree to hold yourself out to the public as an independent contractor operating your Business under license from us, and you must display in a conspicuous location in or upon the Business, or in a manner that we specify a sign containing the following notice or an alternative notice that we specify "This business is owned and operated independently by [name of franchisee] who is an authorized licensed user of the trademark SKY ZONE, which is a trademark licensed by Sky Zone Franchise Group, LLC " You must include this notice or other similar language that we specify on all forms, advertising, promotional materials, business cards, receipts, letterhead, contracts, stationary, and other written materials we designate

18 3 Taxes We will have no liability for any sales, use, service, occupation, employment related, excise, gross receipts, income, property or other taxes, whether levied upon you or the Business, in connection with the business you conduct (except any taxes we are required by law to collect from you with respect to purchases from us) Payment of all such taxes is your sole responsibility Further, you will pay all state and local taxes, including sales, use, service occupation, employment related, excise, gross receipts, income, property or other taxes, that may be imposed on us as a result of our receipt or accrual of the Initial Franchise Fee, Royalty Fees, Ad Fees, extension fees, and all other fees that are referenced in this Agreement, whether assessed against you through withholding or other means or whether paid by us directly, unless the tax is credited against income tax otherwise payable by us In such event, you will pay to us (or to the appropriate governmental authority) such additional amounts as are necessary to provide us, after taking such taxes into account (including any additional taxes imposed on such additional amounts) with the same amounts that we would have received or accrued had such withholding or other payment, whether by you or by us, not been required

18 4 Indemnification You, and each of the Guarantors, agree that you shall, at all times indemnify, exculpate, defend and hold harmless, to the fullest extent permitted by law, us, our successor, assigns, and Affiliates, and the respective officers, directors, shareholders, agents, representatives, independent contractors, servants and employees of us and each of them (collectively, the "**Indemnified Parties**") from all Losses (defined below) directly or indirectly incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof arising out of or relating to (i) the infringement, alleged infringement or any other violation by you, your Guarantors or principals of any patent, mark, copyright, or other proprietary right owned or controlled by third parties due to your unauthorized use of all or any portion of the Marks and/or System, (ii) the violation, breach, or asserted violation or breach by you, your Guarantors or principals of any Applicable Law, ruling, or industry standard, (iii) libel, slander, or any other form of defamation by you or your Guarantors or principals, (iv) the violation or breach by you or by your Guarantors or principals of any warranty, representation, agreement, or obligation of this Agreement or in any other agreement between you and us or our Affiliates, (v) acts, errors, omissions of you, any of your affiliates, any of your principals, officers, directors, shareholders, agents, representatives, independent contractors, and employees of you and your affiliates in connection with the establishment and operation of the Business, including any acts, errors, or omissions of any of the foregoing in the operation of any motor vehicle or in the establishment or implementation of security for the Business, (vi) any of the foregoing that are alleged to be caused by an Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations and damages are determined to be caused solely by the Indemnified Party's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction, and (vii) any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees For purposes of this indemnification, "**Losses**" means and all losses, expenses, obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs that an Indemnified Party incurs, including accountants', arbitrators', mediators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced We have the right to defend any such claim against us at your expense This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement

18 5 Mitigation Not Required Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you

19 ENFORCEMENT AND MISCELLANEOUS MATTERS

19 1 Severability And Substitution Of Valid Provisions Each provision of this Agreement is severable from the others If any provision (or portion of a provision) of this Agreement or any of the documents executed in conjunction with this Agreement is for any reason determined by a court to be invalid, illegal, or unenforceable, the invalidity, illegality or unenforceability will not affect any other remaining provisions of this Agreement or any other document The remaining provisions will continue to be given full force and effect and bind us and you

19 2 Greater Notice If any Applicable Law requires a greater prior notice than is required hereunder of the termination of this Agreement or of our refusal to enter into a successor franchise agreement, or the taking of some other action not required hereunder, or if, under any Applicable Law, any provision of this Agreement or any part of Methods of Operation is invalid or unenforceable the prior notice and/or other action required by such law or rule will be substituted for the comparable provisions hereof, and we will have the right to modify such invalid or unenforceable provision or unenforceable part of this Agreement or the Operations Manual or any part of Methods of Operation to the extent required to be valid and enforceable You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof, or any part of Methods of Operation any portion or portions which a court or arbitrator may hold to be unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order or arbitration award Such modifications to this Agreement will be effective only in such jurisdiction, unless we elect to give them greater applicability, and will be enforced as originally made and entered into in all other jurisdictions

19 3 Waiver Of Obligations We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver Any waiver we grant will be without prejudice to any other rights we may have, will be subject to our continuing review and may be revoked at any time and for any reason, effective upon delivery to you of 10 days' prior written notice

19 4 Non-Waiver We and you will not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant herein or to declare any breach thereof to be a default and to terminate this Agreement prior to the expiration of its term) by virtue of (i) any custom or practice at variance with the terms hereof, (ii) our or your failure refusal or neglect to exercise any right under this Agreement or to insist upon exact compliance by the other with our and your obligations hereunder including Methods of Operation, (iii) our waiver, forbearance, delay, failure, or omission to exercise any right, power or option whether of the same, similar or different nature with respect to other Businesses, (iv) the existence of other franchise agreements for Businesses which contain different provisions from those contained herein, or (v) our acceptance of any payments due from you after any breach of this Agreement No special or restrictive legend or endorsement on any check or similar item given to us will constitute a waiver, compromise, settlement or accord and satisfaction We are authorized to remove or obliterate any legend or endorsement, and such legend or endorsement will have no effect

19 5 Force Majeure Neither we nor you will be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our or your obligations is not our or your fault and results from (i) transportation shortages, inadequate supply of equipment, products, merchandise, supplies, labor, material or energy or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof, (ii) acts of nature, (iii) fires, strikes, embargoes, war or riot, (iv) failure to obtain land use or environmental approvals from the applicable government body or agency, so long as you diligently pursue any such required approvals, or (v) any other similar event or cause Any delay resulting from any of said force

majeure causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes will not excuse payments of amounts owed at the time of such occurrence or payment of Royalty Fees and Ad Fees due on any sales thereafter

19 6 Out-Of-Stock And Discontinued We are not liable to you for any loss or damage, or deemed to be in breach of this Agreement, if we cannot deliver, or cause to be delivered, or if our Affiliates or designated sources or approved suppliers cannot deliver, all of your orders for products, merchandise, Operating Assets, supplies, etc , where such things are out-of-stock or discontinued

19 7 Costs And Attorneys' Fees If we incur expenses in connection with your failure to pay when due amounts owed to us or to submit when due any reports, information or supporting records or otherwise to comply with this Agreement, you agree to reimburse us for any of the costs and expenses which we incur, including reasonable accounting, attorneys', arbitrators' and related fees

19 8 You May Not Withhold Payments Due To Us You agree that you will not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations hereunder You agree that all such claims will, if not otherwise resolved by us, be submitted to mediation or arbitration as provided in Section 19 11 (Dispute Resolution)

19 9 Rights Of Parties Are Cumulative Our and your rights hereunder are cumulative, and no exercise or enforcement by us or you of any right or remedy hereunder will preclude our or your exercise or enforcement of any other right or remedy hereunder which we or you are entitled by law to enforce

19 10 Good Faith and Fair Dealing If Applicable Law shall imply a covenant of good faith and fair dealing in this Agreement, we and you agree that (i) such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement, (ii) this Agreement (and the relationship of the parties which arises from this Agreement) grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your explicit rights and obligations hereunder that may affect favorably or adversely your interests, (iii) we will use our judgment in exercising such rights based on our assessment of our own interests and balancing those interests against the interests of the owners of Businesses generally (including ourselves, and our Affiliates and other franchisees), and specifically without considering your individual interests or the individual interests of any other particular franchisee, (iv) we will have no liability to you for the exercise of our rights in this manner so long as such rights are not exercised in bad faith toward you, and (v) in the absence of such bad faith, no trier of fact in any legal action or arbitration proceeding shall substitute its judgment for our judgment so exercised

19 11 Dispute Resolution

(a) Mediation Except as provided in Section 19 11(c) (Exceptions to Arbitration), prior to filing any demand for arbitration, the parties agree to mediate any Dispute in accordance with the following procedures

(i) The party seeking mediation must commence mediation by sending the other party, in accordance with Section 19 26 (Notices), a written notice of its

request for mediation headed "**Notification of Dispute** " The Notification of Dispute will specify, to the fullest extent possible, the party's version of the facts surrounding the dispute, the amount of damages and the nature of any injunctive or other relief such party claims The party (or parties as the case may be) receiving a Notification of Dispute will respond within 20 days after receipt thereof, stating its version of the facts and, if applicable, its position as to damages sought by the party initiating the dispute procedure provided, however that if the dispute has been the subject of a default notice given under Section 15 (Termination of Agreement), the other party will respond within 10 business days

(ii) Upon receipt of a Notification of Dispute and response under Section 19 11(a)(i), the parties will endeavor, in good faith, to resolve the dispute outlined in the Notification of Dispute and response If the parties have been unable to resolve a dispute outlined in a Notification of Dispute or a response thereto within 20 days after receipt of the response, either party may initiate a mediation procedure with the American Arbitration Association ("**AAA**"), pursuant to its Commercial Mediation Procedures, in the city of our then-current corporate headquarters, unless both parties agree to a different location The parties must select a mediator jointly

(iii) All mediation sessions must be attended by an Owner (who has authority to settle the dispute on your behalf) and our representative(s) who is/are authorized to settle the dispute The parties may be represented by counsel at the mediation The parties agree to participate in the mediation proceedings in good faith and with the intention of resolving the dispute if at all possible within 30 days of the notice from the party seeking to initiate the mediation procedures If the dispute is not resolved within 30 days, any party may initiate an arbitration pursuant to Section 19 11(b) (Arbitration) In addition, if the party receiving notice of mediation has not responded within 5 days of delivery of the notice or a party fails to participate in the mediation, this Section 19 11(a) will no longer be applicable and the other party can pursue arbitration The parties agree that the costs of the mediator will be split equally between the parties Each party must pay its own fees and expenses incurred in connection with the mediation The mediation proceeding and any negotiations and results thereof will be treated as a compromise settlement negotiation and the entire process is confidential At least five days prior to the initial mediation session, each party must deliver a written statement of positions

(b) **Arbitration** Except as provided in Section 19 11(c) (Exceptions to Arbitration), any Dispute, including any dispute regarding the scope or validity of the arbitration obligation under this Section, not resolved by mediation must be submitted to binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect to be heard by one arbitrator

(i) **Counterclaims** In connection with any arbitration proceeding, each party will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current 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 will be barred

(ii) **Waiver of Class Actions** Any arbitration must be on an individual basis only as to a single franchise (and not as or through an association) and the parties and the arbitrator will have no authority or power to proceed with any claim on a class-wide basis or otherwise to join or consolidate any claim with any claim or any other proceeding involving third parties If a court or arbitrator determines that this limitation on joinder of or class-wide claims is unenforceable, then the agreement to arbitrate the dispute will be null and void

and the parties must submit all claims to the jurisdiction of the courts, in accordance with Section 19 13 (Consent to Jurisdiction)

(iii) **Venue** The arbitration must take place in the city where our headquarters is located at the time of the dispute

(iv) **Arbitrator** The arbitrator must follow the law and not disregard the terms of this Agreement The arbitrator will have subpoena powers limited only by the laws of the state in which our corporate headquarters is then located The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us The arbitrator may not under any circumstance (a) stay the effectiveness of any pending termination of this Agreement, (b) assess punitive or exemplary damages, (c) certify a class or a consolidated action, or (d) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set The arbitrator will have the right to make a determination as to any procedural matters as would a court of competent jurisdiction be permitted to make in the state in which our corporate headquarters is then located The arbitrator will also decide any factual, procedural, or legal questions relating in any way to the dispute between the parties, including any decision as to whether Section 19 11(b) (Arbitration) is applicable and enforceable as against the parties, subject matter, timeliness, scope, remedies, unconscionability, and any alleged fraud in the inducement

(v) **Orders** The arbitrator can issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief The judgment of the arbitrator on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction Each party consents to the enforcement of such orders, injunctions etc , by any court having jurisdiction

(vi) **Procedure** The parties to the dispute will have the same discovery rights as are available in civil actions under the laws of the state in which our corporate headquarters is then located All other procedural matters will be determined by applying the statutory common laws, and rules of procedure that control a court of competent jurisdiction in which our corporate headquarters is then located

