FRANCHISE DISCLOSURE DOCUMENT

USL PRO-2, LLC
A Florida Limited Liability Company
1715 N. Westshore Blvd. Suite 825
Tampa, Florida 33607
(813) 963-3909
http://www.uslsoccer.com

You will operate a team in the men's professional soccer league tentatively known as "USL Division 3"[1] under a Franchise Agreement with us.

The total initial investment necessary to begin operation of a Club is set forth below, and the amounts set forth adjacent to the total initial investment below must be paid to franchisor or its affiliates:

Total Initial Investment	Portion of Initial Investment Paid to Franchisor or its Affiliates	Franchise Fee
$2,462,700 - $5,093,600	$603,700 – $628,600	$500,000

This Franchise Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this document and all accompanying agreements carefully. You must receive this Franchise 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 certified the information contained in this document.**

The terms of your contract will govern your franchise relationship. Do not rely on the Franchise Disclosure Document alone to understand your contract. Read the entire contract carefully. Show your contract and this Franchise Disclosure Document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this Franchise 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 Franchise 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 of franchising.

[1] The name "USL Division 3" and the associated logo are both placeholders, and the official name and design is currently scheduled to be released in August, 2018.

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

Issuance Date: May 22, 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 FRANCHISE DISCLOSURE DOCUMENT.

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.

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION IN TAMPA, FLORIDA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT ALSO MAY COST MORE TO ARBITRATE IN TAMPA, FLORIDA, THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT FLORIDA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS OF OTHER CHOICES OF LAW. YOU MAY WANT TO REVIEW THESE LAWS AND COMPARE THEM TO YOUR LOCAL AND OTHER SOURCES OF LAW.

3. PLEASE NOTE THAT 5.6% OF THE ASSETS OF UNITED SOCCER LEAGUES, LLC (THE PARENT COMPANY OF USL PRO-2, LLC) ARE INTANGIBLE (AS OF 12/31/17). YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

4. YOU SHALL BE GRANTED PROTECTED TERRITORIAL RIGHTS COVERING A SPECIFIC GEOGRAPHIC AREA WITHIN WHICH ONLY YOU MAY PLAY HOME MATCHES. HOWEVER, YOU MAY FACE COMPETITION IN YOUR PROTECTED TERRITORY FROM OTHER FRANCHISES, TEAMS WE MAY OWN, OR OTHER LEAGUES WE MAY CONTROL.

5. THE FRANCHISE AGREEMENT REQUIRES YOU TO WAIVE YOUR RIGHT TO A JURY TRIAL. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE. PLEASE CONSULT AN ATTORNEY AND OTHER RELEVANT ADVISORS TO DISCUSS OTHER POTENTIAL RISKS ASSOCIATED WITH THIS

INVESTMENT.

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	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
Virginia	
Washington	
Wisconsin	

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

The franchisor is USL Pro-2, LLC, a Florida limited liability company. To simplify the language in this Franchise Disclosure Document, USL Pro-2, LLC is referred to as "Franchisor," "we" or "us". United Soccer Leagues, LLC, a Florida limited liability company, is our sole owner. To simplify the language in this Franchise Disclosure Document, United Soccer Leagues, LLC is referred to as our "parent" or our "parent company." Our and our parent's principal business address is 1715 N. Westshore Blvd., Suite 825, Tampa, Florida 33607.

This Disclosure Document will refer to the person or entity that buys the franchise from us as "you" or "your", and the term includes your partners if you are a partnership, your members if you are a limited liability company, or your shareholders if you are a corporation. If you are a corporation, partnership or limited liability company, certain of your owners will have to guarantee your obligations and be obligated to comply with the terms of the franchise agreement and ancillary documents described in this Disclosure Document.

Franchisor and its Parent

Our parent company was originally formed as a Delaware corporation known as USISL, Inc. on April 1, 1996 to operate a soccer league known as the USISL. On July 1, 1997, Umbro International, Inc. acquired a majority of the shares of capital stock in USISL, Inc. By April 11, 2008, Umbro International, Inc. had acquired all of the issued and outstanding capital stock of USISL, Inc. Nike, Inc. acquired Umbro International, Inc. as of May 31, 2008. As a result of that transaction, USISL, Inc. was a wholly-owned subsidiary of NIKE International Holding, Inc., which is a wholly-owned subsidiary of Nike, Inc. On August 27, 2009, NuRock Soccer Holdings LLC, a Georgia limited liability company ("Nurock"), acquired all of the issued and outstanding capital stock of USISL, Inc. USISL, Inc. was converted into a Georgia limited liability company on October 1, 2009 and simultaneously changed its legal name to United Soccer Leagues, LLC. Our parent company is the same legal entity as USISL, Inc. NuRock remains the majority owner of our parent company and its principal business address is 800 North Point Parkway, Suite 12, Alpharetta, Georgia 30005.

We will operate the men's professional league tentatively known as USL Division 3[2] (the "League"), and our parent company has licensed to us any assets used (or to be used) in the League's operation. Our parent began offering professional soccer franchises generally on August 19, 1996 and our parent and/or its subsidiaries have been continuously been engaged in such line of business since that time. Prior to August 19, 1996, neither we nor our parent offered franchises for the same or similar type of business that is to be operated by you.

We do not offer franchises in any other lines of business; however, we reserve the right to do so in the future.

Predecessors and Affiliates

On January 1, 2017, as part of an internal restructuring, our parent company contributed all of its assets primarily used in the operation of the League to us, a wholly-owned subsidiary of our parent, and licensed to us any other assets used in the operation of the League (collectively, the "Restructuring").

[2] "USL Division 3" is a placeholder, and the official name and design is currently scheduled to be released in August, 2018.

We have affiliates that currently operate multiple soccer leagues, from the youth to the professional level, and related businesses. As part of an internal restructuring that took place on January 1, 2017 (the "Restructuring"), our parent created four other subsidiaries that operate various portions of the business previously operated directly by our parent and contributed all of its assets that primarily related to each of those businesses to the subsidiary that would operate that business in the future. Specifically, our parent formed:

- USL Pro, LLC, which owns, operates, coordinates, and sells franchises for teams to participate in the professional soccer league currently known as the "United Soccer League" or "USL".

- Premier Development League, LLC, which owns, operates and coordinates, and sells franchises for teams to participate in, the men's elite amateur soccer League currently known as the "Premier Development League" or "PDL".

- Super Y League, LLC, which owns, operates and coordinates an elite youth soccer membership league currently known as the "Super Y League". This company does not sell franchises.

- USL Productions, LLC, which owns the rights to, produces, and disseminates the broadcasts of all League matches and ancillary programming in any form of media and the related content. This company does not sell franchises.

Except as described above, we do not have any predecessors or affiliates that currently offer, or offered in the past, franchises for the same type of business that is to be operated by you or in any other line of business. We do not have any predecessors or affiliates that provide products or services to our franchisees; however, we reserve the right to have them do so in the future.

All leagues (including the League) owned and operated by our affiliates are referred to in this document as the "System."

Agent for Service of Process

Our agent for service of process for your state, if any, is identified in Exhibit C to this Franchise Disclosure Document.

The Franchise

We sell and grant franchises to people like you to field a team (your "Club") that participates in the League. We do not currently own any team that participates in the League, but we may in the future. Our primary purpose is to operate and coordinate the League. We do not engage in business activities that are unrelated to the League.

As of the Issuance Date of this Franchise Disclosure Document, the League has not been sanctioned as a Men's Professional Outdoor League by the United States Soccer Federation ("USSF"). USSF may elect not to sanction or approve the League at any time without our input or approval. In addition, we may determine not to continue the foregoing affiliation in the future, to seek affiliations with other organizations, and/or to seek sanctioning of a different level or division within those organizations.

The League's current season for matches is from approximately mid-March through mid-September of each year, and your Club would begin participating in the League in the 2019 season.

In operating your Club, you must comply with our Minimum Standards for matches and our league rules, which are contained in our manuals (the "Manuals"), copies of which we will loan to you following your purchase of a franchise. You must also comply with the standards, rules and regulations of USSF, as the governing body for soccer in the United States, and any other organization responsible for governing or overseeing the League, which standards may change without notice or approval from us. USSF's standards currently relate to such topics as: ownership composition; ownership net worth; stadium seating capacity requirements; financial reporting; field dimensions; field surfaces; and personnel. If your Club competes outside the United States, it may be subject to the rules and regulations of governing bodies for professional or amateur soccer leagues in those jurisdictions.

You will be required to meet the Minimum Performance Standard for Local Revenues and turnstile attendance. You will be considered not to have met the Minimum Performance Standard if your (a) Local Revenues or (b) turnstile attendance at League Matches do not exceed half of the median local revenues or median turnstile attendance of the other team operators in the League. If you do not meet the Minimum Performance Standard for a period of two consecutive Fiscal Years, you will be required to create and present to us a plan to meet the Minimum Performance Standard. Throughout the remainder of the Term, if you do not meet the Minimum Performance Standard in any two consecutive years, we may require you to transfer your franchise. If you are unable to transfer your franchise, we may terminate the franchise agreement.

Market and Competition

You will compete in the general market for, among other things, live viewers, attendees of your franchise's events, merchandise, and sponsorships. Your competitors in these markets include other sporting organizations and forms of live entertainment in your geographic area. Specifically within the sport of soccer, your competitors may include Major League Soccer (MLS), the National Women's Soccer League (NWSL), the North American Soccer League (NASL), the Premier Development League (PDL), operated by our affiliate as described above, the United Soccer League (USL), operated by our affiliate as described above, National Premier Soccer League (NPSL), and various other regional and local amateur soccer leagues, and any professional leagues that have yet to be created.

Board of Governors

With certain exceptions specified in your franchise agreement, the Board of Governors is made up of one representative from each Club that is unconditionally obligated to play in an upcoming season. Your franchise agreement sets forth the authorities of the Board of Governors and requires you to abide by the Board of Governors' decisions.

ITEM 2 – BUSINESS EXPERIENCE

Chairman of the Board: Robert Hoskins

Mr. Hoskins has served as the chairman of our parent's board of directors since September 2, 2009 and our chairman since January 1, 2017. Mr. Hoskins is also one of our parent's minority owners and the part owner and Chairman of NuRock, our parent's majority owner. Mr. Hoskins is also the co-founder of The NuRock Companies, a family of companies that focuses on development, management and sports. Mr. Hoskins serves in his current capacity in Alpharetta, Georgia.

Director and Chief Executive Officer: Alec Papadakis

Mr. Papadakis has served as a director of our parent since September 2, 2009, our parent's Chief Executive Officer since September 2, 2009 and our Chief Executive Officer since January 1, 2017. He has previously served on the Appeal Committee of the United States Soccer Federation and has also served on its Board of Directors from February 2015 to February 2017. Mr. Papadakis serves in his current capacity in Tampa, Florida.

Director: Sandy Hoskins

Mrs. Hoskins has served as one of our parent's directors since September 2, 2009 and is a co-founder of The NuRock Companies. Mrs. Hoskins also serves as President of NuRock Management Group, LLC, in which capacity she oversees the start-up and management of the entire NuRock portfolio. Mrs. Hoskins serves in her current capacity in Alpharetta, Georgia.

President: Jake Edwards

Jake Edwards has acted as our parent's President since March of 2015 and our President since January of 2017. Mr. Edwards worked as our Vice President, USL PRO (since rebranded as USL) and subsequently as our Executive Vice President, since June of 2013.

ITEM 3 – LITIGATION

ATX Soccer, LLC ("ATX") v. United Soccer Leagues, LLC. On October 7, 2016, ATX filed a demand with the American Arbitration Association in Tampa, FL, case number: 01-16-0004-8336, against our parent based upon claims for breach of contract, unfair competition, breach of the implied covenant of good faith and fair dealing and tortious interference. On November 23, 2016, our parent answered and counterclaimed seeking damages based on claims for fraudulent inducement, promissory estoppel and breach of contract. The case was settled in July of 2017.

Timothy Donald and American Soccer Marketing, LLC (collectively, "ASM") v. United Soccer Leagues, LLC et al.

On February 13, 2017, ASM filed a demand with the American Arbitration Association in Tampa, FL, case number 01-17-0001-174, against our parent and Alec Papadakis based upon claims for breach of contract, fraud, promissory estoppel, tortious interference with contractual relations or business expectancy, and violation of fiduciary duty regarding joint venture. Mr. Papadakis and our parent denied these claims and, on March 2, 2018, all claims were dismissed against Mr. Papadakis and all claims were dismissed against our Parent other than the breach of contract claim. The breach of contract claim was heard in April of 2018 and a decision is currently pending.

Simultaneously with the filing of the case above, ASM also filed the same complaint against our parent in Superior Court in Maricopa County, Arizona, case number CV2017-001526. The Superior Court dismissed the complaint with prejudice for lack of jurisdiction and awarded our parent attorney's fees in connection with its response. ASM has appealed the dismissal and the appeal is currently pending before the Arizona Court of Appeals, Division 1, Case No. 1 CA-CV 17-0728.

ITEM 4 – BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5 – INITIAL FEES

To obtain a franchise, you must pay a one-time expansion fee of $500,000. The expansion fee is not refundable, except in the event that the League does not receive Sanctioning prior to the 2020 season (the "Initial Sanctioning Requirement"). If you or we elect to terminate your franchise agreement in such event, we will refund to you the entirety of the expansion fee you paid (in addition to a return of your participation fee for the 2019 season and your Letter of Credit). The right to receive a refund of your expansion fee only applies in the event that the League is not sanctioned by the 2020 season and not any seasons thereafter in which the League does not receive sanctioning.

You are required to secure your payments and other obligations by providing us with a cash deposit or letter of credit (the "Letter of Credit") in the amount of $250,000. However, if a governing body (like the United States Soccer Federation) requires the Letter of Credit to be in a greater amount than set forth above, you are required to abide by the requirements of that organization. As a result, the actual amount of the Letter of Credit you are required to provide may be greater than as described above. In such case that a governing body increases these standards, you will have to provide to us the amount of the revised Letter of Credit within fifteen (15) days of written notice of the new amount, at which time we will return the original Letter of Credit to you.

Additionally, we reserve the right at the end of the term of your franchise agreement, or if we reasonably decide it is necessary to protect us or the League, to change the Letter of Credit amount to one we deem acceptable. If you renew your franchise agreement, you will be required to acquire a new Letter of Credit in the amount we designate for the required period.

We may draw on the Letter of Credit upon your failure to pay any obligations incurred in connection with the operation of your Club, including: (a) any amounts owed to us under your franchise agreement or any fees, fines or other amounts set forth in the Manual and/or with respect to violations of our rules or minimum standards; and (b) any amounts owed to any other team, League vendors, professional players, or landlords of your stadium.

If we draw on the Letter of Credit, we will take only the amount necessary to satisfy the delinquent obligation (which may include any associated interest and late fees and our costs and expenses incurred in satisfying such obligation), and you will replenish the amount of the Letter of Credit to the amount specified above within thirty (30) days of the date of our draw.

We will return the Letter of Credit (or whatever portion of the Letter of Credit is remaining) to you within thirty (30) days following the expiration or termination of your franchise agreement, unless we terminate the franchise agreement for cause (as described in Item 17 and Sections 11.2.1, 11.2.2 and 11.2.3 of your franchise agreement) in which case we will be entitled to retain an amount equal to either 2x or 3x the then-current participation fee as liquidated damages, depending on when the franchise agreement is terminated, and may retain some or all of such amounts through the Letter of Credit.

All of your direct and indirect owners of greater than 5% are required to execute a guaranty, indemnification and acknowledgment of the franchisee's obligations under the franchise agreement in the form provided in Schedule 7 of the franchise agreement.

ITEM 6 – OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS (Note 1)
Participation Fee	$75,000 per year, subject to a maximum annual increase of 15% or 12% plus CPI	October 15, 2018 and January 1, 2019 [split evenly]	Note 2
Change of Control Fee	10% of then-current expansion fee for the League	Upon closing of the transfer	Fee not applicable to transfers to an entity wholly-owned by a franchisee who is an individual, to family members, other owners of franchisee or in connection with the death of franchisee or its owners
Annual USSF Membership Fee	Variable	On demand	The League's annual membership fee to USSF is passed through equally to each team. As of 2018, the Division 3 league membership fee is $73,150
USSF Player Registration Fee	$1,333	On demand	Each team is required to pay an annual player registration fee to USSF. We pay this to USSF and require you to reimburse us. As of 2018, the Team Fee for Player Registration charged by USSF is $1,333
Referees	Variable	On demand	Each team is required to pay an equal amount towards referees
Reporting Software	Variable	On demand	You are required to use certain software to report operational and financial information. We pay this to providers and you reimburse us.
Website Hosting and Maintenance	Variable	On demand	You are required to pay us an annual fee for hosting and maintaining the team website

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS (Note 1)
Website Re-Design	Variable	On demand	Only if you request the redesign
Insurance Premiums	Variable	On demand	We may require you to purchase certain forms of insurance, which may be as part of a group plan with other teams in the League.
Product Purchases	See ITEM 8	See ITEM 8	We may require you to buy or lease products or services that (i) meet our standards and specifications and (ii) are purchased from suppliers designated or approved by us. We reserve the right to designate ourselves or affiliates as the exclusive supplier for certain products. If we do so, then you must purchase them from us.
Pool Payments	Variable	On demand	We may require you to make payments that are pooled together amongst the teams for a particular purpose (e.g., travel pool), and we would distribute such funds in accordance with the parameters established by the Board of Governors.
Board of Governor Approved Payments	Variable	On demand	You may be required to make certain payments required by the Board of Governors, even if such payments would otherwise not be permissible under your agreement

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS (Note 1)
Operational Fines	Variable	As incurred	You must pay us any fines we assess for non-compliance with the franchise agreement or the Manuals. We reserve all other rights and remedies
Relocation Fee	10% of then-current expansion fee for the League	Upon approval of relocation	This amount would be payable to us and any other franchises affected by such relocation
Indemnification	Variable	As incurred	You must reimburse us for damages or other relief related to the operation of your franchise
Costs and Attorney's Fees	Variable	As incurred	Excluding indemnification, payable to the prevailing party in any litigation
Interest and Late Fees	1.5% per month, or the maximum rate permitted by law, whichever is less (Note 2), plus a late fee of 5% of overdue amount	On demand	Payable on any amounts not paid when due. Note 3.
Liquidated Damages	Either 2x or 3x the then-current Participation Fee, depending upon when the agreement is terminated.	Upon termination of your franchise agreement	Payable only in the event that your franchise agreement is terminated per Section 12.1 of your franchise agreement. Also payable if you fail to return Manuals or illegally disseminate the content of Manuals.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS (Note 1)
Upward Movement Fee	7% of your initial membership / entry / expansion / relocation fee to gain membership to Major League Soccer (MLS) or to allow the MLS team to use your Marks	Within ninety (90) days of the acquisition of the MLS franchise, the awarding of a relocated operating territory, or the transfer of rights to the Marks	Payable in the event that Franchisee or an individual with at least five percent (5%) ownership in the Franchise ("5% Owner") acquires an interest in an MLS team or allows the MLS team to use its Marks, per Section 4.23 of your franchise agreement

Note: (1) All fees are payable to us and, except as described in Note (3) below, are non-refundable.

(2) The participation fee is non-refundable. However, in the event that the League is not sanctioned prior to the 2020 season, either we or you may choose to terminate the franchise agreement and we will refund you the entirety of the expansion fee paid. In addition, should we disband the League prior to or during a season (as further described in Item 17 below and Section 12.3 of your franchise agreement), you will receive a refund of any participation fees paid for any season in which your Club did not have an opportunity to participate.

(3) For franchises in California, the maximum interest rate allowed is ten percent (10%) annually.

ITEM 7 – ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT (Note 1)		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	Low End	*High End*			
Expansion Fee	$500,000	$500,000	Wire transfer	At Signing of Franchise Agreement	Franchisor
Participation Fee	$75,000	$75,000	Wire transfer or check	October 15, 2018 and January 1, 2019 [split into equal installments]	Franchisor
Letter of Credit (Note 2)	$12,500	$250,000	Letter of credit, cash or cashier's check	No later than Sept. 15, 2018	Bank (if letter of credit) or Franchisor (if cash to be held)
Stadium Lease (Note 3)	$25,000	$150,000	As required in Lease	As required in Lease	Landlord
Practice Field Rental (Note 4)	$0	$20,000	As required in rental agreement	As required in rental agreement	Landlord
Office Lease	$50,000	$100,000	As required in Lease	As required in Lease	Landlord
Office Expenses	$25,000	$75,000	As required by Suppliers	As required by Suppliers	Suppliers
Soccer Equipment/Field Related Supplies (Note 5)	$25,000	$50,000	As required by Suppliers	As required by Suppliers	Suppliers
Player Wages (Note 6)	$250,000	$300,000	As required in the player contracts	As required in the player contracts	Players
Player Housing (Note 7)	$25,000	$75,000	As required by Suppliers	As incurred	Apartment Lessors, Players

Front Office Staff (Note 8)	$400,000	$700,000	As required in staff contracts	As required in staff contracts	Staff
Coaching Staff (Note 9)	$170,000	$250,000	As required in staff contracts	April 1 and June 1 during season	Staff
Worker's Compensation Insurance (Note 10)	$50,000	$90,000	As required by insurance carrier	As required by insurance carrier	Insurance carriers
Benefits (Note 11)	$85,500	$285,000	As required in staff contracts	As required in staff contracts	Staff / Gov't
Referees (Note 12)	$10,000	$20,000	Wire transfer or check	Prior to start of season	Franchisor (pass-through)
Home Game Costs (Operations) (Note 13)	$100,000	$250,000	As required by Suppliers	At or before game	Suppliers
Away Game Costs (Note 14)	$75,000	$150,000	As required by Suppliers	Prior to or during travel	Suppliers
Marketing/Sales Costs (Note 15)	$150,000	$300,000	As required by Suppliers	As incurred	Suppliers
Uniforms and Supplies (Note 16)	$20,000	$35,000	As required by Suppliers	As incurred	Suppliers
USSF Membership Fee (Note 17)	$3,000	$9,000	As required by USSF	Prior to start of season	Franchisor (pass-through)
USSF Player Registration Fee (Note 17)	$1,000	$2,000	As required by USSF	Prior to start of season	Franchisor (pass-through)
U.S. Open Cup Application Fee (Note 17)	$600	$1,000	As required by USSF	Prior to start of season	Franchisor (pass-through)
Insurance (Note 18)	$5,000	$10,000	As required by insurance carrier	As required by insurance carrier	Insurance carriers

Travel Pool - Playoffs (Note 19)	$5,000	$10,000	Wire transfer or check	Prior to Start of Season	Franchisor
Reporting Costs (Note 20)	$1,500	$3,000	Wire transfer or check	Prior to Start of Season	Franchisor
BMI / ASCAP Costs	$0	$1,000	As required by Suppliers	Prior to Start of Season	Franchisor
Local Broadcast Production Costs (Note 21)	$100,000	$200,000	As required by Suppliers	As incurred	Suppliers
Attendance at AGM and Training (Note 22)	$1,000	$5,000	As required by Suppliers	As required by Suppliers	Suppliers
Team Name and Trademark Design and Registration	$5,000	$30,000	As required by Suppliers	As incurred	Suppliers
Signage System	$10,000	$50,000	As required by Suppliers	As incurred	Suppliers
Professional Fees	$10,000	$25,000	As required by Suppliers	As incurred	Suppliers
Initial Merchandise Inventory	$5,000	$50,000	As required by Suppliers	As incurred	Suppliers
Website Design and Setup (Note 23)	$6,000	$6,000	Wire transfer or check	As incurred	Franchisor (pass-through)
Website Hosting and Maintenance (Note 24)	$1,600	$1,600	Wire transfer or check	April 1 each season	Franchisor (pass-through)
Dues and Subscriptions	$10,000	$15,000	As required by Suppliers	As incurred	Suppliers
Additional Funds for Year 1 (Note 25)	$250,000	$1,000,000	As required by Suppliers	As incurred	Suppliers

TOTAL FIRST YEAR EXPENSES	**$2,462,700**	**$5,093,600**	

Notes:

(1) All fees described in this Item 7 that are payable to us are non-refundable except that, in the event that the franchise agreement is terminated by us or you because the League does not receive Sanctioning prior to the 2020 season, the expansion fee will be refunded in its entirety. We would also return the Letter of Credit, which we are holding to secure your obligations under the franchise agreement.