(vii) **Confidential** Other than as may be required by law, the entire arbitration proceedings (including any rulings, decisions or orders of the arbitrator), will remain confidential and will not be disclosed to anyone other than the parties to this Agreement

(viii) **Advances** We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek recovery of those costs in accordance with Section 19 7 (Cost and Attorneys' Fees) or 19 11(d) (Prevailing Party's Fees)

(c) **Exceptions to Arbitration** Notwithstanding Sections 19 11(a) Mediation) and 19 11(b) (Arbitration), the parties agree that the following Disputes will not be subject to arbitration or mediation

(i) any action for equitable relief, including seeking preliminary or permanent injunctive relief, specific performance, declaratory relief, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including prior to or during the pendency of any arbitration proceedings initiated hereunder,

(ii) any action in ejectment or for possession of any interest in real or personal property,

(iii) any action which by Applicable Law cannot be arbitrated, or

(iv) our decision in the first instance to issue a notice of default and/or notice of termination, or undertake any other conduct with respect to the franchise relationship that might later result in a dispute or controversy between us

(d) **Prevailing Party's Fees** The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement will be entitled to recover its reasonable costs and expenses (including attorneys fees, arbitrator's fees and expert witness fees costs of investigation and proof of facts court costs, and other arbitration or litigation expenses) incurred in connection with the claims on which it prevailed

(e) **Survival** The provisions of this Section 19 11 are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement

(f) **Tolling of Statute of Limitations** All applicable statutes of limitation and defenses based on the passage of time are tolled while the dispute resolution procedures in this Section 19 11 are pending The parties will take such action if any, required to effectuate such tolling

(g) **Performance to Continue** Each party must continue to perform its obligations under this Agreement pending final resolution of any Dispute pursuant to this Section 19 11, unless to do so would be impossible or impracticable under the circumstances

19 12 Governing Law This Agreement will be governed by, construed, and enforced in accordance with the laws of the State of Missouri In the event of any conflict-of-law question, the laws of Missouri shall prevail, without regard to the application of Missouri conflict-of-law rules

19 13 Consent To Jurisdiction Subject to Section 19 11 (Dispute Resolution), you and the Owners must file any suit against us, and we may file any suit against you, in federal or state courts located in the state where our principal place of business is then located You (and each Owner) irrevocably submit to the jurisdiction of such courts and waive any objection you (or he or she) may have to either the jurisdiction of or venue in such courts

19 14 Waiver Of Punitive Damages, Jury Trial, And Class Actions Except with respect to your obligation to indemnify us pursuant to Section 18 4 (Indemnification) and 18 5 (Mitigation Not Required) and claims we bring against you for your unauthorized use of the Marks or unauthorized use or disclosure of any Confidential Information, we and you and your respective Owners waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute

between us, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains We and you irrevocably waive, to the fullest extent permitted by law, trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either of us Any claims must be brought on an individual basis only as to a single franchise (and not as or through an association or class) This waiver is effective even if a court of competent jurisdiction decides that the arbitration provision in Section 19 11(b) (Arbitration) is unenforceable Each party acknowledges that it has had a full opportunity to consult with counsel concerning this waiver, and that this waiver is informed, voluntary intentional, and not the result of unequal bargaining power

19 15 Limitation Of Claims Except for claims arising from your nonpayment or underpayment of amounts you owe us pursuant to this Agreement, or claims related to your unauthorized use of the Marks, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a Notification of Dispute is sent or a judicial proceeding is commenced within one year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims

19 16 Binding Effect This Agreement is binding upon us and you and our respective executors, administrators, heirs, beneficiaries, assigns and successors in interest

19 17 Withhold Approval Except where this Agreement expressly obligates us to reasonably approve or to not unreasonably withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed or effected actions that require our approval

19 18 Construction The headings of the several Sections hereof are for convenience only and do not define, limit or construe the contents of such Sections Unless otherwise specified all references to a number of days shall mean calendar days and not business days The words "**include**," "**including**," and words of similar import shall be interpreted to mean "including but not limited to" and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter

19 19 Joint And Several Owners' Liability If two or more persons or Entities are at any time Owners, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several

19 20 Right To Information You consent to us obtaining, using and disclosing to third parties (including financial institutions, legal and financial advisors, and prospective franchisees), for any purpose we specify or as may be required by law, all financial and other information (including Customer Information) contained in or resulting from information, data, materials, statements and reports related, directly or indirectly, to the Business

19 21 Multiple Copies This Agreement may be executed in counterparts, each of which will be deemed an original, and all of which when taken together shall constitute one and the same document This Agreement shall not be binding on either party until it is executed by both parties

19 22 Entire Agreement Between The Parties This Agreement, including any addenda and appendices and our Operations Manual, and the documents referred to therein constitute the sole agreement between you and us with respect to the entire subject matter of this Agreement and embody all prior agreements and negotiations with respect to your Business

authorized hereunder We expressly disclaim any understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) which are not fully expressed in this Agreement Nothing in this or any related agreement, however, is intended to disclaim the representations made by us in the FDD

19 23 Amendments No change, modification, amendment or waiver of any of the provisions hereof, including by custom, usage of trade, or course of dealing or performance, shall be effective and binding upon either party unless it is in writing, specifically identified as an amendment hereto and signed by a duly authorized representative of both parties The Operations Manual and any Methods of Operation that we adopt and implement may be changed by us unilaterally from time to time

19 24 No Third Party Beneficiaries Except as expressly otherwise provided herein, no third party shall have the right to claim any of the benefits conferred under this Agreement

19 25 Notices All notices and other communications required or permitted under this Agreement will be in writing and will be given by one of the following methods of delivery (i) personally, (ii) by certified or registered mail, postage prepaid, (iii) by overnight delivery service, or (iv) by facsimile (if the sender receives machine confirmation of successful transmission) Notices to you will be sent to the address set forth on **Appendix A** Notices to us must be sent to

Sky Zone Franchise Group, LLC
1201 West Fifth Street, Suite T-900
Los Angeles, California 90017
Attn _____

Either party may change its mailing address or facsimile number by giving notice to the other party Notices will be deemed received the same day when delivered personally, upon attempted delivery when sent by registered or certified mail or overnight delivery service, or the next business day when sent by facsimile

20 ACKNOWLEDGEMENTS AND REPRESENTATIONS

20 1 Acknowledgements You acknowledge that you have read this Agreement and our FDD and understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at each Business and thereby to protect and preserve the goodwill of the Marks You acknowledge that you have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that, like any other business, the nature of the business conducted by a Business may evolve and change over time, that an investment in a Business involves business risks and that your business abilities and efforts are vital to the success of the venture You acknowledge that, in all of their dealings with you, our officers directors, employees and agents act only in a representative, and not in an individual, capacity All business dealings between you and such persons as a result of this Agreement are solely between you and us You further acknowledge that we have advised you to seek franchise counsel to review and evaluate this Agreement

20 2 Representation You represent to us, as an inducement to our entry into this Agreement, that all statements you have made and all materials you have submitted to us in

connection with your purchase of the franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the Franchise We have approved of your purchasing a Franchise in reliance upon all of your representations

20 3 Due Authority You represent that this Agreement has been duly authorized and executed by you or on your behalf and constitutes your valid and binding obligation, enforceable in accordance with its terms, subject to applicable bankruptcy, moratorium, insolvency, receivership, and other similar laws affecting the rights of creditors generally

20 4 Terrorist Acts You acknowledge that under applicable U S law, including Executive Order 13224, signed on September 23, 2001 (the **"Order"**), we are 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, you represent and warrant to us that, as of the date of this Agreement, neither you nor any person holding any ownership interest in you, controlled by you, or under common control with you is designated under the Order as a person with whom business may not be transacted by us, and that you (i) do not, and hereafter will not, engage in any terrorist activity, (ii) are not affiliated with and do not support any individual or Entity engaged in, contemplating, or supporting terrorist activity, and (iii) 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

20 5 Timely Receipt and Review of Agreement and Disclosure Document You have received an execution ready copy of this Agreement at least seven calendar days before you executed this Agreement or any related agreements or paid any consideration to us You have also received a FDD required by applicable state and/or federal laws, including a form of this Agreement, at least 14 calendar days (or such longer time period as required by applicable state law) before you executed this Agreement or any related agreements or paid any consideration to us You have reviewed this Agreement and the FDD and have been given ample opportunity to consult with, and ask questions of, our representatives regarding the documents You have no knowledge of any representations made about the SKY ZONE franchise opportunity by us, our Affiliates, or any of our or their officers, directors, owners, or agents that are contrary to the statements made in our FDD or to the terms and conditions of this Agreement

20 6 Financial Performance Representations Except as may be stated in the FDD, you and your Owners acknowledge that neither we, nor any of our Affiliates, nor any of our or our Affiliates' officers, agents, employees, or representatives have made any representation to you, express or implied, as to the historical revenues, earnings, or profitability of any Business or the anticipated revenues, earnings, or profitability of the Business subject to the Franchise or any other business operated by us, our licensees, our franchisees, or our Affiliates In entering into this Agreement, you are not relying upon any information furnished by us or our representatives other than the information contained in this Agreement and the FDD Any information you have acquired from other SKY ZONE franchisees regarding their sales, profits or cash flows is not information obtained from us, and we make no representation about that information's accuracy **YOU AND EACH OF YOUR OWNERS WARRANT AND REPRESENT THAT HE/SHE HAS NOT RELIED UPON ANY GUARANTEES CONCERNING REVENUE, PROFIT OR THE SUCCESS OF THIS FRANCHISE IN DECIDING TO SIGN THIS AGREEMENT.**

[Signature page follows]

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

FRANCHISOR

SKY ZONE FRANCHISE GROUP, LLC

By _____
Name
Title

Date _____

FRANCHISEE

(IF ENTITY)

_____
[Name]

By _____
Name _____
Title _____

Date _____

(IF INDIVIDUALS)

_____
[Signature]

_____
[Print Name]

Date _____

_____
[Signature]

_____
[Print Name]

Date _____

_____
[Signature]

_____
[Print Name]

Date _____

_____
[Signature]

_____
[Print Name]

Date _____

APPENDIX A

FRANCHISEE-SPECIFIC TERMS

1 **Effective Date** The Effective Date is _____

2 **Franchisee's Name** _____

3 **Franchisee's Address And Fax Number For Notices**

_____

_____

4 **Form Of Entity Of Franchisee**

1 **Corporation Or Limited Liability Company** Franchisee was organized on _____ _____under the laws of the State of _____ Its Federal Employer Identification Number is _____ It has not conducted business under any name other than its corporate or company name

Name of Each Director/Officer/Managing Member	Position(s) Held

2 **Partnership** Franchisee is a general or limited partnership formed on _____ _____, under the laws of the State of _____ Its Federal Employer Identification Number is _____ It has not conducted business under any name other than its partnership name

Name of Each General Partner

5 **Responsible Person** The name and home address of the Responsible Person is as follows _____

6 Owners

1 Franchisee and each of its Owners represents and warrants that the following is a complete and accurate list of all Owners of any interest whatsoever in Franchisee, including the full name and mailing address of each Owner, and fully describes the nature and extent of each Owner's interest in Franchisee Franchisee and each Owner as to his ownership interest, represents and warrants that each Owner is the sole and exclusive legal and beneficial owner of his ownership interest in Franchisee, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Agreement

Owner's Name and Address	Percentage and Nature of Ownership Interest

2 **Control Group** You represent and warrant that the following Owner or group of Owners has, directly or indirectly, 51% or more ownership interest in you and voting control over its ownership interests in you and constitutes your Control Group as described in Section 2 4 (Control Group) of the Franchise Agreement

Owner's Name and Address	Percentage and Nature of Ownership Interest

[Appendix A Signature Page Follows]

This **Appendix A** is deemed accepted and made a part of the Franchise Agreement as of the Franchise Agreement's Effective Date

FRANCHISOR

SKY ZONE FRANCHISE GROUP, LLC

By _____
Name
Title

Date _____

FRANCHISEE

(IF ENTITY)

_____
[Name]

By _____
Name _____
Title _____

Date _____

(IF INDIVIDUALS)