(2) This amount may change based upon the requirements of any governing body (namely, the United States Soccer Federation and/or the Canadian Soccer Association, CONCACAF, and FIFA), as described in Item 5 above. In 2019, the Letter of Credit amount is two hundred and fifty thousand dollars ($250,000). However, we do accept letters of credit, and the cost of obtaining a letter of credit is typically between one and eight percent (1% - 8%) annually of the face amount of the letter of credit. The Letter of Credit is used to secure your payments and other obligations under your franchise agreement and other agreements entered into in connection with the operation of your Club. We may draw upon the Letter of Credit at such times and in such amounts as described in Item 5 above and in Section 4.8 of your franchise agreement. If we draw upon your Letter of Credit, you must replenish it to the required amount. We will return the Letter of Credit (or whatever portion of the Letter of Credit is remaining) to you within thirty (30) days following the expiration or termination of your franchise agreement, unless we terminate the franchise agreement for cause (as described in Item 17 and Sections 12.1 of your franchise agreement) in which case we will be entitled to an amount equal to either 2x or 3x the then-current participation fee as liquidated damages, depending on when the franchise agreement is terminated, and may retain the Letter of Credit to satisfy all or a portion of that amount.

(3) You must lease or own a stadium, which must be within your protected territory and approved by us in advance. The stadium must comply with all League Rules. Some of the main requirements currently included in League Rules are: (i) the stadium must be enclosed; (ii) the playing field must be at least 110x70 yards; (iii) the playing field must either be grass or artificial turf certified as FIFA Quality; (iv) stadium capacity of 3,500; (v) field lighting of at least 125 foot candles; (vi) locker rooms with showers within a one (1) minute walk of the field; and (vii) a press box. The current set of League Rules relating to stadium requirements will be made available to you upon request. We may inspect your stadium from time to time to ensure compliance with League Rules. Stadium rent varies depending on a number of factors such as size, amenities, location, whether renovations are necessary, included services, and any revenue-sharing arrangements.

(4) You are required to have access to a training field for use by the visiting team upon request. The surface of the training field must match the surface of the game field. The training field is viewed as an extension of your Home Stadium, and you must make security available upon request of the visiting team.

(5) This amount does not include the cost of a field-level signage system, which is included separately.

(6) You determine the amount of payment to players, but they typically range from $10,000 to $80,000 per player per season.

(7) Teams typically, and may be required to, provide housing for their players while those players are training with the team. These costs vary by team, market, quality, availability, and other factors.

(8) You are required to employ at all times, at minimum, a President, Director of Marketing, Director of Ticket Sales, Director of Corporate Sales, Director of Operations, Director of Communications/Media Relations, Director of Promotions/Community Relations, four (4) Ticket Sales Account Executives, and a clerical staff. This estimate does not include any health insurance, retirement contributions, or other benefits that may be offered by you to your employees.

(9) You are required to employ at all times, at minimum, a Head Coach, Assistant Coach, and trainer. This estimate does not include any health insurance, retirement contributions, or other benefits that may be offered by you to your employees.

(10) Workers compensation costs vary depending upon the state and other factors, such as the loss history of other professional soccer teams and other similarly classified professional teams (e.g., lacrosse). However, as a rule of thumb, workers compensation costs are typically between 20%-30% of player and technical staff salaries.

(11) Benefits include anything paid to or on behalf of your employees in addition to their base salary and may include, for example, FICA, health insurance, sales commissions, and bonuses. However, this amount does not include player housing, which is included separately.

(12) The cost of referees is dependent upon a number of factors, including number of teams, availability and quality of referees, etc. However, the cost of referees is typically negotiated by us with the Professional Referee Organization in advance of each season and then passed through equally to the teams in the League.

(13) Home game costs vary depending on a number of factors, including the terms of the stadium lease and the expected attendance. These costs may include: (a) security; (b) ticket-takers; (c) ushers; (d) parking lot attendants; (e) concessions; (f) clean-up; (g) public address announcers; (h) scoreboard operators; (i) merchandise and other booth attendants; (j) pre-game and half-time promotions; (k) set-up and take-down or advertising materials; and (l) others. You may also be required to pay for hotel accommodations for the visiting team.

These costs do not include the cost of referees, nor do they include any broadcast production costs, each of which are included separately in this Item 7.

These costs also presume that you play in a stadium whose primary purpose is for the playing of soccer games. To the extent it is not (for example, if it also serves as a baseball or football stadium), there could be substantial costs associated with converting the field from baseball or football to soccer for each game.

(14) You will pay for transportation for your Club's travel to away games. You will also provide players with food or a *per diem* while they are away from home.

(15) Marketing costs associated with the club include the creation and distribution of advertising and advertising materials in any form (print, media, other) to generate interest in the club. These typically include television and radio commercials, promotional events, print signage, and other similar advertising. These costs do not include any pre-game, halftime, or other in-game marketing or advertising, which is included separately in the "Home Game Costs".

(16) Assumes that the Club is unable to enter into a sponsorship agreement for a competition apparel sponsor.

(17) The USSF Membership Fee for the League is an annual fee passed through and split equally amongst the clubs. The USSF player registration and US Open Cup registration fees are per-club fees issued by USSF which we pay and then seek to be reimbursed from you.

(18) This amount covers a league-wide, general liability policy.

(19) Typically, the teams in the League agree to each pay into a pool which is then used to reimburse playoff teams for certain travel expenses they incur during the playoffs.

(20) Reporting costs currently include the costs associated with the use of certain mandated reporting and communication platforms, including Teamworks (used to report operational information) and Qvinci (used to report financial information).

(21) This amount is an estimate of the costs to put on a live stream of all of your home matches for a season. Currently, home matches must be live streamed for every home game. The home team is responsible for incurring these costs.

(22) Estimates assume attendance of two representatives. The cost of the continuing education at the Annual General Meeting (instruction and required materials only) shall be borne by us. You are responsible for all other expenses incurred in connection with attending the Annual General Meeting (including without limitation, the costs of transportation, lodging, meals, and wages).

(23) This is a one-time fee relating to the setup and design of your website, which will be integrated into our website platform. This fee is a pass-through from our existing website host/developer. To the extent you wish to redesign your website at a later date, you will be responsible for the costs incurred in connection with such re-design.

(24) This is a recurring, annual fee that is passed through from the service provider that hosts the League and team websites.

(25) This amount is an estimate for additional funds which may be needed to cover the expenses of operating your franchise during one playing season. These funds which may be used to cover unexpected costs incidental to your franchise's operation.

(26) This estimates your initial start-up expenses. **These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business.** We have relied on our experience in the sport of soccer to compile these estimates. You should review these figures before making any decision to purchase the franchise.

ITEM 8 – RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

The Franchise Agreement restricts the sources of products and services you may utilize in the operation of your Club. Certain products or services may only be purchased from suppliers we have approved, while others may only be purchased in accordance with our specifications and standards.

Approved Suppliers

We may limit the number of approved suppliers with whom you may deal, designate sources that you must use (including for sale to the general public) and/or refuse any request for alternative suppliers for any reason, including that we have already designated an exclusive source (which may be us or our affiliates) for any particular item or service if we believe doing so is in the best interest of the League.

We may require that you, at your expense, enter into agreements with suppliers approved by us. Currently, we have three required suppliers: (1) one for soccer balls; (2) one for League patches; and (3) one for ticketing.

We will provide you with a current list of approved suppliers (including required and recommended suppliers) through updates to the Manuals or other forms of communication. For certain products or services, we may designate a single supplier and require you to purchase exclusively from such supplier. Neither we nor any of our affiliates are currently approved suppliers of any products or services, although we reserve the right to be.

If you desire to purchase goods or services from suppliers other than those previously designated as exclusive suppliers or otherwise approved by us, you must first submit to us a written request for authorization to purchase such items, and you shall not purchase from any supplier unless and until it has been approved. There are no additional fees required to be paid to us to secure the right to purchase from alternative suppliers, although we do not have to approve your request.

We (and our affiliates) may receive payments or other compensation from suppliers on account of your (and other franchisees') dealings with them, and we may use all amounts so received for any purpose we deem appropriate. Based on our 2017 financial statements, we did not derive any revenue, rebates or material consideration from any of the required purchases or leases of goods, services or real estate described in this Franchise Disclosure Document in 2017. Our parent's total revenue, based on the 2017 audited financial statements, was $14,486,535. Based on our parent's 2017 financial statements, our parent's revenues from all required purchases were $41,082.90 and the percentage of our total revenues from required purchases or leases was 0.28%.

Standards and Specifications

We may require you to purchase certain goods or services in accordance with standards and specifications provided to you in the Manuals, provided that such goods or services are available on commercially reasonable terms and reasonably required for your Club's Activities.

Club Sponsorships

Each year, we will provide you with a listing of categories of goods or services for which we have or are pursuing league sponsorships (reserved or restricted "Product Categories"). You may not enter into Club sponsorships, or your Club sponsorships may be restricted, with respect to those Product Categories. As of the date of this disclosure document, the only reserved Product Category we have is for soccer balls (although we also prohibit and/or restrict certain advertising with respect to Product Categories that we

view as not in the best interest of the league (e.g., tobacco products, firearms, pornography, etc.)). League sponsorships may require that you purchase exclusively from the League sponsor. In the event that we do not enter into a League sponsorship with respect to a reserved Product Category, it will be released back to you on an annual basis.

Insurance

You must obtain the general liability and other insurance coverage required in Section 4.16 of your franchise agreement. If we so choose, you may be required to purchase from an insurance carrier we designate. You shall maintain general liability insurance policies with the carrier(s) selected as provided in Section 4.16 of your franchise agreement, naming us as an additional insured on the face of each policy at all times during the term of this Agreement. Such insurance policies shall have no less than $1,000,000 per occurrence limits for bodily injury and property damage and $2,000,000 aggregate limits for teams in the League. We will not derive any revenue or other material consideration as a result of your purchase of insurance. We may formulate and modify specifications and standards for the insurance policies required. Specifications and standards for insurance carriers and policies are intended to obtain the best coverage necessary and desirable for the sport of soccer at the most economical price. The specifications and standards for insurance are typically issued to the franchises each year at the Annual General Meeting.

ITEM 9 – FRANCHISEE'S OBLIGATIONS

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

OBLIGATIONS		SECTION IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
a.	Site selection and acquisition/lease	Sections 4.1, 4.2, and 4.3	Items 7 and 12
b.	Pre-opening purchases/leases	Sections 4.1, 4.2, and 4.3	Items 7, 8 and 12
c.	Site development and other pre-opening requirements	Sections 4.1, 4.2, 4.3, and 4.7	Items 7, 11 and 12
d.	Initial and ongoing training	Section 3.5	Item 7 and 11
e.	Opening	Not applicable	Items 6 and 7
f.	Fees	Sections 2.2.5, 4.2.3, 4.8.3, 4.23, 5, and 10.1	Items 5, 6, 7 and 12
g.	Compliance with standards and policies/operating manual	Sections 2.2.4, 2.2.6, 3.3, 4.2, 4.5, 4.7, 4.8, 4.12, 4.13, 4.14, 4.15, 4.17, 4.21, 5.4, 6.1, 6.3.2, 6.4, 6.6, 7.2, 9.7, 10.1, 10.2, and 10.2.1	Item 1, 8, 11, 13, 14, and 15
h.	Trademarks and proprietary information	Sections 3.3, 4.14, 4.22, 6.1, 6.2, 7, 14.1	Items 13 and 14
i.	Restrictions on products/services offered	Sections 3.3, 4.3, 6.3, 6.4, 6.5, 6.6, 6.7	Items 8 and 16
j.	Warranty and customer service requirements	Section 3.7	Not applicable
k.	Territorial development and sales quotas	Sections 3.4, 4.1, 4.2, 4.3, and 4.7	Item 12
l.	Ongoing product/service purchases	Sections 3.3, 5.3.1 and 6.7	Items 8 and 15
m.	Maintenance, appearance and remodeling requirements	Section 3.3, 4.1, 4.3.1, 4.5, 4.9, 4.13, and 4.17	Item 7
n.	Insurance	Sections 3.3.1, 4.16, and 5.3.1	Item 7 and 8
o.	Advertising	Sections 4.14 and 6.3	Item 7 and 11
p.	Indemnification	Section 11	Item 6
q.	Owner's participation/ management/staffing	Sections 4.6, 4,18, and 8	Items 1, 7, 11 and 15
r.	Records/reports	Sections 4.21	Item 7

s.	Inspections and audits	Section 4.17, 4.21,	Item 7
t.	Transfer	Section 4.7, 8, 10	Item 17
u.	Renewal	Section 2.2	Item 17
v.	Post-termination obligations	Sections 4.22, 4.23, 11, 12.5, 12.6, 12.7, 12.8, 12.9, 12.10, 12.11, 13, 14.1, and 14.2	Item 6 and 17
w.	Non-competition covenants	Section 4.22	Item 17
x.	Dispute resolution	Section 13	Item 17
y.	Other: Sponsorships	Section 6.3	Item 8 and 11
z.	Other: Guaranty	Section 8.3	Item 15
aa.	Other: Compliance with Governing Bodies.	Section 4.5	Item 1 and 15
bb.	Other: Letter of Credit	Section 4.8	Item 5
cc.	Other: Board of Governors	Section 9	Item 1
dd.	Other: Local Broadcast Production	Section 4.9	Item 7
ee.	Other: Minimum Performance Standards	Section 4.7	Item 1 and 17

ITEM 10 – FINANCING

Neither we nor any affiliate offers, directly or indirectly, any financing to you. We do not guarantee any of your notes, leases or obligations. We are unable to estimate whether you will be able to obtain financing for any or all of your investment or the terms of any financing.