_____
[Signature]

_____
[Print Name]

Date _____

_____
[Signature]

_____
[Print Name]

Date _____

_____
[Signature]

_____
[Print Name]

Date _____

_____
[Signature]

_____
[Print Name]

Date _____

APPENDIX B

OWNERS' PERSONAL GUARANTY OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Sky Zone Franchise Group, LLC Franchise Agreement dated as of _____ _____ (the "**Agreement**") by and between the Sky Zone Franchise Group, LLC ("**Franchisor**") and _____ ("**Franchisee**"), each of the undersigned Owners of a greater than 10% interest in Franchisee hereby personally and unconditionally (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement (and any amendments) and that each and every representation of Franchisee made in connection with the Agreement (and any amendments) are true, correct and complete in all respects at and as of the time given, and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement (and any amendments), including, without limitation, the confidentiality obligations and non-competition covenants in Sections 8 (Confidential Information) and 17 (Covenants Not to Compete) of the Agreement, respectively

Each of the undersigned waives (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings, (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed, (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, (d) any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability, (e) notice of any amendment to the agreement, and (f) any and all other notices and legal or equitable defenses to which he may be entitled

Each of the undersigned consents and agrees that (i) their direct and immediate liability under this guaranty shall be joint and several, (ii) they shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses to do so punctually, (iii) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person, and (iv) such liability shall not be diminished, relieved or otherwise effected by any extension of time, credit or other indulgence which the Franchisor may from time to time grant to 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 shall in any way modify or amend this guaranty, which shall be continuing and irrevocable until satisfied in full

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of the guaranty will inure to the benefit of our successors and assigns

This guaranty shall be governed by the governing law provisions set forth in Section 19 12 (Governing Law) of the Agreement and all disputes related to it shall be resolved in accordance with the dispute resolution provisions set forth in Sections 19 11 (Dispute Resolution), 19 13 (Consent to Jurisdiction), 19 14 (Waiver of Punitive Damages, Jury Trial, and Class Actions), and 19 15 (Limitation of Claims) of the Agreement

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature under seal, as of the Effective Date of the Agreement

PERCENTAGE OF OWNERSHIP INTEREST IN FRANCHISEE	**GUARANTOR (S)**
_____	_____ (Signature)
	_____ (Print Name)
_____	_____ (Signature)
	_____ (Print Name)
_____	_____ (Signature)
	_____ (Print Name)

APPENDIX C

OWNER PERSONAL COVENANTS REGARDING CONFIDENTIALITY AND NON-COMPETITION

In conjunction with your investment in _____ ("**Franchisee**") a ____ _____, you ("**Owner**" or "**you**"), acknowledge and agree as follows

1 Franchisee owns and operates, or is developing, a Business located or to be located in the Protected Territory pursuant to a franchise agreement ("**Franchise Agreement**") with Sky Zone Franchise Group, LLC, which Franchise Agreement requires persons with legal or beneficial ownership interests in Franchisee under certain circumstances to be personally bound by the confidentiality and noncompetition covenants contained in the Franchise Agreement All capitalized terms contained herein shall have the same meaning set forth in the Franchise Agreement

2 You own or intend to own a legal or beneficial ownership interest in Franchisee and acknowledge and agree that your execution of this agreement ("**Agreement**") is a condition to such ownership interest and that you have received good and valuable consideration for executing this Agreement We may enforce this Agreement directly against you and Your Owners (as defined below)

3 If you are an Entity, all persons who have a legal or beneficial interest in you ("**Your Owners**") must also execute this Agreement

4 You and Your Owners, if any, may gain access to parts of our Confidential Information (as defined in Section 8 1 (Confidential Information) of the Franchise Agreement) as a result of investing in Franchisee The Confidential Information is proprietary and includes our trade secrets You and Your Owners hereby agree that while you and they have a legal or beneficial ownership interest in Franchisee and thereafter you and they (a) will not use the Confidential Information in any other business or capacity (such use being an unfair method of competition), (b) will exert best efforts to maintain the confidentiality of the Confidential Information, and (c) will not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic or other form If you or Your Owners cease to have an interest in Franchisee, you and Your Owners, if any, must deliver to us any such Confidential Information in your or their possession

5 You specifically acknowledge that you will receive valuable, specialized training, Confidential Information, and other proprietary and specialized information and knowledge that provide a valuable, competitive advantage in operating a trampoline park You further acknowledge that we would be unable to protect the Confidential Information against unauthorized use or disclosure or to encourage the free exchange of ideas and information among our franchisees if you were permitted to hold interests in or perform services for a Competitive Business (as defined in Section 1 2 (Definitions) of the Franchise Agreement), and we have granted you the Franchisee certain rights under the Franchise Agreement in consideration of, and in reliance upon, your agreement to deal exclusively with us You therefore covenant that during the term of the Franchise Agreement (except as otherwise approved in writing by us), you, Your Owners, and you

and their Immediate Families (as defined in Section 1 2 of the Franchise Agreement) shall not, either directly, indirectly or through, on behalf of, or in conjunction with any person or legal entity

1 Divert or attempt to divert any present or prospective business or customer of any Business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System,

2 Recruit, employ or seek to employ any person who is at that time, or has been within the past six months, employed by us or one of our affiliates, or otherwise directly or indirectly induce such person to leave his or her employment, or

3 Own, maintain, operate, engage in, be employed by, act as a consultant for, perform services for provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business

6 You covenant that, except as otherwise approved in writing by us, you and Your Owners shall not, for a continuous, uninterrupted period of two years commencing upon the date of (a) a Transfer (as defined in Section 1 2 of the Franchise Agreement) permitted under Section 13 (Transfer) of the Franchise Agreement, (b) expiration of the Franchise Agreement, (c) termination or non-renewal of the Franchise Agreement (regardless of the cause for termination or non-renewal), or (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Paragraph, either directly or indirectly, for yourself or your Immediate Family or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, act as a consultant for, perform services for, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business that is, or is intended to be, located (a) at the Location of the Business, (b) within 15 miles of the Location, or (c) 15 miles of any Business in operation or under construction as of the date that you are required to comply with this Paragraph 6 You agree and acknowledge that the two-year period of this restriction shall be tolled during any time period in which you are in violation of this restriction

7 You and each of Your Owners expressly acknowledge the possession of skills and abilities of a general nature and the opportunity to exploit such skills in other ways, so that enforcement of the covenants contained in Sections 5 and 6 will not deprive any of you of your personal goodwill or ability to earn a living If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope or in terms of geographical area, type of business activity prohibited and/or length of time but could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforced to the fullest extent permissible under Applicable Law and public policy We may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause it irreparable harm You and each of Your Owners acknowledges that any violation of Sections 4, 5 or 6 hereof would result in irreparable injury for which no adequate remedy at law may be available If we file a claim to enforce this Agreement and prevail in such proceeding, you agree to reimburse us for all its costs and expenses, including reasonable attorneys' fees

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature, under seal, as of the Effective Date of the Franchise Agreement

OWNER

If an Individual

_____
(Signature)

_____
(Print Name)

If a corporation, partnership, limited liability company or other legal entity

_____
(Name of corporation, partnership, limited liability company or other legal entity)

By _____
Print Name _____
Title _____

YOUR OWNERS
If you are a corporation, partnership, limited liability company or other legal entity

By _____
Print Name _____

By _____
Print Name _____

By _____
Print Name _____

NOT APPLICABLE AT THIS TIME

APPENDIX D

SILENT INVESTORS

Franchisee owns and operates, or is developing, a Business located or to be located at _____ ("**Business**") pursuant to a franchise agreement ("**Franchise Agreement**") with Sky Zone Franchise Group, LLC ("**Franchisor**") Capitalized terms not defined herein have the meanings set forth in the Franchise Agreement Franchisee and its Owners each acknowledge and agree as follows

1 Silent Investor As used in the Franchise Agreement and herein, the term "Silent Investor" means and refers to the following individuals and/or entities

Silent Investor Name and Address	Percentage Ownership Interest
Silent Investor _____ Address _____ As owned/controlled by _____ Address _____ As owned/controlled by _____ Address _____	_____% _____% _____%
Silent Investor _____ Address _____ As owned/controlled by _____ Address _____ As owned/controlled by _____ Address _____	_____% _____% _____%
Silent Investor _____ Address _____ As owned/controlled by _____ Address _____ As owned/controlled by _____ Address _____	_____% _____% _____%

2 Additional Silent Investors/Franchisor Approval The addition of Silent Investors, as well as the equity interest of each such Silent Investor, is subject to the Franchisor's prior written approval Specifically, Franchisee Parties may not add any new Silent Investors unless such person or Entity, and any other person or Entity that directly or indirectly controls such person or Entity, first satisfies, to Franchisor's satisfaction, Franchisor's then-current character and financial requirements applicable to all SKY ZONE franchisees at the time, including, without limitation, the completion of a satisfactory background check and credit check conducted by (or on behalf of) Franchisor Franchisee and Responsible Person ("**Franchisee Parties**") must notify Franchisor within seven calendar days of the date that any Silent Investor ceases having an ownership interest in Franchisee

3 Silent Investor Prohibitions Franchisee Parties each agree that no Silent Investor will

A Undertake or exercise an active role in the management or operation of the Business,

B Have or otherwise acquire access to Confidential Information or other operating information, including information set forth in the Operations Manual (and/or any component thereof), or

C Disclose his/her/its ownership interest in the Business to any third party, except for professional advisors that need to know or as required by law

4 Covenants of Franchisee Parties Franchisee Parties each covenant that they will not give, provide, disseminate, create access to, or otherwise release any or all of the following to any Silent Investor Confidential Information, operating information other than financial statements, marketing techniques or materials that are similar to those used under or in connection with the Methods of Operations, member rate structures similar to those used under or in connection with the Methods of Operations, any of Franchisor's procedures or systems, and any other information that we designate as proprietary and confidential Franchisee Parties further acknowledge, understand and agree that if a Silent Investor learns Confidential Information or other operating information at any time during or after the term of the Franchise Agreement, Franchisee Parties will be presumed to have disclosed such Confidential Information or other operating information to the Silent Investor(s)

5 Representation and Warranty Franchisee Parties expressly represent and warrant to Franchisor that the individuals and/or entities identified in Section 1 above constitute all Silent Investors as of the Effective Date, and that no different or additional Silent Investors will acquire or otherwise obtain an interest in Franchisee absent compliance with the conditions described in Section 2 above

6 Liability for Damages If any or all of the Franchisee Parties violate the confidentiality or non-competition provisions of the Franchise Agreement and/or Section 4 (above), the Franchisee Parties will be jointly and severally liable for any such breach, including, to the fullest extent possible, all damages and costs resulting from Franchisor's enforcement or attempted enforcement against any or all Franchisee Parties of any provision of this Appendix or the Franchise Agreement

7 Cross Default For the avoidance of doubt, any breach or default under this Appendix D (including, without limitation, Section 4 above) will be deemed an incurable default under

the Franchise Agreement Franchisee Parties acknowledge that a violation of Sections 3 and/or 4 of this Appendix would result in irreparable injury for which no adequate remedy at law may be available If Franchisor files a claim to enforce the terms of this Appendix and prevails in such proceeding, Franchisee Parties agree to reimburse Franchisor for all its costs and expenses, including reasonable attorneys' fees

IN WITNESS WHEREOF, the undersigned have executed and delivered this Agreement as of the Effective Date noted below

_____	SKY ZONE FRANCHISE GROUP, LLC
(Name of corporation, partnership, or limited liability company)	A Missouri Limited Liability Company
By _____	By _____
	Print Name _____
Title _____	Title _____
Date _____	Date _____

EFFECTIVE DATE _____

Owners

_____	_____
(Signature)	(Date)
_____	
(Print Name)	
_____	_____
(Signature)	(Date)
_____	
(Print Name)	

TO BE NEGOTIATED WITH LANDLORD

APPENDIX E

ADDENDUM TO LEASE

This addendum ("**Addendum**") is executed as of this _____ day of _____ _____ , by and between ("**Franchisee**") and _____ ("**Landlord**") as an addendum to the lease (as amended, renewed, and/or extended from time to time, "the **Lease**") for the premises located at _____ , state of _____, (the "**Premises**"), dated as of _____

WHEREAS, Franchisee has entered into a franchise agreement ("**Franchise Agreement**") with Sky Zone Franchise Group, LLC ("**Franchisor**") for the operation of a Sky Zone Park ("**Business**") at the Premises, and as a requirement thereof, the Lease for the Premises must be subject and subordinate to the provisions contained in this Addendum, and

WHEREAS, Landlord and Franchisee agree that in the event of any conflict, the terms contained herein shall supersede any terms to the contrary set forth in the Lease