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

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

Pre-Opening Assistance

If you purchase a franchise described in this Franchise Disclosure Document, you will own your Club immediately upon the execution of your franchise agreement and the payment of the expansion fee. However, your Club will not begin to participate until the beginning of the next season for matches. As a result, the length of time between the signing of your franchise agreement, or the payment of the expansion fee, and the participation of your Club in the applicable League will vary depending on the effective date of your ownership of the Club and the beginning of the next season for matches for your League.

Before you open your business:

(1) Site Selection**.** Before you sign your franchise agreement, we will work with you to determine a territory for your franchise that is mutually acceptable. Within that territory, you must obtain access to a stadium that we approve and that meets the requirements for the League and USSF (described in Item 7 above). We may approve the stadium in our discretion. We do not generally own stadiums for lease to franchisees.

We base our approval of stadiums on their location relative to other franchises and other teams in the League and other factors that we determine to be relevant in our reasonable discretion. If you lose the right to operate at the stadium, or if you have not entered into a stadium lease at least one hundred and twenty days prior to the commencement of any season, we may, in our sole discretion, terminate your franchise agreement. All payments you made to us prior to the date your franchise agreement is terminated for this reason are non-refundable, including your expansion fee.

(2) Training/Operational Assistance. While we do not offer a formal pre-opening training program, we will provide period training, advice, and guidance (as we deem necessary) to you in the marketing, management and operation of your Club. If you request additional assistance from us (and we agree to provide such assistance), you will pay to us per diem charges and our out of pocket expenses in providing such additional assistance. (Franchise Agreement – Section 3.5)

(3) Advertising and Promotions. We have the right to review all advertising and promotional materials that you propose to use that include the USL Marks and may, but are not required to, conduct advertising that benefits your Club or the League. (Franchise Agreement – Section 4.13, 4.14)

Post-Opening Assistance

During the operation of your Club:

(1) Operational Assistance. We will provide periodic training, advice or offer guidance (as we deem necessary) to you in the marketing, management and operation of your Club. If you request additional assistance from us (and we agree to provide such assistance), you will pay to us per diem charges and our out of pocket expenses in providing such additional assistance. (Franchise Agreement – Section 3.5)

(2) Advertising and Promotions. We reserve the right to review all advertising and promotional materials that you propose to use that include the USL Marks and may, but are not required to, conduct advertising that benefits your Club or your League. (Franchise Agreement – Sections 4.14, 6.3)

(3) Game and League Related Assistance. We will establish and coordinate regular season and post-season game schedules for the League, establish League Rules, and perform such other activities integral to the operation of a professional soccer league, as further provided in your Franchise Agreement and in the Manuals. (Franchise Agreement – Section 3.2)

(4) Insurance. We will use commercially reasonable efforts to arrange for commercial general liability insurance carriers to offer policies to all franchise owners in the League. In addition, we may, in the future, designate carriers that offer workers' compensation insurance. (Franchise Agreement – Section 4.16)

(5) Collective Bargaining Assistance. We may require you to appoint us as your exclusive

representative with respect to collective bargaining. If this occurs, we will promptly provide you with requested information about our collective bargaining activities. Collective bargaining costs will be allocated such that the amount payable by us is twice the amount payable by each team in the League. (Franchise Agreement – Section 3.6)

We are not obligated to provide you with assistance relating to: products or services you might offer; hiring and training or employees; improvements or developments in the franchise business; pricing and bookkeeping; or accounting and inventory control procedures.

Advertising

You will be permitted to create and distribute as much advertising for your franchise as you would like within your territory. Your advertising, marketing and promotion shall conform to such standards and requirements as we may specify from time to time (which may require our prior written approval). It shall not be misleading, it shall be conducted in a dignified manner, and it shall negatively portray or adversely affect the public perception of or goodwill associated with the League, the League Office, or other teams in the League. We may require you to participate in mandatory promotions as we may develop and implement from time to time. We do not maintain or administer an advertising fund for any advertising or promotional programs, but we may do so in the future. We are not advised by an advertising council composed of franchise owners, and you are not required to participate in any advertising cooperatives. You are not required to spend any amount on advertising in your territory. If you desire to use marketing and promotional plans and materials that use the USL Marks and have not been provided or previously approved by us, you must submit samples of all such marketing and promotional plans and materials to us for prior approval.

We are not obligated to conduct advertising on your behalf or for your benefit. However, we reserve the right to conduct advertising for the benefit of the System generally, for the League and for teams that participate in the League, including your Club, from time to time.

Computer Systems

We do not currently require you to buy or use computer systems provided by us or that meet any required specifications; however, we may require you to buy or use certain computer systems in the future provided that such systems are available on commercially reasonable terms.

Website

We may require you to operate a website for your franchise within a website system we develop and to discontinue all outside websites. Currently, we require you to maintain a website for your franchise which is interconnected with our website (www.USLD3.com) and the other clubs in the League. You may not establish a separate website without our prior written approval. You are responsible for maintaining and paying for your website. All websites related to your Club must comply with all requirements and guidelines that we may establish from time to time and must prominently display the logo(s) of the USL or its sponsors in such location(s) as we may prescribe, in our Manuals or otherwise. You may not promote your Club or use the USL Marks in any fashion on any social and/or networking websites, including, but not limited to, Facebook, LinkedIn and Twitter, without our prior written consent and compliance with our social media policy, a copy of which is included in our Manuals.

Broadcast

The League owns all broadcast rights of league matches, to include regional and digital broadcasts.

Training

We do not offer a formal training program for franchisees. However, mandatory continuing education sessions and workshops are provided to all franchisees at the Annual General Meeting and at other times throughout the year in our discretion. We may require all franchisees to attend and we may choose where these sessions are located. In years past, continuing education sessions and workshops have included the following topics: ticket sales, sponsorship sales, best practices, Club operations, game-day operations, player registration, venue management, insurance, mitigating risk to your organization, reporting, expanding in your community, fan experience management, venue enhancement ideas, video and game tape analysis, social media, and getting fans to the game. This is not an exhaustive list of the seminars provided, and we reserve the right to arrange for seminars that we reasonably believe are in the best interests of the System or the League from time to time.

We will not provide training or offer guidance with respect to your compliance with any laws, ordinances or other legal matters. The cost of training (instruction and required materials) will generally be borne by us, except that if you request assistance from us in addition to what we offer (and we agree to provide such assistance), you will pay to us per diem charges and our out of pocket expenses in providing such additional assistance. All other expenses in connection with training (including, without limitation, the costs of: transportation; lodging; meals; wages; and worker's compensation insurance) shall be borne by you. All training programs shall be at such times as may be designated by us. These training programs shall be provided at our headquarters in Tampa, Florida or another location we may designate. Additionally, we reserve the right to conduct the training online or via pre-recorded webinar.

ITEM 12 – TERRITORY

Protected Territory

You will host your Club's home games from a specific stadium, which stadium must be approved by us and comply with the standards set forth in your agreement and the Manuals. The stadium will be known as your "Home Stadium" and will be designated in your franchise agreement.

In connection with your purchase of the Club, we will grant to you a "protected territory." Your protected territory will surround your home stadium. We will negotiate with you and agree upon your protected territory, and your protected territory will be depicted in the franchise agreement.

You will operate your Club only in your protected territory, except as necessary to participate in away matches and as we may otherwise permit. This includes all marketing, tryouts, training, soccer camps and clinics you conduct in connection with the operation of your Club. We will not modify your territory without your consent and we will not permit another team in the League or in any other men's professional soccer league operated by us, our Parent, or our affiliates to have its home stadium in your protected territory. Any disputes regarding territory between teams will be decided by us.

Rights We Reserve

You will not receive an exclusive territory. You may face competition from other franchisees, from teams we may own, or from other Leagues that we control. However, we will not establish or operate, or grant to any other person the right to establish or operate any men's professional soccer team with its home stadium within your protected territory.

All rights not expressly granted to you are expressly reserved to us, including:

(a) that we may solicit or accept orders for products inside your territory without compensation to you;

(b) that we may own, acquire, establish and/or operate and license and/or franchise the right to others to establish and operate teams at any location outside of your protected territory, except that in no event will we own, acquire, establish and/or operate or license and/or franchise the right to others to establish and operate a franchise in the same League with its home stadium in your protected territory if you own and operate a franchise in that territory;

(c) that, so long as we abide by certain rights we grant to you that are described below, we may own, acquire, establish and/or operate and license and/or franchise the right to others to establish and operate teams at any location inside your protected territory that do not participate in the League in which your Club participates (for example, we could offer for sale a PDL franchise to be located in your protected territory).

(d) that we may own, acquire, establish and/or operate and license and/or franchise the right to others to establish and operate, businesses under our trademarks that are not engaged in creating, administering and operating soccer leagues, at any location within or outside your protected territory;

(e) that we may sell and distribute, directly or indirectly, or license and/or franchise the right to others to sell and to distribute, directly or indirectly, any products through outlets that are primarily retail in nature, or through mail order, toll free numbers, or the Internet, including those products bearing our trademarks, at or from any location within or outside of your protected territory; and

(f) that we own any and all broadcast rights related to League matches, including those involving your Club, as described in Item 11 above.

Relocation

You may not relocate your Club from your home stadium without our consent. If you desire to relocate, you must submit a written request, together with a site approval package. We may approve or reject your request in our sole discretion and may require that you satisfy any of the following conditions for approval: (1) you not be in default under any provision of your franchise agreement or any other agreement with us or our affiliates; (2) the new location meets our then-current standards and is located within the Protected Territory; (3) the lease (if applicable) for the proposed substitute location complies with our then-current lease requirements and is approved by us; (4) you possess the financial resources to meet the costs associated with relocating; and (5) you enter into our then-current form of franchise agreement. If you are permitted to relocate outside of your protected territory, you must pay a relocation fee to us equal to ten percent (10%) of the published expansion fee in the League at that time.

ITEM 13 – TRADEMARKS

League Marks

Under your franchise agreement, we grant you the non-exclusive right to use certain of our trademarks (the "League Marks") in connection with your Club's administration, marketing, promotion and operations, in accordance with rules set forth in the Manuals. Because we are establishing a new league, the specific name and design mark to be used is still in the development phase, although the official marks are scheduled to be released in August of 2018.

Please be advised that we do not have a federal registration for the League Marks. Therefore, the League Marks do not have as many legal benefits and rights as federally registered trademarks. If our right to use the League Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We do not have an obligation to protect your right to use the League Marks; neither do we have any obligation to protect you against claims of infringement or unfair competition arising out of your use of the League Marks. We are not required 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 the League Marks.

You use of the League Marks shall be in accordance with guidelines we may issue from time to time in the Manuals or otherwise in writing. We may require you to submit all proposed uses of the League Marks to us in advance for approval, which may not be unreasonably withheld. You may not use the League Marks or your Club Marks in combination with the marks or logos of other teams in the System except for promotional purposes. You may not pledge or encumber your Club Marks or the right to use the League Marks. You may not use the League Marks as part of your corporate or other legal name, or as part of any e-mail address, domain name, or other identification of you in any electronic medium.

You must modify or discontinue the use of a League Mark and adopt or use additional or substituted League Marks (after a reasonable amount of time), if we instruct you to do so. If this happens, you are responsible for your tangible costs of compliance (i.e. changing signs) and we do not have to reimburse you for any loss of revenue due to any modified or discontinued League Mark, or for your expenses of promoting a modified or substitute League Mark. We may also develop or acquire additional League Marks and make them available for your use.

You must promptly notify us of any actual or potential infringement, counterfeiting, or other unauthorized use of the League Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the League Marks and the right, but not the obligation, to take action against uses by others that may constitute infringement of the League Marks.

We do not know of any superior rights or infringing uses that could materially affect your use of the League Marks. There are no currently effective determinations of the USPTO, Trademark Trial and Appeal Board, the Trademark Administrator of any state, or any court; nor is there any pending infringement, opposition or cancellation proceedings, or material litigation, involving the League Marks listed above. There are no currently effective agreements that significantly limit our right to use or license the League Marks listed above in a manner material to the franchise.

Club Marks

You shall identify your Club by such name, logos, characters, trademarks, trade names and other identifying words or symbols as you select, subject to our approval, which we may withhold in our discretion ("Club Marks"). We have the right to approve any changes to your Club Marks. Your Club Marks must comply with any reasonable guidelines we establish from time to time. You shall apply for and diligently pursue the registration of all Club Marks in the country in which your protected territory is located at your sole cost and expense, and you may be required to hire a trademark attorney of our choosing to do so. If you fail to register your Club Marks, we may apply to register the Club Marks on your behalf and deduct any costs associated with such application from your Letter of Credit.

In your franchise agreement, you will grant to us and each of our sponsors a non-transferable, non-exclusive right and license to use all Club Marks in our System-related activities, advertising, broadcasts, merchandise and other materials without charge and the right to sub-license the foregoing rights and licenses. You will

also grant to each other franchisee that owns a franchise that participates in the same League as your Club the right to use the Club Marks in connection with game tickets and programs produced by such franchisee with respect to matches with your Club as well as in connection with promoting your matches.

ITEM 14 – PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

You do not receive the right to use an item covered by a patent or registered copyright, but you can use the proprietary information contained in the League's Manuals. Although we have not filed an application for a copyright or registration for the Manuals, we claim a copyright and the information contained in the Manuals is confidential and proprietary to us.

You may use any proprietary information we communicate to you only in connection with the operation of your Club during the term of your franchise agreement, including any confidential information, knowledge or know-how concerning our franchise System, the League and the marketing, management and operation of your Club and the content of our Manuals, and agree not to communicate, divulge or use for the benefit of any other person or entity any such proprietary information. You may divulge our proprietary information only to your employees that must have access to it in order to operate your Club. You must maintain the confidentiality of our proprietary information throughout the term of your franchise agreement and for two (2) years after the expiration or termination of that agreement for any reason. If any of our proprietary information is a trade secret under applicable law, you must maintain the confidentiality of that information for so long as it remains a trade secret.

We claim the exclusive copyright to the broadcasts of all matches played by your Club.

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

Unless we consent in writing, you must retain and exercise direct management control over the business and operations relating to your Club, and you may not enter into any management agreement or other similar arrangement. If we consent to a management agreement we may at our option revoke such consent upon delivery of written notice to you. A representative of your franchise must attend up to two mandatory owners' meetings each year at your cost and expense. Additionally, you must employ a minimum number and type of personnel, including a President, Head Coach, Assistant Coach, Director of Marketing, Director of Ticket Sales, Director of Corporate Sales, Director of Operations, Director of Communications/Media Relations, Director of Promotions/Community Relations, four (4) Ticket Sales Account Executives, a trainer, clerical staff, and such other staff as may be required by the Manuals, as they may be amended from time to time. There are no limitations on whom you may hire as employees and there are no training programs other than referenced in Item 11.

All of your direct and indirect owners of greater than 5% are required to execute a guaranty, indemnification and acknowledgment of the franchisee's obligations under the franchise agreement in the form provided in Schedule 7 of the franchise agreement. Such individuals are also subject to those restrictive covenants listed in Section 4.22 of your franchise agreement. An owner's spouse is not subject to the covenants or required to execute a guaranty (unless he/she is also an owner). You are also required to meet United States Soccer Federation standards, as they relate to franchises and their owners. USSF may change these standards without notice or approval from us, but the standards currently contain requirements relating, in part, to: ownership make-up; ownership net worth; stadium seating capacity requirements; financial reporting; field dimensions; field surfaces; and personnel.

ITEM 16 – RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL

You must conduct your Club as required by the Manuals and your franchise agreement.

Advertising/Sponsorship Inventory. For certain core sponsorship/advertising inventory (e.g., in-stadium signage, public address announcements, game walk-out), 90% of the inventory is reserved to you and 10% is reserved to us. With respect to inventory appearing or overlaid on the broadcast (including commercial spots), such inventory is shared between you and us and the terms of such arrangement are set forth more fully in the franchise agreement. From time to time, we may require that you exchange certain inventory with us, provided that the inventory exchanged is of a reasonably equivalent value. You may be required not to sell certain inventory that we've retained or to make you existing sponsorship or advertising agreements subject to our rights to sell certain inventory.

Consumer Products. You may be required to purchase (including for sale to the general public) from certain sources designated by us from time to time, provided that such goods are available on commercially reasonable terms (as compared to other teams in the League for similar products). You may sell consumer products within your home stadium and any store primarily identified as relating to the team, although the right to sell consumer products through the internet is reserved exclusively to us. In the event products are sold bearing your logo, 80% of the net revenues therefrom will be distributed back to you.

ITEM 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Franchise Disclosure Document.

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	Section 2.1; Schedule 3.	10 seasons.
b.	Renewal or extension	Section 2.2; Schedule 3.	An additional 10 seasons, provided you meet certain requirements, then in accordance with our then-current form of franchise agreement.
c.	Requirements for franchisee to renew or extend	Section 2.2	You must give us written notice of your intent to renew prior to the first official game of the penultimate Season. Furthermore, you must: not be in default of or owe any money under your franchise agreement or any agreement with us, our affiliates, or approved suppliers; execute the then-current form of franchise agreement (which may have materially different terms and conditions than your current franchise agreement); execute a general release in our favor; evidence of right to return to your home stadium for the renewal term; satisfy our then-current standards for financial responsibility; renew your Letter of Credit for the renewal term; and pay a renewal fee.

	Provision	Section in Franchise Agreement	Summary
d.	Termination by franchisor without cause	Section 12.3	Upon written notice, we may terminate your franchise and all franchises in the League (i) if the League is not sanctioned by USSF for the 2019 or 2020 seasons or (ii) at any point thereafter, if the League ceases to be recognized by USSF or if we incur substantial and continuing losses, as determined in our reasonable discretion, which render the economic viability of the league unsustainable) .
e.	Termination by franchisor with cause	Sections 12.1	We may terminate your franchise for cause if certain events (described in (f) and (g) below) occur, or if you fail to meet certain minimum performance standards. In some cases, you will have the opportunity to cure the default.
f.	"Cause" defined – curable defaults	Section 12.1.1; Definitions	You fail to pay fees or other amounts to us or our affiliates when due; you fail to pay other amounts that are due to suppliers or otherwise due under your franchise agreement; you fail to comply with your franchise agreement or any other agreement with us or our affiliates; you fail to maintain any required insurance coverage; you transfer or attempt to transfer an equity interest in violation of your franchise agreement; you fail to pay taxes when due; you fail to meet minimum performance requirements in two sets of two consecutive fiscal years and you are unable to secure a purchaser for your franchise; or you consistently fail to comply with league rules.
g.	"Cause" defined – non-curable defaults	Sections 12.1.2; Definitions	You or any of your 5% Owners admit to inability to pay debts when due; make a general assignment for the benefit of creditors; authorize, commence, or consent to certain actions under the bankruptcy laws; have a similar action taken against you; or have an attachment remain on assets for at least thirty (30) days. You or any of your 5% Owners fail to take certain actions in regard to an adverse final judgment. You fail to secure adequate rights to play in a home stadium by certain deadlines. You

	Provision	Section in Franchise Agreement	Summary
			knowingly submit false information to us or maintain false books and records. You fail to provide and maintain the Letter of Credit. You cease to operate the team or fail to present the team for a scheduled match. You do not intend to continue operating in the League. You fail to comply with applicable laws. You or any of your 5% Owners have your assets blocked under laws relating to terrorist activities. You conduct a practice or game without workers compensation insurance. You intentionally divulge classified information. You commit three or more material defaults, regardless of whether such defaults have been cured. You make material misrepresentations in connection with obtaining the franchise.
h.	Franchisee's obligations on termination/non-renewal	Sections 4.22, 4.23, 11, 12.5, 12.6, 12.7, 12.8, 12.9, 12.10, 12.11, 13, 14.1, and 14.2	Upon termination or expiration, you have a number of obligations including without limitation that you must immediately cease to operate your Club; discontinue any use of League Marks; USL trademarks after termination; pay all sums owed to us or our affiliates; return all proprietary information, including the Manuals; cease use of your telephone number; assign your Club's trademarks to the League; and comply with the non-competition covenants listed in (p). Additionally, if your franchise agreement is terminated for cause, we may require you to assign your franchise's assets to us. If you or any of your 5%Owners acquires a Major League Soccer ("MLS") team with the right to operate in your protected territory during the term of your franchise agreement or for a period of two years thereafter, you shall pay us a fee of seven (7%) of the expansion, acquisition, or relocation fee paid or payable for the MLS team, in addition to such participation fees as would have been due through the end of your term. Upon payment of this fee, you and your 5% Owners will be

	Provision	Section in Franchise Agreement	Summary
			released from the non-competition covenants listed in (p).
i.	Assignment of contract by franchisor	Section 10.3	We may freely assign the franchise agreement provided that we also assign our rights in all similar agreements with other teams in the League.
j.	"Transfer" by franchisee – defined	Definitions; Section 10	Any sale, issuance, transfer, assignment, pledge, or encumbrances of rights under your franchise agreement or rights in the Club.
k.	Franchisor approval of transfer by franchisee	Section 10.1 and 10.2	You may not transfer your rights under the franchise agreement or your rights in the Club without our approval. We will approve transfers to wholly owned affiliates, family members, and upon death in accordance with a will, provided that the transfer does not result in a change of control or violation of our rules or standards, and further provided that you give us notice and go through our standard transfer procedure.
l.	Conditions for franchisor approval of transfer	Sections 10.1 and 10.2	The Transfer is of the type described in (k) or the following conditions are met: Transferee has necessary business experience, aptitude, and financial resources, and satisfies our then-current standards for new franchisees; all outstanding obligations have been paid/satisfied; you and your owners have executed a general release of us and our affiliates; transferee has executed our then-current form of franchise agreement; transferee has completed our application form and received our then-current disclosure document; payment of a transfer fee equal to 10% of the then-current expansion fee; transferee has received all financials related to the Club; and we have received copies of all transfer documents.
m.	Franchisor's right of first refusal to acquire franchisee's business	N/A	N/A
n.	Franchisor's option to purchase franchisee's business	Section 12.5, 12.6, 12.7, and 12.9	If you cease to operate the Club or if we terminate your agreement for cause during a season or after the date the schedule for the season has been made

	Provision	Section in Franchise Agreement	Summary
			public, we may take any action necessary to continue operating the Club through the relevant season. In such event, upon our request, you shall assign your rights in the Club's assets to us at no cost. Additionally, in such event, you shall indemnify us for any losses incurred in our operation of the team.
o.	Death or disability of franchisee	Section 10.2	In the event of your death or that of a 5% Owner, we will consider the transfer in accordance with (k), provided that the interest is transfer to a family member and takes place within one year of the death in accordance with a valid will or the laws of intestacy.
p.	Non-competition covenants during the term of the franchise	Section 4.22	During the term and for a period of two years thereafter, you or any of your 5% Owners may not: (1) solicit, divert, or attempt to divert the Club, any other team in the League, or any other team in another league operated by our affiliates to join another rival soccer league, including the North American Soccer League (NASL), the National Premier Soccer League (NPSL), and the Professional Arena Soccer League (PASL) (a "Rival Soccer League"); (2) induce or attempt to induce any of our, our affiliates', or our teams' suppliers, vendors or landlords to cease doing business with us or perform any act injurious or prejudicial to us, our affiliates, or our teams; (3) employee or seek to employ any person employed by us or other teams in the League; (4) transfer your Club's intellectual property to a third party for use in a Rival Soccer League; (5) have any interest in a team in a Rival Soccer League (including a management interest), (5) transfer your Club's interest in the stadium where it plays home matches to a team in a Rival Soccer League.
q.	Non-competition covenants after the franchise is terminated or expires	Section 4.22 and 12.5	The covenants described in (p) shall continue for two (2) years following the expiration or termination of your franchise agreement or any transfer, except that the restriction on

	Provision	Section in Franchise Agreement	Summary
			participating in another soccer league (even if participating in a rival league) shall not apply if your franchise agreement is terminated by you as described in d. above or by us as described in e. above. This provision may not be enforceable under applicable state law..
r.	Modification of the agreement	Sections 3.3, 14.12	No modifications unless: (i) superseded by League Rules agreed upon by the Board of Governors or (ii) agreed to by both parties in writing. However, USL Manuals are subject to change by us and we may develop additional rules or procedures for the operation of your Club and the League.
s.	Integration/merger clause	Section 14.12	Only the terms of the franchise agreement are binding (subject to state law). Any representations and promises outside of the franchise agreement and this disclosure document may not be enforceable.
t.	Dispute resolution by arbitration or mediation	Section 13	Except for trademark disputes and requests for specific performance, temporary restraining orders and temporary or preliminary injunctive relief, all disputes must be arbitrated before the American Arbitration Association or such other arbitration tribunal as we may decide.
u.	Choice of forum	Section 13.2	All arbitration and litigation shall take place in Tampa, Florida. This may be subject to applicable state law.
v.	Choice of law	Section 13.1	Your franchise agreement is governed by Florida law. This may be subject to applicable state law.