1 Landlord shall deliver to Franchisor a copy of any notice of default or termination of the Lease at the same time such notice is delivered to Franchisee

2 Franchisee hereby assigns to Franchisor, with Landlord's irrevocable and unconditional consent, all of Franchisee's rights, title and interests to and under the Lease upon any termination or non-renewal of the Franchise Agreement, but no such assignment shall be effective unless (a) the Franchise Agreement is terminated or expires without renewal, (b) Franchisor has exercised its option to purchase, if any, under the Franchise Agreement, and (c) Franchisor notifies the Franchisee and Landlord in writing that Franchisor assumes Franchisee's obligations under the Lease

3 Franchisor shall have the right, but not the obligation, upon giving written notice of its election to Franchisee and Landlord, to cure any breach of the Lease and, if so stated in the notice, to also succeed to Franchisee's rights, title and interests thereunder

4 The Lease may not be modified, amended, supplemented, renewed, extended or assigned by Franchisee without Franchisor's prior written consent

5 Franchisee shall have the right to assign the Lease or sublet the Premises to Franchisor without Landlord's approval, and any assignment or subletting provisions set forth in the Lease shall not apply to any such assignment or subletting

6 Franchisee and Landlord acknowledge and agree that Franchisor shall have no liability or obligation whatsoever under the Lease unless and until Franchisor assumes the Lease in writing pursuant to Section 2 or 3 above

7 If Franchisor assumes the Lease as provided above, Franchisor may, without Landlord's consent, further assign the Lease to a franchisee of Franchisor to operate the

Premises, provided that the proposed franchisee has met all of Franchisor's applicable program criteria and requirements and has executed Franchisor's standard franchise agreement Landlord agrees to execute such further documentation to confirm its consent to the assignment permitted under this Exhibit as Franchisor may reasonably request Upon such assignment to a franchisee of Franchisor, Franchisor shall be released from any further liability under the terms and conditions of the Lease

8 Landlord and Franchisee hereby acknowledge that Franchisee has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Premises for certain purposes Landlord hereby agrees not to interfere with or prevent such entry by Franchisor, its employees or agents Landlord and Franchisee hereby further acknowledge that in the event the Franchise Agreement expires (without renewal) or is terminated, Franchisee is obligated to take certain steps under the Franchise Agreement to de-identify the Premises Landlord agrees to permit Franchisor, its employees or agent, to enter the Premises and remove signs (both interior and exterior), decor and materials displaying any marks, designs or logos owned by Franchisor, provided Franchisor shall, at its expense repair any damage to the Premises as a result thereof

9 Landlord agrees to allow Franchisee to remodel, equip paint and decorate the interior and exterior of the Premises pursuant to the terms of the Franchise Agreement and any successor Franchise Agreement under which Franchisee may operate the Business at the Premises

10 Landlord agrees that during and after the term of the Lease, it will not disclose or use Franchisor's Confidential Information (as defined below) for any purpose other than for the purpose of fulfilling Landlord's obligations under the Lease "Confidential Information" as used herein shall mean all non-public information and tangible things, whether written, oral, electronic or in other form, provided or disclosed by or on behalf of Franchisee to Landlord, or otherwise obtained by Landlord, regarding the design and operations of the business located at the Premises, including, without limitation, all information identifying or describing the floor plan, equipment, furniture, fixtures, wall coverings, flooring materials, shelving, decorations, trade secrets, trade dress, "look and feel," layout, design, menus, recipes, formulas, manner of operation, suppliers, suppliers, and all other products, goods, and services used, useful or provided by or for Franchisee on the Premises Landlord acknowledges that all Confidential Information belongs exclusively to Franchisor Landlord agrees that should it breach or threaten to breach this provision of this Exhibit, Franchisor will suffer irreparable damages and Franchisor s remedy at law will be inadequate Therefore, if Landlord threatens or actually breaches this provision, Franchisor shall be entitled to all remedies available to Franchisor at law or in equity, including, without limitation, injunctive relief

11 Landlord agrees that (a) Franchisor has solely granted to Franchisee the right to use Franchisor's proprietary trade name, trademarks, service marks logos, insignias, slogans, emblems, symbols, designs and indicia of origin (collectively the 'Marks") at the Premises under the terms of the Franchise Agreement, and (b) Franchisor has not granted any rights or privileges to Landlord to use the Marks at the Premises or anywhere else and (c) Landlord's unauthorized use of the Marks during or after the term of the Lease shall cause irreparable harm to Franchisor and Franchisor's remedy at law will be inadequate Therefore, if Landlord threatens or actually breaches this provision, Franchisor shall be entitled to all remedies available to Franchisor at law or in equity, including, without limitation, injunctive relief

12 Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to Franchisor at the following addresses, or such other addresses as Franchisor shall specify by written notice to Landlord

Sky Zone Franchise Group, LLC
1201 West Fifth Street, Suite T-900
Los Angeles, California 90017
Attn _____

With copies at all times to

13 Under the Franchise Agreement, any lease for the location of a Business is subject to Franchisor's approval Accordingly the Lease is contingent upon such approval

14 Franchisor, along with its successors and assigns, is an intended third party beneficiary of the provisions in this Addendum

15 References to the Lease and the Franchise Agreement include all amendments, addenda, extensions and renewals to such documents

16 References to the Landlord, Franchisee and Franchisor include the successors and assigns of each of the parties

[Signature blocks on next page]

WITNESS the execution hereof under seal

LANDLORD

_____

Date _____, _____

FRANCHISEE

_____

Date _____, _____

APPENDIX F

PROTECTED TERRITORY AND PREMISES

The Protected Territory is

_____

_____

_____

The Premises is _____

If no Premises is accepted at the time this Agreement is signed, this **Appendix F** will be updated when a Premises has been designated by you and accepted by us The Premises must be designated and your lease signed within six months of the Effective Date of this Agreement and must be within the Protected Territory Once the Premises is identified, we may revise the Protected Territory

Effective Date of Appendix F _____

FRANCHISEE	SKY ZONE FRANCHISE GROUP, LLC
_____	
By _____	By _____
Its _____	Its _____
Date _____	Date _____

ACKNOWLEDGMENT ADDENDUM TO THE SKY ZONE FRANCHISE AGREEMENT

As you know, you and we are entering into a Franchise Agreement for the operation of a SKY ZONE franchise The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business Please review each of the following questions carefully and provide honest responses to each question

Acknowledgments and Representations*

1 Did you receive a copy of our Franchise Disclosure Document (and all exhibits and attachments) ("**FDD**") at least (a) 14 calendar days prior to signing the Franchise Agreement, or (b) if you are a resident of Iowa New York or Oklahoma, at the earlier or the first personal meeting or 10 business days before the execution of the franchise or other agreement or payment of any consideration, or if you are a resident of Michigan, Oregon or Wisconsin, at the earlier of 10 business days before the execution of any binding agreement or payment of any consideration, or (d) if you are a resident of Washington, 14 calendar days prior to payment or execution of the Franchise Agreement? Check one ☐ Yes ☐ No

2 Have you studied and reviewed carefully our FDD and Franchise Agreement? Check one ☐ Yes ☐ No

3 Is the name, address and phone number of any broker and each of our employees or representatives who was involved in offering you this franchise listed on the FDD receipt you signed (or on any updated receipt we provided to you)? Check one ☐ Yes ☐ No

4 Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise, meaning that any prior oral or written statements not included in the Franchise Agreement or our FDD will not be binding? Check one ☐ Yes ☐ No

5 Do you understand that the success or failure of your business will depend in large part on your skills and experience, your business acumen, your location, the local market for products, interest rates, the economy, inflation the number of employees you hire and their compensation, competition and other economic and business factors? Check one ☐ Yes ☐ No

6 Do you understand that that, unless there exists a currently effective Multi-Unit Development Agreement between you and us, the franchise granted is for the right to operate a single SKY ZONE facility at the authorized location only and includes no exclusive area or protected territory, and that we and our affiliates have the right to issue franchises or operate competing businesses for or at locations, as we determine, near your authorized location? Check one ☐ Yes ☐ No

7 Do you understand that you are bound by the non-compete covenants (both in-term and post-term) listed in Section 17 of the Franchise Agreement and that an

injunction is an appropriate remedy to protect the interests of the SKY ZONE system if you violate the covenant(s)? Further, do you understand that the term "you" for purposes of the non-compete covenants in defined broadly in Section 17 of the Franchise Agreement, such that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement? Check one ☐ Yes ☐ No

8 Do you understand that the current economic crisis and financial situation could have a negative impact on the trampoline park industry, the SKY ZONE franchise system and your business? Do you also understand that the economic situation may worsen? Check one ☐ Yes ☐ No

If you answered "No" to questions 1-8, please explain (attached additional sheets if necessary) _____

9 Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the FDD? Check one ☐ Yes ☐ No

10 Except as stated in Item 19 of our FDD, was any oral, written or visual claim or representation made to you which stated, suggested, predicated or projected your sales, income or profit levels? Check one ☐ Yes ☐ No

11 Except as stated in Item 19 of our FDD, did any employee or other person speaking on our behalf make any statement or promise regarding the costs involved in operating a franchise that is not contained in the FDD or that is contrary to or different from the information in the FDD? Check one ☐ Yes ☐ No

If you answered "Yes" to questions 9-11, please explain in detail the claim, representation or statement (attached additional sheets if necessary) _____

_____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH

NOTE IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT

Signed _____	Signed _____
Print Name _____	Print Name _____
Date _____	Date _____
Signed _____	Signed _____
Print Name _____	Print Name _____

Date _____ Date _____

APPROVED ON BEHALF OF SKY ZONE FRANCHISE GROUP, LLC

Signed _____

Print Name _____

Date _____

*Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law, to the extent applicable In addition, except to the extent we have negotiated changes to the Franchise Agreement and/or Multi-Unit Development Agreement that differ from the FDD, nothing in this Acknowledgement Addendum or in any related agreement is intended to disclaim representations made in Sky Zone Franchise Group, LLC's 2018 FDD that was provided to you

EXHIBIT B TO THE DISCLOSURE DOCUMENT

MULTI-UNIT DEVELOPMENT AGREEMENT

SKY ZONE
MULTI-UNIT DEVELOPMENT AGREEMENT

[NAME OF DEVELOPER]

[NAME OF DEVELOPMENT AREA]

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APPENDIX A – DEVELOPER-SPECIFIC TERMS
EXHIBIT B – OWNERS' PERSONAL GUARANTY OF DEVELOPER'S OBLIGATIONS

SKY ZONE
MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (the "**Agreement**") is made and entered into as of the date listed on Appendix A (the "**Effective Date**") Sky Zone Franchise Group, LLC, a limited liability company formed under Missouri law, with its principal business address at 1201 West Fifth Street, Suite T-900, Los Angeles, California 90017 (referred to in this Agreement as "**we**," "**us**" or "**our**"), and the person or entity identified on Appendix A as the "**Developer**" with its principal place of business as set forth on Appendix A (referred to in this Agreement as **you**" or "**your**")

WHEREAS, you have provided us with any and all financial information about your shareholders, partners, officers, directors, guarantors and other persons as we have requested, and

WHEREAS, you desire to develop, own and operate, through yourself or an affiliate in which your Control Group (as defined in Section 8 below) owns 51% or more interest (an "**Affiliated Entity**'), multiple trampoline parks (each, a "**Business**") in the development area specified in Appendix A (the "**Development Area**")

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, intending to be legally bound, do hereby mutually agree as follows

1 **Development Area** With respect to the Development Area specified in Appendix A, all political boundaries shall be considered fixed as of the date of this Agreement and shall not change for the purpose hereof, notwithstanding a political reorganization or change to such boundaries or regions All street boundaries shall be deemed to end at the street center line unless otherwise specified above In case of inconsistency between the written description above and any map attached to Appendix A, the written description of the Development Area controls

2 **Grant of Development Rights**

Subject to the terms and conditions of this Agreement, we grant you the right, and you undertake the obligation, to establish and operate in the Development Area for your own account or through an Affiliated Entity, the number of Businesses specified in the development schedule in Appendix A (the '**Development Schedule**") This Agreement does not grant you any right to use the Sky Zone trademark or any other marks that we designate (the "**Marks**") or the system and methods used in Businesses (the **System**"), which are each granted only by the execution of a Franchise Agreement with us You may not develop the Businesses at locations outside of the Development Area and you may not sublicense any of the rights granted to you herein

During the term of this Agreement and provided that you are in compliance with the Development Schedule, we will not operate, or license or franchise third parties to operate, a Business physically located within the Development Area You must have open and in continuous operation in the Development Area pursuant to Franchise Agreements, the cumulative number of Businesses specified in the Development Schedule by each of the development deadlines specified in the Development Schedule (the "**Development Deadlines**") It is of material importance to us that you timely perform all obligations under this Agreement and the Franchise Agreement for each Business

You represent that you conducted your own independent investigation and analysis of the prospects for the establishment of Businesses within the Development Area, approve the Development Schedule as being reasonable and viable, and recognize that failure to achieve the results described in the Development Schedule will constitute material breach of this Agreement

3 **Term** Unless sooner terminated in accordance with Section 9, the term of this Agreement will expire on the earlier of (i) the opening of the last Business listed in the Development Schedule, or (ii) the date set forth in Appendix A There is no right to renew this Agreement

4 **Initial Services and Ongoing Obligations** You acknowledge and agree that our initial service under this Agreement is solely to identify the Development Area and that we have no ongoing obligations such as training or operational assistance to you under this Agreement All ongoing and further obligations to you in opening your locations shall be provided pursuant to any Franchise Agreements between you and us

5 **Our Reservation of Rights** Although we our parent company and our affiliates will not develop, operate, or franchise a Business physically located within the Development Area while this Agreement is in effect, we, our parent and our affiliates (and our and their respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all rights with respect to the Marks, the System and Businesses anywhere in the world, and the right to engage in any business whatsoever, and any other right not expressly granted to you in this Agreement, including the right to

5 1 operate, and/or grant to others the right to operate, any trampoline based recreational facility ("**Competitive Businesses**") offering similar or identical products services, and classes and using the System or elements of the System (i) under the Marks anywhere outside of the Development Area or (ii) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Development Area,

5 2 offer to sell, or sell and distribute, any products or services under any trade names, trademarks, service marks or trade dress, including the Marks, anywhere through any distribution channels or methods, which may include retail stores, wholesale, and the Internet (or any other existing or future form of electronic commerce),

5 3 acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere or business conducted anywhere and, even if such businesses are located in the Development Area, (i) convert the other businesses to the Sky Zone name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Businesses to such other name

6 **Development Fee** For the rights we grant you under the terms of this Agreement, you agree to pay us a development fee as specified in Appendix A (the "**Development Fee**") upon execution of this Agreement The Development Fee is fully earned on receipt and is not refundable for any reason

7 **Execution of Franchise Agreements**

You or an Affiliated Entity must execute a separate Franchise Agreement in our then-current form (a "**Franchise Agreement**") for each Business to be established by you in the

Development Area, except that you are not required to pay us any Initial Franchise Fee under such Franchise Agreement Further, provided that you are in good standing at the time each subsequent Franchise Agreement is executed, we will modify each such Franchise Agreement so that the "Royalty Fee" in each such agreement shall be equal to 6% of the Total Gross Revenue (as defined in such Franchise Agreement) of the Business

If you fail to provide us with an executed then-current form of Franchise Agreement (as modified consistent with the preceding sentences) at least 60 days prior to the date scheduled as the opening date for a particular location, your failure will be deemed a material breach of this Agreement and we will have the right to terminate this Agreement as provided herein

8 Ownership, Control Group, Responsible Person Personal Guaranty

Any person holding an ownership interest in you is an "**Owner**" for purposes of this Agreement You acknowledge and agree that we have granted the rights in Section 1 above to you, (a) based on you, your Owner or the group of Owners described in Appendix A hereof that has, directly or indirectly, 51% or more ownership interest in you and voting control over its ownership interests in you ("**Control Group**") and (b) based on the same ownership and voting control of such Control Group, in the same percentage as hereunder in each Franchisee that executes a Franchise Agreement hereunder If you are a business corporation, partnership, limited liability company or other legal entity (an "**Entity**"), the same Control Group must own a minimum of 51% in you and in any Affiliated Entity executing a Franchise Agreement as a SKY ZONE franchisee ("**Franchisee**') pursuant to this Agreement All such ownership interests of Owners in the Control Group shall be in the same percentages in your Entity under this Agreement as it shall be in any Franchisee Entity executing a Franchise Agreement Furthermore, you acknowledge and agree that we have the right to approve in advance the ownership structure of each Franchisee executing a Franchise Agreement pursuant to this Agreement

Each Owner that has a greater than 10% interest in you, if you are an Entity, must sign Appendix B to this Agreement (Owners' Personal Guaranty of Franchisee's Obligations) However, if we are entering into this Agreement totally or partially based on the financial qualifications, experience, skills or managerial qualifications of any person or Entity who directly or indirectly owns 10% or less interest in you, we have the right to designate that person as an Owner who must sign Appendix B to this Agreement In addition, if you are a partnership Entity, then each person or entity who, now or hereafter is or becomes a general partner is deemed an Owner who must sign Appendix B, regardless of their percentage ownership interest

You must designate one individual, who shall be set forth in Appendix A, who has the authority to, and does in fact, actively direct your business affairs related to your obligations under this Agreement ("**Responsible Person**") You (or your Responsible Person) shall exert your (or their) best efforts to the development of your Businesses, and absent our prior approval may not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with the obligations hereunder You must notify us of any proposed change of the Responsible Person and receive our written approval prior to such change If such change results from the termination (whether voluntary or involuntary) of the Responsible Person, you must submit a new proposed Responsible Person within 15 days after such termination Neither you nor your Owners will, directly or indirectly, take any actions to avoid or restrict the authority requirement for the Responsible Person

Your Responsible Person and other Owners are identified in Appendix A to this Agreement You and each of your Owners represent, warrant and agree that the attached Appendix A is a current, complete and accurate list of all Owners Every time there is a change in the persons or Entities who are your Owners, you must, within seven calendar days from the date of such change, notify us of the change and cooperate with us in updating Appendix A so that it is at all times current, complete and accurate

9 Default and Termination

If (i) you fail to comply with the Development Schedule for any location at any time, (ii) you fail to comply with the other terms of this Development Agreement, or (iii) we terminate a Franchise Agreement between you or an Affiliated Entity and us, we may terminate this Agreement immediately upon the occurrence of (iii) and following our giving you 30 days' notice and opportunity to cure upon the occurrence of (i) or (ii), without further recourse to you

Without waiving any rights afforded to us under this Agreement or any Franchise Agreement in which you or an Affiliated Entity own or hold any interest, we have the right, but no obligation, to refrain from exercising our termination right in favor of granting you a written extension on the Development Schedule Such an extension may, in our business judgment, be conditioned on any or all of the following (a) a reduction in the size of the Development Area, (b) a modified Development Schedule (in terms of timing and/or number of units to be opened), (c) your execution of our then-current form of general release, and/or (d) your execution of our then-current form of Development Agreement, which shall replace this Agreement and which may contain materially different terms and conditions In addition, if we grant you a written extension, you must pay to us an extension fee of $250 per day Nothing obligates us to grant you an initial or any subsequent extension on the Development Schedule We reserve the right to terminate this Agreement at any time if you fail to comply with its terms, including at the end of any unfulfilled extension period

10 Franchise Agreements May Not be Affected Upon termination of this Agreement, (i) you and your Affiliated Entities will continue to pay all required fees and operate the Businesses that you or they own in the Development Area pursuant to the terms of the applicable Franchise Agreement that we executed prior to the termination of this Agreement, and (ii) your (or your Affiliated Entity's) and our rights and obligations with respect to your existing Businesses will be governed by the terms of the applicable Franchise Agreements unless there also exists a basis to terminate the applicable Franchise Agreement(s) for such Business(es) and we exercise such right

11 Future Development You recognize and acknowledge that this Agreement requires you to open Businesses in the future pursuant to the Development Schedule You further acknowledge that the estimated expenses and investment requirements set forth in Items 6 and 7 of our Franchise Disclosure Document are subject to increase over time, and that future Businesses likely will involve greater initial investment and operating capital requirements than those stated in the Franchise Disclosure Document provided to you prior to the execution of this Agreement You must execute all the Franchise Agreements and open all the Businesses by the dates set forth on the Development Schedule, regardless of (i) the requirement of a greater investment, (ii) the financial condition or performance of your prior Businesses, or (iii) any other circumstances, financial or otherwise The foregoing will not be interpreted as imposing any obligation upon us to execute the Franchise Agreements under this Development Agreement if you have not complied with each and every condition necessary to develop the Businesses, or if

you do not meet our then-current requirements for franchisees at the time you are scheduled to execute a Franchise Agreement

12 Compliance with Applicable Laws You must, at your expense, comply with all federal, state, city, municipal and local laws, ordinances, rules and regulations in the Development Area pertaining to the development of your Businesses

13 Your Non-Competition Obligations

13 1 During Term You, any personal guarantors, each of your Owners and your and your Owner's respective spouse, parent (including step parents), sibling (including half siblings), or child (including step children), whether natural or adopted (such relatives, the "Immediate Family"), will not, during the term of this Agreement, directly, indirectly or through, on behalf of, or in conjunction with any person or legal entity

(a) Divert or attempt to divert any present or prospective business or customer of any Business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the, or

(b) Own, maintain, operate, engage in, be employed by act as a consultant for, perform services for, provide assistance to, or have any interest in any Competitive Business

13 2 After Term You covenant that, except as otherwise approved in writing by us, you and your Owners shall not, for a continuous, uninterrupted period of two years commencing upon the date of (a) a transfer permitted under Section 16, (b) expiration of this Agreement, (c) termination of this Agreement (regardless of the cause for termination), or (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 13 2 either directly or indirectly, for yourself or your spouse, parents (including step parents), siblings (including half siblings), and children (including step children) whether natural or adopted (your "**Immediate Family**"), or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate engage in, be employed by, act as a consultant for, perform services for, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business that is, or is intended to be, located (a) within the Development Area, (b) within 15 miles of any Business developed pursuant to this Agreement, or (c) within 15 miles of any Business in operation or under construction as of the date that you are required to comply with this Section 13 2 You agree and acknowledge that the two-year period of this restriction shall be tolled during any time period in which you are in violation of this restriction

13 3 Other Covenants Furthermore, you agree and acknowledge that any in-term covenant to compete that applies to you, your affiliates, your Owners or your Immediate Family under any Franchise Agreement with us shall continue to apply and will not be superseded or amended by the termination of this Agreement and the applicability of Section 13 3

13 4 Exception The restrictions in Sections 13 1 3 and 13 2 do not apply to (a) interests in or operation of a Business under a written Franchise Agreement with us, or (b) the ownership of shares of a class of securities that are listed on a public stock exchange or traded on the over-the-counter market and that represent less than 5% of that class of securities

13 5 **Injunctive Relief** You agree that damages alone cannot adequately compensate us if there is a violation of these noncompetitive covenants and that injunctive relief is essential for our protection You therefore agree that in case of any alleged breach or violation of this Section, we may seek injunctive relief without posting any bond or security, in addition to all other remedies that may be available to us at equity or law

14 **No Rights to Development Area Upon Termination** After the termination or expiration of this Agreement for any reason, any and all rights you had in and to the Development Area shall cease, and we will have the absolute and unrestricted right to develop the Development Area or to contract with other franchisees for the future development of the Development Area

15 **Assignment by Us** We have the right to sell or assign, in whole or in part, our interests in this Agreement, and any such sale or assignment shall inure to the benefit of any assignee or other legal successor to our interest

16 **Assignment by You** You may only transfer your rights and interests under this Agreement if you obtain our prior written consent and transfer all of your, and your Affiliated Entities' respective rights and interests under all Franchise Agreements for the Businesses in the Development Area Accordingly, the assignment terms and conditions in the Franchise Agreements apply to any transfer of your rights and interests under this Agreement or any ownership in you, except that you cannot assign your rights and interests in this Agreement for an amount of consideration greater than the Development Fee specified in Section 6 (Development Fee) unless we otherwise agree and you comply with all supplemental assignment conditions we specify in our business judgment, including, without limitation, your payment of supplemental transfer fee in the amount we specify

17 **Severability** To the extent that this Agreement is judicially determined to be unenforceable by virtue of its scope or in terms of area or length of time, but may be made enforceable by reductions of any or all thereof the same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction where enforcement is sought

18 **Waivers** Failure of either party to insist, in one or more instances, on performance by the other in strict accordance with the terms and conditions of this Agreement shall not be deemed a waiver or relinquishment of any right granted hereunder or of the future performance of any such term or condition or of any other term or condition of this Agreement, unless such waiver is in a writing signed by or on behalf of both parties