If this Franchise Disclosure Document is issued in connection with the offer and sale of franchises in the State of California, please see Exhibit G-1, which contains additional disclosures for Item 17.

ITEM 18 – PUBLIC FIGURES

We do not use any public figure to promote the System. However, there is no prohibition on your use of public figures to endorse or recommend your Club or on our future use of public figures to endorse the System or the League.

ITEM 19 – FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any 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 Garrison Mason, General Counsel, 1715 N. Westshore Blvd. Suite 825 Tampa, FL 33607, (813) 514-1767, the FTC, and the appropriate state regulatory agencies.

ITEM 20 – OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
League Outlet Summary
For Years 2015 to 2017

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the end of the Year	Net Change
Franchised	2015	0	0	0
	2016	0	0	0
	2017	0	0	0
Company-Owned	2015	0	0	0
	2016	0	0	0
	2017	0	0	0
Total Outlets	2015	0	0	0
	2016	0	0	0
	2017	0	0	0

Table No. 2
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2015 to 2017

None / Not applicable.

Table No. 3
Status of Franchised Outlets
For Years 2015 to 2017

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Total	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0

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

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold To Franchisees	Column 8 Outlets at End of the Year
Total	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31, 2017

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In the Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Current Fiscal Year
Alabama	0	1	0
Arizona	0	1	0
California	0	5	0
Colorado	0	0	0
Florida	0	1	0
Georgia	0	1	0
Idaho	0	0	0
Illinois	0	0	0
Indiana	0	0	0
Kentucky	0	0	0
Maryland	0	0	0
Michigan	0	1	0
Minnesota	0	0	0
Mississippi	0	0	0
Nebraska	0	0	0
New Jersey	0	0	0
New Mexico	0	0	0
New York	0	0	0
North Carolina	0	2	0
Ohio	0	1	0
Oklahoma	0	0	0
Oregon	0	0	0
South Carolina	0	1	0
Tennessee	0	0	0
Texas	0	0	0
Virginia	0	0	0
Wisconsin	0	1	0
Total	0	15	0

Exhibit D lists the name, addess, and telephone number of all current franchisees for each of their outlets as of December 31, 2017.

Exhibit E lists the name, city, state and current business telephone number (or if unknown, the last known

home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business during the most recently completed fiscal year or who has not communicated with us within 10 weeks of December 31, 2017. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise System.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise System.

ITEM 21 – FINANCIAL STATEMENTS

Our Parent's audited financial statements for the periods (i) January 1, 2015 to December 31, 2015, (ii) January 1, 2016 to December 31, 2016; and (ii) January 1, 2017 to December 31, 2017 are attached as Exhibit F-1 to this Franchise Disclosure Document. Our Parent has signed a guaranty in which it absolutely and unconditionally guarantees to assume our obligations to you under the Franchise Agreement. A copy of such guaranty is attached as Exhibit F-2.

ITEM 22 – CONTRACTS

A copy of the Franchise Agreement is attached to this Franchise Disclosure Document as Exhibit A. A copy of the guaranty to be executed by your owners is attached to the Franchise Agreement as Schedule 7. A copy of the lease addendum to be executed by you and your landlord is available upon request. Please refer to state specific amendments to the Franchise Agreement in Schedule 10 of the Franchise Agreement for any additional agreements that apply in your state.

ITEM 23 – RECEIPTS

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

EXHIBIT A –FRANCHISE AGREEMENT

[See attachment]

FRANCHISE AGREEMENT

This Franchise Agreement (this "Agreement") is made effective as of the date included in Schedule 3 (the "Effective Date"), by and between USL Pro-2, LLC a Florida limited liability company, having its principal place of business at 1715 N. Westshore Blvd. Suite 825 Tampa, FL 33607 (the "League Office") and the Person identified on Schedule 2 hereto (the "Team Operator"). The League Office and the Team Operator are each a "Party" and collectively the "Parties" herein.

I. GRANT OF RIGHTS

The League Office grants to the Team Operator the right, and the Team Operator hereby undertakes the obligation, upon the terms and conditions set forth in this Agreement, including the definitions set forth in Schedule 1 attached hereto (all of which are incorporated herein by reference), to operate the Team throughout the Term.

II. TERM; RENEWAL; EXPIRATION

2.1. Term. This Agreement shall be effective as of the Effective Date and, except as otherwise provided herein, this Agreement shall expire effective immediately following the conclusion of the Final Season, as set forth in Schedule 3 (the "Term").

2.2. Renewal Term. The Team Operator may continue its operation of the Team for the renewal term set forth in Schedule 3 (the "Renewal Term") solely by meeting the following requirements:

2.2.1. The Team Operator executes a New Agreement prior to the commencement of the third-to-last Season of the Term (the "Renewal Date");

2.2.2. As of the Renewal Date, the Team Operator is not in material default under any provision of this Agreement or any other agreement between the Team Operator and the League Office Entities or the approved Providers of the League and has complied in all material respects with the terms and conditions of such agreements throughout the terms thereof;

2.2.3. On or before the Renewal Date, the Team Operator executes a general release, in a form prescribed by the League Office, of any and all claims against the League Office Entities and their respective Personnel;

2.2.4. As of the Renewal Date, the Team Operator either: (a) remains in possession of or retains the right to use the Home Stadium and agrees (regardless of cost) to renovate, remodel, or expand the Home Stadium and otherwise modify the Home Stadium as required to comply with standards then applicable for new teams in the League; or (b) secures a substitute site that the League Office has approved and the Team Operator constructs or renovates a stadium at that site according to standards then applicable for new teams in the League;

2.2.5. On or before the Renewal Date, the Team Operator pays to the League Office the renewal fee set forth in Schedule 4 (the "Renewal Fee"); and

2.2.6. On or before the Renewal Date, the Team Operator and the Principal Owner present evidence reasonably satisfactory to the League Office that it satisfies the League Office's standards of financial responsibility and has sufficient financial resources and means to continue to operate the Team during the Renewal Term.

2.3. Expiration. Any Renewal Term shall be conditioned upon the satisfaction of the conditions set forth in Section 2.2 above. If the Team Operator fails to meet any of the conditions set forth therein, the rights granted to the Team Operator hereunder shall automatically expire at the end of the Term.

III. RIGHTS AND OBLIGATIONS OF THE LEAGUE OFFICE

3.1. Reservation of Rights. The League Office shall retain all rights not expressly granted to the Team Operator under this Agreement.

3.2. Game Schedule. The League Office will establish and coordinate regular season and post-season game schedules for the League. Neither the Team Operator nor the Principal Owner may promote or participate in any Match unless such Match is approved by the League Office. During the course of any season, the Team Operator shall ensure that there are no more than three weekends (Friday, Saturday and Sunday) on which Home Matches may not be scheduled (black-out dates) at the Home Stadium.

3.3. League Rules.

3.3.1. The Team Operator acknowledges the importance of operating the Team in accordance with League Rules and agrees to comply therewith. The Team Operator further acknowledges that such League Rules may relate to League Activities and Team Activities including, without limitation, to:

(a) the operation and coordination of the League competition, including matters relating to: player registration and eligibility; referees; game cancellations and makeups; playoff and championship structure and eligibility; and score keeping;

(b) the presentation of Home Matches, including the appearance and presentation of: (i) the Broadcasts and related programming in all forms of media; (ii) the Field of Play; and (c) any products, equipment, apparel, or other items used, displayed, advertised or promoted on (i) or (ii).

(c) the allocation of specific Core Commercial Inventory, provided such League Rules are consistent with Section 6.3.3.

(d) the dimensions, appearance, surface, and quality standards of the playing field and any equipment used thereon at the Home Stadium;

(e) the use of the Team Marks, League Marks and Competition Marks in all mediums, the management and protection thereof, and the activities related thereto;

(f) the (i) types, models, or brands and (ii) minimum and required standards and specifications for facilities, services, goods, supplies, and equipment that the Team Operator may use or sell;

(g) the obligations imposed on the Team Operator by any League Commercial Affiliations; Licensing Arrangements; Broadcast agreements; or arrangements with approved Providers of the League.

(h) the obligations imposed on the Team Operator with respect to the

hosting, promotion, and operation of the League's championship Match;

(i) the designation of League Matches as Featured Games, provided that the Team may only be included in three regular season Featured Games in any given Season;

(j) the manner in which the Team Operator may promote or otherwise affiliate with other soccer teams (whether youth, amateur, or professional);

(k) the implementation of security protocols and procedures relating to the health, safety, or protection of (i) the Team and (ii) attendees of the Home Stadium for Team-related events;

(l) standards and specifications with respect to the creation, maintenance, design, functionality and content of the Team Site and Team Digital Platforms, including links to the websites of third parties, legal notices, policies, and terms of usage;

(m) the delivery of the Team Lists to the League Office, the use, management and protection thereof, and the activities related thereto;

(n) the conduct (or misconduct) of players and coaching staff (both on-field and off-field);

(o) the solicitation of players and coaching staff employed by other teams in the League;

(p) the signing and Transfer of players, specifically including the form of player contracts and player Transfer contracts that must be used by the Team Operator, as well as the recruitment of players and coaches from other teams in the League;

(q) workers compensation, general liability, and other insurance requirements related to Team Activities;

(r) the Persons who may become Equity Owners of the Team Operator;

(s) the minimum requirements for stadiums in the League, including minimum requirements for: seating capacity; lighting; locker rooms; press boxes; storage; internet; broadcast capabilities; field surface; field dimensions; and security;

(t) the reporting requirements relating to the Team and Team Operator; and

(u) the establishment, implementation and enforcement of such League Rules.

3.3.2. The Team Operator acknowledges and agrees that the League Office may create, change or modify League Rules as the League Office reasonably deems appropriate and, upon reasonable advance notice, the Team Operator shall implement, accept, and otherwise comply with such revised League Rules at the Team Operator's sole cost and expense. Notwithstanding the foregoing, complete and detailed uniformity might not be possible or practical, and the League Office specifically reserves the right and privilege, as the League Office deems best, to allow for variations or accommodations for any team or team operator based upon the peculiarities of any condition or factors that the League Office considers important to the successful operation of the League or that team or team operator. The Team

Operator has no right to require the League Office to grant the Team Operator a similar variation or accommodation.

3.4. Territory. During the Term, the League Office Entities shall not establish, operate, or grant to any other team operator the right to establish or operate a team in a men's outdoor professional soccer league whose home stadium is in the geographic area included in Schedule 3 (the "Protected Territory"). Except as reasonably required to participate in away Matches, all Team Activities shall occur solely within the Protected Territory.

3.5. Training. The League Office shall offer training to the Team Operator for such time and on such topics as the League Office may deem reasonable or necessary in its sole discretion ("Team Operator Training"). The League Office may require the attendance of specific Personnel at Team Operator Training, and Team Operator Training may be offered at such locations as the League Office may designate. Notwithstanding the foregoing, the Team Operator acknowledges that the League Office shall not be responsible for training or offering guidance with respect to Team Operator's compliance with any Laws or other legal matters.

3.6. Collective Bargaining. At the request of the League Office, the Team Operator shall appoint the League Office as its exclusive representative with respect to Collective Bargaining Activities; provided that (i) the League Office shall act as the agent of the League in any negotiations relating to the foregoing and shall not represent or hold itself out as acting on its own behalf; and (ii) the League Office shall not enter into agreements related to the foregoing without the prior approval of the Board of Governors. The League Office shall promptly provide the Team Operator with such details as the Team Operator may from time to time reasonably request in connection with the League Office's activities hereunder. The costs incurred by League Office Entities related to such Collective Bargaining Activities shall be allocated such that the amount payable by the League Office is twice the average amount payable by an individual team operator.