19 **Dispute Resolution**

19 1 **Mediation** Except as provided in Section 19 3 (Exceptions to Arbitration), prior to filing any demand for arbitration, the parties agree to mediate any dispute, controversy or claim between and among the parties and any of our or your affiliates, officers, directors, shareholders, members, guarantors, employees or owners arising under, out of, in connection with or in relation to (i) this Agreement, (ii) any lease or sublease for your Business, (iii) any loan or other finance arrangement between us or our Affiliates and you, (iv) the parties' relationship, (v) your Business, or (vi) the System (a '**Dispute**") in accordance with the following procedures

(a) The party seeking mediation must commence mediation by sending the other party, in accordance with Section 23 (Notices), a written notice of its request for mediation headed "**Notification of Dispute** " The Notification of Dispute will specify, to

the fullest extent possible, the party's version of the facts surrounding the dispute, the amount of damages and the nature of any injunctive or other relief such party claims The party (or parties as the case may be) receiving a Notification of Dispute will respond within 20 days after receipt thereof, stating its version of the facts and, if applicable, its position as to damages sought by the party initiating the dispute procedure, provided, however, that if the dispute has been the subject of a default notice given under Section 9 (Default and Termination), the other party will respond within 10 business days

(b) Upon receipt of a Notification of Dispute and response under Section 19 1(a), the parties will endeavor, in good faith, to resolve the dispute outlined in the Notification of Dispute and response If the parties have been unable to resolve a dispute outlined in a Notification of Dispute or a response thereto within 20 days after receipt of the response, either party may initiate a mediation procedure with the American Arbitration Association ("**AAA**"), pursuant to its Commercial Mediation Procedures, in the city of our then-current corporate headquarters, unless both parties agree to a different location The parties must select a mediator jointly

(c) All mediation sessions must be attended by an Owner (who has authority to settle the dispute on your behalf) and our representative(s) who is/are authorized to settle the dispute The parties may be represented by counsel at the mediation The parties agree to participate in the mediation proceedings in good faith and with the intention of resolving the dispute if at all possible within 30 days of the notice from the party seeking to initiate the mediation procedures If the dispute is not resolved within 30 days, any party may initiate an arbitration pursuant to Section 19 2 (Arbitration) In addition, if the party receiving notice of mediation has not responded within 5 days of delivery of the notice or a party fails to participate in the mediation, this Section 19 1 will no longer be applicable and the other party can pursue arbitration The parties agree that the costs of the mediator will be split equally between the parties Each party must pay its own fees and expenses incurred in connection with the mediation The mediation proceeding and any negotiations and results thereof will be treated as a compromise settlement negotiation and the entire process is confidential At least five days prior to the initial mediation session, each party must deliver a written statement of positions

19 2 Arbitration Except as provided in Section 19 3 (Exceptions to Arbitration), any Dispute, including any dispute regarding the scope or validity of the arbitration obligation under this Section, not resolved by mediation must be submitted to binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect to be heard by one arbitrator

(a) **Counterclaims** In connection with any arbitration proceeding, each party will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current 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 will be barred

(b) **Waiver of Class Actions** Any arbitration must be on an individual basis only as to a single franchise (and not as or through an association) and the parties and the arbitrator will have no authority or power to proceed with any claim on a class-wide basis or otherwise to join or consolidate any claim with any claim or any other proceeding involving third parties If a court or arbitrator determines that this limitation on joinder of or class-wide claims is unenforceable then the agreement to arbitrate the

dispute will be null and void and the parties must submit all claims to the jurisdiction of the courts, in accordance with Section 21 (Consent to Jurisdiction)

(c) Venue The arbitration must take place in the city where our headquarters is located at the time of the dispute

(d) Arbitrator The arbitrator must follow the law and not disregard the terms of this Agreement The arbitrator will have subpoena powers limited only by the laws of the state in which our corporate headquarters is then located The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us The arbitrator may not under any circumstance (a) stay the effectiveness of any pending termination of this Agreement, (b) assess punitive or exemplary damages, (c) certify a class or a consolidated action, or (d) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set The arbitrator will have the right to make a determination as to any procedural matters as would a court of competent jurisdiction be permitted to make in the state in which our corporate headquarters is then located The arbitrator will also decide any factual, procedural, or legal questions relating in any way to the dispute between the parties, including any decision as to whether Section 19 2 (Arbitration) is applicable and enforceable as against the parties, subject matter, timeliness, scope remedies, unconscionability, and any alleged fraud in the inducement

(e) Orders The arbitrator can issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief The judgment of the arbitrator on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction Each party consents to the enforcement of such orders, injunctions, etc , by any court having jurisdiction

(f) Procedure The parties to the dispute will have the same discovery rights as are available in civil actions under the laws of the state of Missouri All other procedural matters will be determined by applying the statutory, common laws, and rules of procedure that control a court of competent jurisdiction in Missouri

(g) Confidential Other than as may be required by law, the entire arbitration proceedings (including any rulings, decisions or orders of the arbitrator), will remain confidential and will not be disclosed to anyone other than the parties to this Agreement

(h) Advances We reserve the right but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek recovery of those costs in accordance with Section 19 4 (Prevailing Party's Fees)

19 3 Exceptions to Arbitration Notwithstanding Sections 19 1 (Mediation) and 19 2 (Arbitration), the parties agree that the following Disputes will not be subject to arbitration or mediation

(a) any action for equitable relief, including seeking preliminary or permanent injunctive relief, specific performance, declaratory relief, other relief in the nature of

equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including prior to or during the pendency of any arbitration proceedings initiated hereunder,

(b) any action in ejectment or for possession of any interest in real or personal property,

(c) any action which by Applicable Law cannot be arbitrated, or

(d) our decision in the first instance to issue a notice of default and/or notice of termination, or undertake any other conduct with respect to the franchise relationship that might later result in a dispute or controversy between us

19 4 Prevailing Party's Fees The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement will be entitled to recover its reasonable costs and expenses (including attorneys' fees, arbitrator's fees and expert witness fees, costs of investigation and proof of facts, court costs, and other arbitration or litigation expenses) incurred in connection with the claims on which it prevailed

19 5 Survival The provisions of this Section 19 are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement

19 6 Tolling of Statute of Limitations All applicable statutes of limitation and defenses based on the passage of time are tolled while the dispute resolution procedures in this Section 19 are pending The parties will take such action, if any, required to effectuate such tolling

19 7 Performance to Continue Each party must continue to perform its obligations under this Agreement pending final resolution of any Dispute pursuant to this Section 19, unless to do so would be impossible or impracticable under the circumstances **Governing Law** This Agreement will be governed by, construed, and enforced in accordance with the laws of the State of Missouri In the event of any conflict-of-law question, the laws of Missouri shall prevail, without regard to the application of Missouri conflict-of-law rules **Consent to Jurisdiction** Subject to Section 19 (Dispute Resolution), you and the Owners must file any suit against us, and we may file any suit against you, in federal or state courts located in the state where our principal place of business is then located You (and each Owner) irrevocably submit to the jurisdiction of such courts and waive any objection you (or he or she) may have to either the jurisdiction of or venue in such courts

21 Waiver of Punitive Damages, Jury Trial and Class Actions Except with respect to any obligation to indemnify us and claims we bring against you for your unauthorized use of the Marks or unauthorized use or disclosure of any confidential information, we and you and your respective Owners waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains We and you irrevocably waive, to the fullest extent permitted by law, trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either of us Any claims must be brought on an individual basis only as to a single franchise (and not as or through an association or class) Each party acknowledges that it has had a full opportunity to consult with counsel concerning this waiver, and that this waiver is informed, voluntary, intentional, and not the result of unequal bargaining power

22 **Notices** All notices and other communications required or permitted under this Agreement will be in writing and will be given by one of the following methods of delivery (i) personally, (ii) by certified or registered mail, postage prepaid, (iii) by overnight delivery service, or (iv) by facsimile (if the sender receives machine confirmation of successful transmission) Notices to you will be sent to the address set forth on Appendix A Notices to us must be sent to

Sky Zone Franchise Group, LLC
1201 West Fifth Street, Suite T-900
Los Angeles, California 90017
Attn _____

Either party may change its mailing address or facsimile number by giving notice to the other party Notices will be deemed received the same day when delivered personally, upon attempted delivery when sent by registered or certified mail or overnight delivery service, or the next business day when sent by facsimile

23 **Force Majeure** Neither we nor you will be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our or your obligations is not our or your fault and results from (i) transportation shortages, inadequate supply of equipment, products, merchandise, supplies, labor, material or energy or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof, (ii) acts of nature, (iii) fires, strikes, embargoes, war or riot, (iv) failure to obtain land use or environmental approvals from the applicable government body or agency, so long as you diligently pursue any such required approvals, or (v) any other similar event or cause

24 **Multiple Copies** This Agreement may be executed in counterparts, each of which will be deemed an original, and all of which when taken together shall constitute one and the same document This Agreement shall not be binding on either party until it is executed by both parties

25 **Entire Agreement** This Agreement, together with any addenda and appendices constitute the sole agreement between you and us with respect to the entire subject matter of this Development Agreement and embodies all prior agreements and negotiations with respect to your Businesses authorized hereunder We expressly disclaim any understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) which are not fully expressed in this Agreement Nothing in this or any related agreement, however, is intended to disclaim the representations made by us in the Franchise Disclosure Document that was furnished to you by us

26 **Modification** This Agreement shall not be modified or amended except by an instrument in writing signed by or on behalf of the parties hereto

27 **No Third Party Beneficiaries** Except as expressly otherwise provided herein, no third party shall have the right to claim any of the benefits conferred under this Agreement

28 **Other Franchisees/Developers** You acknowledge that other SKY ZONE franchisees/developers have or will be granted franchises or multi-unit development rights at

different times and/or in different situations, and further acknowledge that the provisions of such agreements may vary substantially from those contained in this Agreement

29 Binding Effect This Agreement is binding upon us and you and our respective executors, administrators, heirs, beneficiaries, assigns and successors in interest

30 No Guarantee of Success YOU AND EACH OF THE UNDERSIGNED OWNERS WARRANT AND REPRESENT THAT HE/SHE HAS NOT RELIED UPON ANY GUARANTEES CONCERNING REVENUE, PROFIT OR THE SUCCESS OF THIS FRANCHISE IN SO SIGNING

[Signature page follows]

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

FRANCHISOR

SKY ZONE FRANCHISE GROUP, LLC

By _____
Name
Title

Date _____

DEVELOPER

(IF ENTITY)

_____
[Name]

By _____
Name _____
Title _____

Date _____

(IF INDIVIDUALS)

_____
[Signature]

_____
[Print Name]

Date _____

_____
[Signature]

_____
[Print Name]

Date _____

_____
[Signature]

_____
[Print Name]

Date _____

_____
[Signature]

_____
[Print Name]

Date _____

APPENDIX A
TO THE
DEVELOPMENT AGREEMENT
DEVELOPER-SPECIFIC TERMS

Effective Date (First Paragraph) _____

Developer's Name _____

Developer's Address And Fax Number For Notices

_____

_____

Development Area (Section 1) [attach map if necessary]

_____

_____

_____

_____

Development Fee (Section 6) $_____

Development Schedule (Section 2) You agree to establish and operate a total of ___ Businesses within the Development Area during the term of this Agreement The Businesses must be open and operating in accordance with the following Development Schedule

MINIMUM NUMBER OF BUSINESSES The Minimum Number of Businesses Open and Operating by Each Development Deadline	DEVELOPMENT DEADLINE Deadline for Having the Minimum Number of Businesses Open and Operating
	_____, 20___
	_____, 20___
	_____, 20___
	_____, 20___
	_____, 20___
	_____, 20___
	_____, 20___
	_____, 20___ (the Expiration Date of the Agreement)

Form of Entity of Developer

Corporation Or Limited Liability Company Developer was organized on _____ _____under the laws of the State of _____ Its Federal Employer Identification Number is _____ It has not conducted business under any name other than its corporate or company name

Name of Each Director/Officer/Managing Member	Position(s) Held

Partnership Developer is a general or limited partnership formed on _____ _____, under the laws of the State of _____ Its Federal Employer Identification Number is _____ It has not conducted business under any name other than its partnership name

Name of Each General Partner

Responsible Person (Section 8 3) The name and home address of the Responsible Person is as follows

_____

Owners and Control Group (Section 8 1)

Owners Developer and each of its Owners represents and warrants that the following is a complete and accurate list of all Owners of any interest whatsoever in Developer, including the full name and mailing address of each Owner, and fully describes the nature and extent of each Owner's interest in Developer Developer and each Owner as to his ownership interest, represents and warrants that each Owner is the sole and exclusive legal and beneficial owner of his ownership interest in Developer, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Agreement

Owner's Name and Address	Percentage and Nature of Ownership Interest

Control Group You represent and warrant that the following Owner or group of Owners has, directly or indirectly, 51% or more ownership interest in you and voting control over its ownership interests in you and constitutes your Control Group as described in Section 8 1 (Control Group) of this Agreement

Owner's Name and Address	Percentage and Nature of Ownership Interest

[Appendix A Signature Page Follows]

This Appendix A is deemed accepted and made a part of the Multi-Unit Development Agreement as of the Multi-Unit Development Agreement's Effective Date

FRANCHISOR

SKY ZONE FRANCHISE GROUP, LLC

By _____
Name
Title

Date _____

DEVELOPER

(IF ENTITY)

_____
[Name]

By _____
Name _____
Title _____

Date _____

(IF INDIVIDUALS)

_____
[Signature]

_____
[Print Name]

Date _____

_____
[Signature]

_____
[Print Name]

Date _____

_____
[Signature]

_____
[Print Name]

Date _____

_____
[Signature]

_____
[Print Name]

Date _____

APPENDIX B
OWNERS' PERSONAL GUARANTY OF DEVELOPER'S OBLIGATIONS
(attached)

OWNERS' PERSONAL GUARANTY OF
DEVELOPER'S OBLIGATIONS ("Guaranty")

In consideration of, and as an inducement to, the execution of the Sky Zone Franchise Group, LLC Multi-Unit Development Agreement dated as of _____, (the "**Agreement**") by and between the Sky Zone Franchise Group, LLC ("**Franchisor**"), and _____ ("**Developer**") each of the undersigned Owners of a greater than 10% interest in Developer hereby personally and unconditionally (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Developer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement (and any amendments) and that each and every representation of Developer made in connection with the Agreement (and any amendments) are true, correct and complete in all respects at and as of the time given, and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement (and any amendments), including, without limitation, the confidentiality and non-competition provisions

Each of the undersigned waives (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings, (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed, (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, (d) any right he may have to require that an action be brought against Developer or any other person as a condition of liability, (e) notice of any amendment to the agreement, and (f) any and all other notices and legal or equitable defenses to which he may be entitled

Each of the undersigned consents and agrees that (i) his direct and immediate liability under this guaranty shall be joint and several, (ii) he shall render any payment or performance required under the Agreement upon demand if Developer fails or refuses to do so punctually, (iii) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person, and (iv) such liability shall not be diminished, relieved or otherwise effected by any extension of time, credit or other indulgence which the Franchisor may from time to time grant to Developer 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 shall in any way modify or amend this guaranty, which shall be continuing and irrevocable until satisfied in full

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of the Guaranty will inure to the benefit of our successors and assigns

This Guaranty shall be governed by the governing law provisions set forth in Section 20 (Governing Law) of the Agreement and all disputes related to it shall be resolved in accordance with the dispute resolution provisions set forth in Sections 19 (Dispute Resolution), 21 (Consent to Jurisdiction), and 22 (Waiver of Punitive Damages, Jury Trial and Class Actions) of the Agreement

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature, under seal, as of the Effective Date of the Agreement

PERCENTAGE OF OWNERSHIP INTEREST IN DEVELOPER	**GUARANTOR (S)**
_____	_____ (Signature)
	_____ (Print Name)
_____	_____ (Signature)
	_____ (Print Name)
_____	_____ (Signature)
	_____ (Print Name)

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, Multi-Unit 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, transfer, 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 Multi-Unit 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

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 - ILLINOIS

Notwithstanding anything contained in the foregoing Franchise Agreement, Multi-Unit 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

1 The following statements are added to the end of Item 17

Except for the Federal Arbitration Act that applies to arbitration, Illinois law governs the Franchise Agreement and Multi-Unit Development Agreement

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement or multi-unit development agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void However, a franchise agreement or multi-unit development agreement may provide for arbitration to take place outside of Illinois

Franchisees' rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void

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

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 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 Multi-Unit 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

_____

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 Multi-Unit Development Agreements The amendments to the Franchise and Multi-Unit 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 Multi-Unit 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 Multi-Unit 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 Multi-Unit 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 Multi-Unit 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 Multi-Unit 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 Multi-Unit 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, Multi-Unit 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 Multi-Unit 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

[Signature Page Follows]

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 - 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 Multi-Unit 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 Multi-Unit 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 Multi-Unit 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 Multi-Unit Development Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota

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

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

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

_____

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

_____
Witness

SKY ZONE FRANCHISE GROUP, LLC

By _____
Name _____
Title _____

FRANCHISEE

_____
Witness

_____

ADDENDUM TO THE 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

_____

ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT - WASHINGTON

The State of Washington has a statute, RCW 19 100 180, which may supersede the Multi-Unit Development 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 Multi-Unit Development 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

_____

EXHIBIT D TO THE DISCLOSURE DOCUMENT

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SKY ZONE

OPERATION

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LIST OF FRANCHISEES
(as of December 31, 2017)

LIST OF FRANCHISEES

Franchisee	Phone	Address	City	State/Province	Zip Code
Kim Moore	989-596-0022	250 Magnum St	Florence	AL	35630
Maria Van Vurst	678-426-4400	1694 Montgomery Hwy	Hoover	AL	35216
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
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	(951) 643–0099	4031 Flat Rock Dr	Riverside	CA	92505-5859
Josh Rathweg	832-257—1190	860 Los Vallecitos Blvd	San Marcos	CA	92069-1414
Johnnie Hernandez	209-888-0900	5358 Pacific Ave	Stockton	CA	95207
David Ruiz	(818) 946–0082	7741 Hayvenhurst Ave	Van Nuys	CA	91406-1730
Godfred Otuteye	805-804-9555	2825 Johnson Drive	Ventura	CA	93003
Jim Bellino	714-415-5867	1025 Westminster Mall	Westminster	CA	92683
Jan & Jeff McClure	720-410-2750	7330 W 52nd St #B	Arvada	CO	80002
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
Edward Kim	203-428-4080	13 Francis J Clarke Cir	Bethel	CT	06801-2892
Edward Kim	203-939-7222	360 Dr Martin Luther King, Jr Drive	Norwalk	CT	6854
Ryan Swift	203-269-2000	805 N Colony Rd	Wallingford	CT	06492 2409
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	10200 SW 186th St	Cutler Bay	FL	33157-6814
Andrew Rocklage	386-682-2020	1300 W International Speedway Blvd	Daytona Beach	FL	32114
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
Han Yu	404-376-7119	2400 SW College Road	Ocala	FL	34471
Peter Busenlener	850-500-9663	5007 North Davis Highway #8a	Pensacola	FL	32503
Bron Launsby	954-417-3999	1834 SW 2nd St	Pompano Beach	FL	33069-3115
Joe Dillon	321-265-5867	624 Barnes Blvd	Rockledge	FL	32955
Paul Orsino	941-363-6359	6180 Edgelake Dr	Sarasota	FL	34240-8803
Geoff Deutsch	850-999-5600	1925 N Monroe St Ste 109	Tallahassee	FL	32303-4725
Jay Highley	813-833-1740	10137 E Adamo Dr	Tampa	FL	33619-2670
David Van Vurst	678-426-4400	1650 Airport Rd NW Ste 104-107	Kennesaw	GA	30144-7039

Franchisee	Phone	Address	City	State/Province	Zip Code
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
Jeff Cole	678-745-9900	1425 Market Blvd Ste 100-A	Roswell	GA	30076-6708
Jeff Cole	678-745-9900	560 Old Peachtree Rd NW Ste 300	Suwanee	GA	30024-7275
Dave Austin	319-382-2222	5515 Council St NE Ste 2	Cedar Rapids	IA	52402-2021
Tracy Walker-Andraschko	515-986-2524	1300 SE Gateway Dr Ste 103	Grimes	IA	50111 6644
Mark & Barbara Glazer	331-207-4759	87 Executive Drive	Aurora	IL	60504
Paul Lushin	630-478-8339	325 W Lake St Ste A	Elmhurst	IL	60126-1528
Bron Launsby	954-417-3999	10850 Licoln Trail	Fairview Heights	IL	62208
Barbara Glazer	815-314-4890	2318 Essington Road	Joliet	IL	60435
Ram Talluri	217-331-6600	3454 Liberty Drive	Springfield	IL	62704
Jeff Robbins	812-730-4759	49 N Green River Rd	Evansville	IN	47715-2401
Christopher and Pam Day	317 572-2999	10080 E 121st St Ste 182	Fishers	IN	46037 4224
Carrie Snyder	260-483-5867	401 Fernhill Ave	Fort Wayne	IN	46805-1039
Gary Kingery	317-759-9925	4150 Kildeer Drive	Indianapolis	IN	46237
Carrie Snyder	574-208-5005	5604 Grape Rd	Mishawaka	IN	46545
Gary Kingery	317-268-3200	851 Columbia Rd	Plainfield	IN	46168-7586
Christopher and Pam Day	219-227-3777	1035 Eagle Ridge Dr	Schererville	IN	46375
Braden Holcomb	913-213-5900	6495 Quivira Rd	Shawnee	KS	66216-2745
LDee Murdock	417-483-3151	1801 SW Wanamaker Road	Topeka	KS	66604
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
Kelly Kirkland	225-412-3300	11030 Industriplex Blvd	Baton Rouge	LA	70809-4118
Peter Busenlener	337-417-8000	3814 Ambassador Caffery Pkwy	Lafayette	LA	70503-5286
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	978-252-3000	100 Independence Way	Danvers	MA	01923-3626
Stella Downie	617-387-1000	69 Norman St Ste 1B	Everett	MA	02149-1946
Stella Downie	781-514-7595	101 Kingston Collection Way	Kingston	MA	02364
Ryan Swift	508-870-5867	290 Turnpike Road	Westborough	MA	01581-2843
David Hustrulid	443-201-7376	7175 Oakland Mills Rd	Columbia	MD	21046-1628
David Hustrulid	202-517-9697	15809 Gaither Dr	Gaithersburg	MD	20877-1403
Ted Clements	301-420-5867	12114 Insurance Way	Hagerstown	MD	21740
Braden Holcomb	410-842-1661	23 W Aylesbury Rd	Timonium	MD	21093-4102
Paul Facchina	301-861-2600	4390 Crain Highway	White Plains	MD	20695
Colleen Fitzgerald	810-224-6200	8151 Movie Drive	Brighton	MI	48116

Franchisee	Phone	Address	City	State/Province	Zip Code
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	269-459-9243	5103 Portage Rd	Portage	MI	49002-1711
Colleen Fitzgerald	989-596-0022	2572 Tittabawassee Road	Saginaw	MI	48604
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
David Hustrulid	651-243-9988	595 Hale Ave N	Oakdale	MN	55128-7558
David Hustrulid	763-333-2045	13310 Industrial Park Blvd Ste 160	Plymouth	MN	55441-3815
Aaron Jurgensmeyer	479-640-4002	12701 American Parkway	Columbia	MO	64063
Bron Launsby	636-364-4444	631 Gravois Road	Fenton	MO	63026
LDee Murdock	417-483-3151	SWC Newman Road/ Cattleman Drive	Joplin	MO	64801
Jay Highley	816-457-0068	2801 NE McBaine Drive	Lee s Summit	MO	64063
Larry Haskett	417-771-3883	2765 S Kansas Expy	Springfield	MO	65807-6020
Ryan Przysucha	901-491-0153	2000 E Country Line Rd	Ridgeland	MS	39157
Sutton Bacon	828-772-1922	1836 Hendersonville	Ashville	NC	28803
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
Brian Spicker	704-208-4040	10200 Centrum Pkwy	Pineville	NC	28134-8822
Dustin Maier	701-354-9099	5003 Ottawa Street	Bismarck	ND	58503
Daniel Bryant	701-478-8484	940 40th St S	Fargo	ND	58103-2118
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
Mike Janay	201-574-1800	80 Commerce Dr	Allendale	NJ	07401-1638
David Rzepski	609-398-4759	1001 New Hampshire Ave Ste A	Lakewood	NJ	08701-6037
David Hustrulid	856-230-7090	2834 Route 73 N	Maple Shade	NJ	08052-1619
Mike Janay	973-527-7000	61 International Drive South Unit ANCB	Mount Olive	NJ	07828
Mark & Barbara Glazer	732-200 4344	2355 State Route 66	Ocean	NJ	07712-3961
Mike Janay	973-396-4001	60 Chapin Rd	Pine Brook	NJ	07058-9216
Rich Ferns	908-731-0127	600 Hadley Rd	South Plainfield	NJ	07080
Jeff Flegel	702-560-5900	7440 Dean Martin Dr Ste 201	Las Vegas	NV	89139-5960
Colleen Fitzgerald	518-417-3838	50 Simmons Ln	Albany	NY	12204-2714
Dale and Rhonda See	716-206-3300	425 Cayuga Rd	Cheektowaga	NY	14225-1946
Stephanie and Steve Berlin	631-392-2600	111 Rodeo Dr	Edgewood	NY	11717-8378
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
Rusty Saunders	518-365-3735	235 Corinth Road	Queensbury	NY	12804
Colleen Fitzgerald	585-797-0030	155 Bellwood Dr	Rochester	NY	14606-4226
Colleen Fitzgerald	315-928-3737	3179 Erie Blvd E	Syracuse	NY	13214-1201