3.7. Sanctioning.

3.7.1. The League Office shall use commercially reasonable efforts to ensure that the League is sanctioned as a professional league by USSF throughout the Term. Accordingly, one or more Governing Bodies may govern, sanction and/or oversee the League from time to time. The Team Operator expressly acknowledges that any such Governing Body may simultaneously sanction one or more leagues and/or Rival Leagues and/or change or revoke the status or designation conveyed by such Governing Body to or affiliation with the League, without the prior consent of the League Office.

3.7.2. The League Office does not warrant and makes no guarantee whatsoever that present or future designations conveyed upon the League by a Governing Body (including any divisional sanctioning by USSF) will remain the same throughout the Term, and the Team Operator expressly acknowledges that it is not purchasing this Team in reliance upon or anticipation of the sanctioning of the League by any Governing Body, any specific League designation associated therewith, or the maintenance of such sanctioning or designation throughout the Term. Except for the exclusive remedies set forth in Section 12.4, the Parties agree that the League Office shall have no liability to the Team Operator based upon the League's sanctioning or designation (or lack thereof) by any Governing Body.

IV. RIGHTS AND OBLIGATIONS OF TEAM OPERATOR

4.1. Home Stadium.

4.1.1. Subject to Section 4.2.4, all Home Matches must be played at the Home Stadium.

Hosting Home Matches at any site other than the Home Stadium, whether within or outside of the Protected Territory, shall require the written advanced approval of the League Office, to be granted or withheld in the League Office's sole discretion.

4.1.2. The Team Operator hereby acknowledges and agrees that approval by the League Office of the Home Stadium or the Stadium Lease (or any subsequent home stadium or stadium lease) does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the Home Stadium or the Stadium Lease for any purpose. With respect to any prospective relocation from the Home Stadium, the League Office shall provide the Team Operator with such assistance as the League Office determines in its sole discretion.

4.2. No Relocation. The Team Operator shall not relocate to a new or substitute home stadium without the prior written approval of the League Office. If the Team Operator desires to relocate the Team, the following terms and conditions shall apply:

4.2.1. Without the prior written consent of the League Office, the Team Operator shall not, and shall not authorize or permit any of its Affiliates or any of its or their Representatives to, directly or indirectly: (i) solicit, initiate, encourage, facilitate or continue inquiries regarding a Relocation Proposal to a new market; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Relocation Proposal to a new market; or (iii) enter into any agreements or other instruments (whether or not binding) regarding a Relocation Proposal, regardless of whether the relocation is outside the Protected Territory.

4.2.2. Upon receiving consent in accordance with Section 4.2.1 above, the Team Operator shall submit such materials and information as the League Office may reasonably request for the evaluation of the Relocation Proposal. The League Office may, in its sole discretion, approve or reject the requested Relocation Proposal and may condition its approval on the satisfaction of certain conditions, including without limitation: (a) the Team Operator is not in material default under any provision of this Agreement, or any other agreement between the Team Operator and the League Office or their respective Affiliates; (b) the proposed substitute location meets the League Office then-current standards for the System; (c) the Stadium Lease (if applicable) for the proposed substitute location complies with the League Office's then-current Stadium Lease requirements (which shall include the requirement that the Stadium Lease contain certain terms and conditions, which may be different than, or in addition to, those terms the League Office required as of the Effective Date with respect to the Home Stadium); (d) the Team Operator obtains the League Office's approval of the proposed Stadium Lease; and (e) the Team Operator possesses the financial resources to meet the costs associated with relocating, as determined in the League Office's sole discretion. For clarification, the above list of options is non-exhaustive and not intended to limit the League Office's discretion to approve or reject a Relocation Proposal.

4.2.3. In the event that the Relocation Proposal contemplates the relocation of the Team outside of the Protected Territory to a new market (the "New Market"), the League Office may reject a Relocation Proposal to the New Market consistent with its discretion, as described in Section 4.2.2, or it may condition any such approval upon the satisfaction of the following additional conditions: (a) the Team Operator enters into a New Agreement; (b) if the League Office has paid any consultants, vendors, or other third parties in connection with an evaluation of the New Market, the reimbursement of such costs; and (c) the Team Operator pays the relocation fee set forth in Schedule 4 (the "Relocation Fee").

4.2.4. If, through no fault of the Team Operator, the Home Stadium is damaged or destroyed by an event such that repairs or reconstruction cannot be completed within sixty (60) days thereafter, then the Team Operator shall have forty-five (45) days after such event in which to apply for the League Office's approval to relocate (within the Protected Territory) and/or reconstruct the Home

Stadium, which approval shall not be unreasonably withheld, conditioned or delayed.

4.3. Operation Within Protected Territory. Except as otherwise expressly set forth herein and as necessary to participate in away games, the Team Operator shall conduct Team Activities only inside the Protected Territory. Without the prior written consent of the League Office, the Team Operator shall not enter into any agreement that is inconsistent with the purpose of this Section 4.3. Any territorial dispute between the Team Operator and any other team operator shall be resolved by the League Office in good faith.

4.4. Adherence to Schedule. The Team Operator shall ensure the Team's attendance at all scheduled Matches, including in any competition required by a Governing Body. The Team Operator shall comply with all policies regarding cancellation, rescheduling of Matches and compensation to teams in the League affected by cancellations or no-shows.

4.5. Professional League Standards. The Team Operator shall strictly comply with the Professional League Standards. The Team Operator acknowledges that: (i) the Professional League Standards currently include rules and standards related, in part, to: ownership composition; Principal Owner net worth; stadium capacities; field dimensions; field standards and turf requirements; required personnel; and reporting obligations, although the requirements and standards may relate to additional areas in the future; and (ii) it has been provided with a copy of USSF's Professional League Standards in force as of the Effective Date.

4.6. Team Management. Unless the League Office consents in writing, the Team Operator and the Principal Owner must at all times retain and exercise direct management control over the business and operations relating to the Team. Without limitation of its rights in law or equity, the League Office has the full and absolute right to rely on any and all statements or communications by or from the Principal Owner, and the Team Operator shall hold harmless the League Office from any reliance thereon. The Team Operator may not enter into any management agreement or other similar arrangement with any Person for all or a part of the operation or business of the Team (a "Management Arrangement") without the prior written consent of the League Office. Even after the League Office's approval of a Management Arrangement, the League Office may at its option revoke that approval, and upon delivery of written notice to the Team Operator require the Team Operator to terminate the Management Arrangement.

4.7. Minimum Performance Standard. The Team Operator shall ensure that it meets the Minimum Performance Standard for each Fiscal Year. The Team Operator will be considered not to have met the Minimum Performance Standard if its (a) Local Revenues or (b) turnstile attendance at League Matches do not exceed half of the median Local Revenues or median turnstile attendance of the other team operators in the League (the "Minimum Performance Standard"). If the Minimum Performance Standard is not met for a period of two consecutive Fiscal Years, the Team Operator shall, by the end of the following Fiscal Year, create and present to the League Office a plan to meet the Minimum Performance Standard. Throughout the remainder of the Term, if the Team Operator does not meet the Minimum Performance Standard in any two consecutive Fiscal Years, the League Office may require the Team Operator to Transfer the rights granted under this Agreement to a third party acceptable to the League Office. The League Office shall send a default notice providing that the Team Operator shall have a period of ninety (90) days to secure a purchaser for the rights granted under this Agreement and a subsequent period of ninety (90) days to complete the sale. In the event the Team Operator does not secure a purchaser or complete the sale on such timeline, the League Office may terminate this Agreement pursuant to Section 12.1.2(q).

4.8. Letter of Credit.

4.8.1. From September 15 of the year preceding the Initial Season through the remainder of the Term, the Team Operator shall, at all times, have established a Letter of Credit in the amount of two hundred fifty thousand dollars ($250,000) or such greater amount as may be required by the League Office to comply with Professional League Standards, that secures the Team Operator's obligations hereunder and in the performance of Team Activities. To the extent the League Office draws upon the Letter of Credit as permitted hereunder, the Team Operator shall replenish the amount of such Letter of Credit to the requisite amount within thirty (30) days of notice of such draw.

4.8.2. In the event that (a) the Team Operator has three (3) or more payments to the League Office that are overdue in any twelve (12) month period; (b) the Team Operator has overdue payments that, at any given point during the Term, exceed ten thousand dollars ($10,000); or (c) the Team Operator otherwise materially breaches this Agreement, the League Office may increase the required amount of the Letter of Credit in its reasonable discretion.

4.8.3. To the extent the Team Operator fails to make any payment as and when due in accordance with Article V or any other provision of this Agreement or any other agreement between a League Office Entity and the Team Operator, the League Office may draw such amounts from the Letter of Credit, together with any late payment or other fees payable in connection with such delinquent amounts, provided that the Team Operator has not provided the League Office with reasonably sufficient evidence that it has paid such delinquent amounts in full within five (5) days of notice thereof.

4.9. Field Signage System. The Team Operator shall ensure that it has a system capable of displaying signage (e.g., soccer field boards) sufficient to surround, at minimum, the side of the field visible on camera during the Broadcasts.

4.10. Broadcast Production. The Team Operator must produce a live Broadcast of each of its Home Matches, which must be made available to the League Office in such manner and format as the League Office reasonably requires for dissemination by the League Office.

4.11. Sale of Tickets. The Team Operator shall provide for the sale of Home Tickets to each of its Home Matches. The Team Operator shall comply with any reasonable ticket policies set forth from time to time by the League Office, including with respect to the Team Operator's participation in any ticket distribution programs. At the League Office's request, the Team Operator shall provide the League Office a reasonable number of desirable Home Tickets without charge. The League Office shall request all Home Tickets at least 48 hours in advance of such game. Home Tickets provided to the League Office shall be used by League Office Entities for promotional purposes, for employees or guests, or for charitable purposes and shall not be sold to third parties.

4.12. Team Lists. The Team Operator hereby grants to the League Office an exclusive, perpetual, royalty free license to use the Team Lists solely in connection with League Activities and the Team Operator shall deliver or otherwise make available the Team Lists to the League Office as required by League Rules; provided that the League Office shall not license or otherwise Transfer the Team Lists unless within parameters established by the Board of Governors in accordance with Section 9.7 (by Majority Vote).

4.13. Team Site.

4.13.1. The League Office grants to the Team Operator the right to, and the Team Operator shall, operate and manage the Team Site in accordance with League Rules. The Team Operator shall ensure the continued registration of the Domain Name. Other than the Team Site, the Team Operator shall not authorize the creation or operation of any website relating to the Team.

4.13.2. The Team Operator shall pay all costs associated with the initial design and ongoing maintenance of the Team Site. If a re-design of the Team Site is required by the League Office, the League Office shall bear such costs, provided that if the Team chooses (and the League Office permits the Team) to deviate from any templates afforded by the League Office, the cost of such deviations shall be borne by the Team Operator. In the event that the Team Operator desires to redesign the Team Site, such costs shall be borne by the Team Operator.

4.14. Local Advertising. The Team Operator may conduct Local Advertising in accordance with League Rules, which may require prior approval of all advertising copy, and this Agreement. All Local Advertising shall not be misleading, shall be conducted in a dignified manner, and no Local Advertising shall negatively portray or adversely affect the public perception of or goodwill associated with the League, the League Office, or other teams in the League. Except as otherwise permitted by League Rules, the Team Operator shall not use the League Marks in its Local Advertising without the written consent of the League Office. Further, the Team Operator shall ensure that any photos, images, videos, or other forms of art or media used in its Local Advertising, on the Team Site, or in the Broadcasts are lawfully and properly used.

4.15. Players. The Team Operator's contracts with players shall be in the standard contract form for the League, which may be modified from time to time at the discretion of the League Office, and the status, rights and privileges of the players shall at all times be subject to League Rules.

4.16. Insurance and Worker's Compensation. The Team Operator shall obtain and pay for insurance through any group plans identified by the League Office, if any. The Team Operator shall maintain general liability insurance policies with the carrier(s) selected by the League Office, naming the League Office Entities as additional insureds on the face of each policy, and acknowledges that such insurance policies shall have no less than $1,000,000 per occurrence limits for bodily injury and property damage and $2,000,000 aggregate limits for each team. The Team Operator shall also maintain workers' compensation insurance in such amounts as the League Office may reasonably require or in such higher amounts as may be required by applicable Law. All insurance policies shall be timely renewed, and policies and certificates together with evidence of payment of premiums shall be delivered to the League Office at least thirty (30) days prior to the expiration of such policies by certified mail, hand delivery with written receipt, or overnight courier service with verification of receipt.