Franchisee	Phone	Address	City	State/Province	Zip Code
Chas Hallis	330-538-8300	4381 Whipple Ave NW	Canton	OH	44718-2643
Laura Knipfer	614-302-6093	7522 Beechmont Ave	Cincinnati	OH	45255
Kristin Kemper	844-253-5867	750 Alpha Dr	Cleveland	OH	44143-2146
Joel Karg	937-396-6600	976 Senate Dr	Dayton	OH	45459-4017
Carrie Snyder	419-491-1194	1600 Albon Road	Holland	OH	46805
Chas Hallis	234-249-3030	6217 Chittenden Rd	Hudson	OH	44236-2021
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
Ed Kleese	405-359-1631	2525 S Broadway	Edmond	OK	73013
Chad Tinney & Bryan Hendershot	918-877-7700	8306 E 61st St	Tulsa	OK	74133-1906
Robert Cox	610-759-9663	Westgate Mall	Bethlehem	PA	18017
Joel Karg	614-226 9862	281 Georgetown Road	Canonsburg	PA	15316
Rich Ferns	215-642-8779	145 Liberty Lane	Chalfont	PA	18914
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
Joel Karg	724-251-6100	740 Brickworks Dr	Leetsdale	PA	15056-1031
Phil Stoops	215-607-8853	45 Runway Dr	Levittown	PA	19057-4737
Craig Hansen	717-208-8908	95 Gateway Dr	Mechanicsburg	PA	17050 2904
Joel Karg	412-810-0200	160 Levin Way	Monroeville	PA	15146
David Hustrulid	484-909-3553	122 Mill Road	Oaks	PA	19456
Rich Ferns	215-642 8779	9490 Blue Grass Rd	Philadelphia	PA	19114
Mike Crounse	570-316-0500	195 Enterprise Way	Pittston	PA	18640-5009
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	615-721-3626	1113 Murfreesboro Rd Ste 254	Franklin	TN	37064-1306
Tommy Carter	731-868-4418	65 East Park Sq	Jackson	TN	38305-3133
Chris Avery	901-322-3281	5355 Distriplex Farms Dr Ste 102	Memphis	TN	38141-8231
Hector Troncoso	555-481-7777	2101 North 10th St	Hidalgo	TX	78557
Hector Troncoso	555-481-7777	2101 North 10th St	Hidalgo	TX	78557
Don Dean	713-292-5000	10207 S Sam Houston Pkwy W	Houston	TX	77071-3149
Chad Tinney	816-237-6330	3880 Irving Mall	Irving	TX	75062
Don Dean	832-246-5300	605 Spring Hill Dr	Spring	TX	77386-6033
David Hustrulid	540-369-2227	1410 Central Park Blvd	Fredericksburg	VA	22401
David Hustrulid	424-297-1841	7807 Sudley Rd	Manassas	VA	20109
Will Phillips	804-379-2500	1345 Carmia Way	North Chesterfield	VA	23235-4785

Franchisee	Phone	Address	City	State/Province	Zip Code
Luke Phillips	757-961-8800	2029 Lynnhaven Pkwy, 100A	Virginia Beach	VA	23456
Paul Lushin	920-351-4441	3169 Van Roy Road	Appleton	WI	54915
Bron Launsby	954-417-3999	2134 W Beltline HWY	Madison	WI	53713
Bron Launsby	262-696-1600	W229 N 1420 Westwood Dr	Waukesha	WI	53186-1175
Sheila Nease	(740) 821-9087	500 Southridge Blvd	Charleston	WV	25309

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
Chance Holmes	408-338-7977	Scottsdale	AZ	TBD	chance_holmes@yahoo com
Andrea Scott	408-482-0677	San Jose	CA	95138	acott@scsportsplex com
James and Chris Fiore	610 568 83 63/570 313 1699	Largo, FL	FL	TBD	James Fiore@xerox com / cjfiore34@gmail com
Brittany McClary	407-326-0482	Orlando	FL	TBD	TBD
Kim Betts	404-862-5415	Columbus	GA	TBD	klbetts@comcast net
Sharon Rowe-Burrell	678-6626172	Decatur, GA	GA	TBD	sharon roweburrell@gmail com
Ram Talluri & Pat Rexford	TBD	Bloomington IL	IL	TBD	TBD
Paul Facchina		Bowie	MD	TBD	paul facchina@skyzone com
David Mettler	605-366-4192	Rochester, MN	MN	TBD	dkmettler@sio midco net
Jay Highley	(317) 414 5000	Kansas City North, MO	MO	TBD	Jay Highley@skyzone com
Brian Spicker	704-208-4040	Charlotte North	NC	TBD	bspicker@yahoo com
Preethi Konduru	609-977-8946	Winston Salem	NC	TBD	atpreethi@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
Yong Jung	404 376 71 19	Columbia, SC	SC	TBD	yongsooj@gmail com
Jose Pedraza	956-605-4356	McAllen	TX	TBD	pedraza_83@ymail com
Omolulu Fatuski	TBD	Hampton	VA	TBD	TBD
Mark Glazer	732-200-4344	Greenfield	WI	TBD	mark glazer@skyzone 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

California

Jeff Flegel
Miami, FL
561-309-8971
Transfer

Florida

Brittany McClary
Orlando, FL
317-409-6254
Ceased Operations

Indiana

Jeff Mast
Scottsdale, AZ
602-757-8920
Transfer

Kansas

Branden Holcomb
Syracuse, NY
702-279-9761
Transfer

Kentucky

Jeff Mast
Scottsdale, AZ
602-757-8920
Transfer

Maryland

Branden Holcomb
Syracuse, NY
702-279-9761
Transfer

Michigan

Brent Breems
Grand Rapids, MI
616-293-6996

North Carolina

Bob and Julie Russell
Raleigh, NC
617-593-5194
Ceased Operations

Nevada

Jeff Flegel
Miami, FL
561-309-8971
Transfer

New York

Rhonda See
Buffalo, NY
716-570-7199
Transfer

Ohio

Kristin Kemper
Westlake, OH
216-337-1407
Transfer – 2 locations

Pennsylvania

Rosanne Cox
Red Lion, PA
717-880-1733
Transfer – 2 locations

Texas

Don Dean
Houston, TX
903-780-7904
Transfer

Virginia

Sean Knapp
Peter Ruggieri
Havertown, PA
610-202-8414
Transfer

Washington

Jeffery Leeven and Carrie Schnell
Camas, WA
360-833-1258
Reacquisition

DEPARTING FRANCHISEES - SIGNED BUT NEVER OPENED

California

Craig Dockendorf
Calabassas, CA
818-640-5448

RayHermiz
Calabassas, CA
209-606-7776

Florida

Ted Lezotte
City, State
989-942-0050

Jay Highly
Tampa, FL
(317) 414-5000
Remains In System

Maryland

Rodney Chambers
City, State
202-236-1003

New York

Steve and Charlie Pasciuta
City, State
917-750-4655

Oregon

Jeffery Leeven and Carrie Schnell
Camas, WA
360-833-1258

Pennsylvania

Rosanne Cox
Steve Miller
Red Lion, PA
717-880-1733

EXHIBIT G TO THE DISCLOSURE DOCUMENT

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

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

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws There may be states in addition to those listed below in which we have appointed an agent for service of process

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

CALIFORNIA

Commissioner of the Department
of Business Oversight
Toll Free 1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013-2344
(213) 576-7500

Sacramento

1515 K Street, Suite 200
Sacramento, California 95814-4052
(916) 445-7205

San Diego

1350 Front Street, Rm 2034
San Diego, California 92101-3697
(619) 525-4233

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94105-2980
(415) 972-8559

HAWAII

(for service of process)

Commissioner of Securities
Business Registration Division
Department of Commerce
and Consumer Affairs
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

(for other matters)

Commissioner of Securities
Business Registration Division
Department of Commerce
and Consumer Affairs
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

(for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

(state agency)

Indiana Secretary of State
Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317)232-6681

MARYLAND

(state agency)

Office of the Attorney General-
Securities Division
200 St Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(for service of process)

Maryland Securities Commissioner
at the Office of Attorney General-
Securities Division
200 St Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

Corporations Division
Franchise
P O Box 30054
Lansing, Michigan 48909
(517) 373-7117

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St Paul, Minnesota 55101
(651) 539-1600

NEW YORK

(Administrator)

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8236 (Phone)

(Agent for Service)

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

NORTH DAKOTA

(state agency)

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

(for service of process)

Securities Commissioner
600 East Boulevard Avenue State Capitol
Fifth Floor Dept 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

OREGON

Oregon Division of Finance and Corporate Securities
350 Winter Street NE, Room 410
Salem, Oregon 97301-3881
(503) 378-4387

RHODE ISLAND

Securities Division
Department of Business Regulations
1511 Pontiac Avenue
John O Pastore Complex-Building 69-1
Cranston, Rhode Island 02920
(401) 462-9500

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

(for service of process)

Clerk, State Corporation Commission
1300 East Main Street
First Floor
Richmond, Virginia 23219
(804) 371-9733

(for other matters)

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street
Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

WASHINGTON

(for service of process)

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

(for other matters)

Department of Financial Institutions
Securities Division
P O Box 9033
Olympia, Washington 98501-9033
(360) 902-8760

WISCONSIN

Commissioner of Securities
345 W Washington Ave , 4th Floor
Madison, Wisconsin 53703
(608) 266-8557

EXHIBIT H 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 x7 5 x3 6 (113 x89 x42) Trapezoid Corner Trampoline Bed With Velcro Skirt			$0 00		
8 6 x20 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

➢ 1st Payment 50% Due when order is placed	January 15 1900	$0 00
➢ 2nd Payment 40% Due before shipment of court materials	TBD	$0 00
➢ 3 d 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 accordingly
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 I 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, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale

[New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first]

If Sky Zone Franchise Group, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, 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 ☐ Jeffrey Platt, President & CEO, Sky Zone Franchise Group, LLC, at 1201 West Fifth Street, Suite T-900, Los Angeles, California 90017, 310-734-0300, ☐ Paizley Bishop, Franchise Development Coordinator, Sky Zone Franchise Group, LLC, at 1201 West Fifth Street, Suite T-900, Los Angeles, California 90017, 310-734-0300, ☐ Glenn Lord, Sky Zone Franchise Group, LLC, at 1201 West Fifth Street, Suite T-900, Los Angeles, California 90017, 310-734-0300, ☐ Keith Coleman, VP Global Development, Sky Zone Franchise Group, LLC, at 1201 West Fifth Street, Suite T-900, Los Angeles, California 90017, 310-734-0300

Issuance Date March 28, 2018, as amended September 17, 2018

Sky Zone Franchise Group, LLC authorizes the respective state agents identified on Exhibit G to receive service of process for it in the particular states I received a disclosure document from Sky Zone Franchise Group, LLC dated March 28, 2018, as amended September 17, 2018, that included the following Exhibits

EXHIBIT A	FRANCHISE AGREEMENT
EXHIBIT B	MULTI-UNIT 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	FORM OF PURCHASE ORDER
EXHIBIT I	RECEIPTS

_____
Date

_____ _____
Signature Print Name

Please keep this copy of the Receipt for your records

RECEIPT
(Our Copy)

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EXHIBIT H	FORM OF PURCHASE ORDER
EXHIBIT I	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