4.17. Inspections. Upon reasonable advance notice, the Team Operator shall permit the League Office and its Personnel to enter the Home Stadium and the Team Operator's principal place of business during normal business to inspect the Team Operator's operations and facilities. The Team Operator shall cooperate with representatives in such inspections by rendering such assistance as they may reasonably request and, upon notice from the League Office or its Personnel and without limiting other rights of the League Office under this Agreement, shall take such steps as may be necessary to promptly correct any deficiencies detected during any such inspection that constitute defaults hereunder or otherwise violate League Rules. The League Office agrees that no inspection hereunder shall unreasonably interfere with the business of the Team Operator or its Affiliates.

4.18. Personnel. Throughout the Term, the Team Operator shall employ or engage qualified individuals to perform the Team Operator's obligations under this Agreement, provided, however, that the Team Operator must have engaged individuals to handle the responsibilities of the following positions: general manager; director of marketing/sales; director of communications/media relations; director of promotions/community relations; director of game operations; head coach; assistant coach; trainer; ticketing manager; finance director; and at least four (4) ticket sales account executives. The League Office reserves the right to increase or lower these requirements in its reasonable discretion, provided it delivers to the Team Operator reasonable advanced notice of such change.

4.19. Permits; Licenses. The Team Operator shall comply in all material respects with applicable Laws and shall timely secure and maintain in force in its name all required licenses, permits, and certificates required for the lawful operation of the Team and otherwise relating to the conduct of its business pursuant to this Agreement, including licenses to do business, fictitious name registrations and sales tax permits. The Team Operator shall certify in writing to the League Office that all such permits and certifications have been obtained and provide copies to the League Office as requested and at its sole costs and expense.

4.20. Budget Review. The Team Operator agrees to prepare an annual budget and business and marketing plan and to submit an informational copy of such budget and plan to the League Office not less than 60 days before the beginning of each Fiscal Year, except as may be provided by the League Rules.

4.21. Books and Records.

4.21.1. The Team Operator shall (i) maintain full and accurate books of account and records on an accrual basis, using the categories and chart of accounts required by the League Office, to reflect the operations of the Team and the business of the Team Operator (collectively, "Books and Records"); (ii) adopt the Fiscal Year as its fiscal year, unless required to do otherwise under the Internal Revenue Code of 1986, as amended; (iii) no more than 20 days after the end of every month, provide to the League Office unaudited financial statements for the previous month; (iv) provide other periodic reports as requested by the League Office, all in accordance with the League Rules; and (v) not later than ninety (90) days after the end of the Fiscal Year, provide the League Office with one or more of the following as the League Office may request, certified by the Team Operator's chief financial or principal accounting officer to be true and correct: complete financial statements for the Fiscal Year (including a balance sheet, statement of operations and statement of cash flow) prepared in accordance with generally accepted accounting principles consistently applied; income tax returns for the Fiscal Year; and statements reflecting all sources and amounts of revenue generated during the Fiscal Year. Any knowingly or materially false certification shall be a material breach of this Agreement. The League Office may require the Team Operator to have audited financial statements prepared annually during the Term.

4.21.2. The Team Operator shall maintain throughout the Term and for not less than three (3) years following the termination or expiration of this Agreement, expiration or non-renewal of this Agreement, full, complete, and accurate books, records and accounts in accordance with GAAP and in the form and manner prescribed by the League Office from time to time in the Manuals or otherwise in writing.

4.22. Restrictive Covenants.

4.22.1. The Team Operator acknowledges that, pursuant to this Agreement, the Team Operator will receive valuable, specialized training and Confidential Information, including information regarding the operational, sales, promotional and marketing methods and techniques of the League Office. Subject to Section 14.1, the Team Operator and each of its Equity Owners of greater than five percent (5%) covenant that, during the Term and for a continuous uninterrupted period of two (2) years thereafter or, with respect to such an Equity Owner, two (2) years after such Equity Owner's relinquishment of any rights in the Team Operator, they shall not, either directly or indirectly, on behalf of, or in conjunction with any Person, except as set forth below or otherwise approved in writing by the League Office:

(a) Solicit, divert or attempt to divert any team in the League or any other men's professional soccer league operated by the League Office Entities to join a Rival League or in

concert or association with any such team or on its own accord organize, develop, plan for, conduct research, or engage consultants or other third parties, or otherwise take any steps whatsoever (including meeting with proposed participants) to start, develop, create, form, merge with, join or acquire (through any means) a Rival League;

(b) Induce or attempt to induce any Provider or landlord of the League Office Entities or teams in the League to cease doing business therewith; or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the League or the League Marks;

(c) Employ or seek to employ any person who is at that time employed by the League Office Entities or by any other team of the League, or otherwise encourage such person to leave his or her employment;

(d) License, assign, or otherwise Transfer the intellectual property of the Team (specifically including the Team Marks) to a third party for use in such third party's operation of a Rival League or a team participating in a Rival League;

(e) Own, maintain, operate, or have any interest in (as owner or otherwise) any Rival League or in any team that participates (or has agreed to participate) in a Rival League; provided, however that this Section 4.22.1(e) does not apply to the ownership or operation of any team participating in a league operated by League Office Entities, any youth soccer team, any women's professional soccer team or (subject to Section 4.23) ownership or other interest in any MLS Team; or

(f) Assign, license, sublease, or otherwise Transfer the Home Stadium or the right to use the Home Stadium to a third party whose purpose is to operate a team that participates in a Rival League.

4.22.2. If any court of competent jurisdiction determines that any of the covenants set forth in this Section 4.22 is excessive in duration or scope or is unreasonable or unenforceable, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by law.

4.23. Upward Movement. If the Team Operator or any Equity Owner or collection of Equity Owners holding five percent (5%) or more of the Equity Interests (as applicable, the "Acquiring Party") purchases or is otherwise Transferred a five percent (5%) or greater direct or indirect ownership interest in an MLS Team with its home stadium located or to be located within the Protected Territory, the Acquiring Party shall pay to the League Office the Upward Movement Fee. Upon the payment of the Upward Movement Fee: (a) the League Office and the Equity Owners shall be released from the restrictive covenants set forth in Sections 4.22.1(d), 4.22.1(e), and 4.22.1(f) with respect to such MLS Team; and (b) the Term shall be reduced such that it expires (without any right to renew) at the conclusion of the Season immediately preceding the first season in which the MLS Team commences play. The Team Operator shall provide notice to the League Office of such an occurrence at the earliest practicable date.

V. FEES; COSTS; AND EXPENSES

5.1. Expansion Fee.

5.1.1. In consideration of the rights granted to the Team Operator hereunder, the Team Operator shall pay a fee to the League Office in the amount set forth in Schedule 4 (the "Expansion Fee").

Subject only to the conditions included in Section 5.1.2 below, the Expansion Fee is otherwise deemed to be fully earned by the League Office upon the execution of this Agreement and non-refundable in consideration of administrative and other expenses incurred by the League Office in granting the rights hereunder and for the League Office's lost or deferred opportunity to grant such rights to other Persons.

5.1.2. Unless otherwise set forth in Schedule 4, the Team Operator shall, contemporaneously with the execution of this Agreement, deposit the Expansion Fee by wire transfer of immediately available funds into an escrow account, the escrow agent to be designated by the League Office (the "Escrow Agent"). The amount in the escrow account shall be known as the "Escrow Amount." The Escrow Amount shall be payable to the League Office upon the occurrence of any one of the following (whichever is earlier): (a) the League Office's receipt of Sanctioning; (b) termination of this Agreement by either Party other than pursuant to Section 12.4; or (c) on October 31, 2019, in the event this Agreement remains in force. The Escrow Amount shall be payable/refunded to the Team Operator in the event the Team Operator validly terminates this Agreement pursuant to Section 12.4. Subject to the terms and conditions herein, the escrow account shall be subject to the terms and conditions of the Escrow Agent's standard form escrow agreement.

5.2. Participation Fee. Prior to the commencement of each Season during the Term, the Team Operator shall pay a participation fee to the League Office (the "Participation Fee"). The Participation Fee for the Initial Season and any associated payment dates are set forth in Schedule 4. The League Office may increase the Participation Fee each Season; provided, however, without the approval of the Board of Governors, such increase shall not exceed the greater of (a) fifteen percent (15%) of the previous Season's Participation Fee and (b) a percentage of the previous Season's Participation Fee equal to twelve percent (12%) plus the percentage rate of increase of the Consumer Price Index for the immediately preceding 12-month period (the "Maximum Participation Fee Increase").] The Participation Fee for each Season shall be determined by the League Office and communicated to the Team Operator at the earliest practicable date, and the League Office shall use good faith efforts to ensure that such is communicated no later than September 1st of the preceding year. The League Office may reasonably change the due dates and frequency of payments for the Participation Fee. All changes in the Participation Fee by the League Office shall apply to future Participation Fees only. The League Office may waive, suspend or defer any fees required to be paid by team operators or a class of team operators, in whole or in part, in its discretion at any time and in any instance or under any circumstances. Except as set forth in Section 12.3, the Participation Fee is non-refundable.

5.3. Team Operator Fees, Costs and Expenses.

5.3.1. In addition to the Participation Fee the Team Operator shall also pay:

(a) all costs and expenses relating to the administration, marketing, promotion, and operation of the Team that the League Office has not undertaken pursuant to the terms of this Agreement including, without limitation, the Team Operator's office and general and administrative costs;

(b) all costs and expenses associated with the Team's travel to and attendance at Matches.

(c) all costs and expenses associated with traveling to or attending any Team Operator Training or other League meetings;

(d) all applicable fees, fines and other amounts owed to the League Office, whether under this Agreement or any related agreement;

(e) all costs and expenses relating to referees (including, but not limited to, game day officials fees, referee travel, room, meals and training);

(f) all costs and expenses of Team-related insurance and worker's compensation;

(g) all costs and expenses relating to players, except as set forth in Section 3.6;

(h) its share of costs related to Collective Bargaining Activities, in accordance with Section 3.6;

(i) all costs and expenses relating to the Field of Play, specifically including any equipment used therein to display temporary signage (e.g., soccer field boards);

(j) in the event that the Team Operator hosts the League's championship Match, the costs and expenses relating to the hosting, promotion, and operation of such Match;

(k) all costs and expenses associated with the Domain Name, the maintenance of the Team Site, and any re-design thereof unless such re-design is required by the League Office;

(l) in the event that the League Marks are added to, modified, or discontinued, all costs and expenses of transitioning from the old League Marks to the new League Marks, provided that the Team Operator has been notified of the change in advance and is granted a reasonably sufficient period of time in which to comply;

(m) all costs and expenses of policing and enforcing the Team Marks against unauthorized use by third parties, including any costs and expenses incurred by the League Office in furtherance thereof, subject to Section 7.5;

(n) all costs and expenses of complying with Professional League Standards and of proving compliance therewith to the satisfaction of the League Office and any applicable Governing Body;

(o) all audit and reporting costs and expenses, including the cost of any equipment, systems, or services used to report information to the League Office;

(p) all costs and expenses relating to the production of a live Broadcast of each of the Home Matches and the transmission thereof to the League Office;

(q) all costs and expenses of fulfilling its obligations pursuant to any League Commercial Affiliations that are not undertaken by the League Office;

(r) any costs that, pursuant to a Board of Governors vote, are designated to be shared amongst team operators rather than borne by a single team operator (or a group of team operators) (e.g., costs of post-season travel) ("Pool Payments");

(s) any fines payable to the League Office or other team operators for non-compliance with League Rules;

(t) any affiliation, player registration, or other fees or fines imposed on the League by a Governing Body and passed through to the team operators; and

(u) all fees and other amounts that League Office Entities then have paid or have agreed to pay on behalf of the Team Operator to Providers.

5.3.2. The Team Operator acknowledges that it has been provided with a copy of the anticipated payments to be made by the League Office to Providers on behalf of the Team Operator for the Initial Season. The Team Operator further acknowledges that such payments are subject to change, consistent with this Agreement

5.3.3. The League Office may purchase goods or services to be used: (a) in connection with the Broadcasts on a leaguewide basis (e.g., music, graphics, archival, live stats); or (b) throughout both the League Site and the Team Site (e.g., ad server, content delivery network), the cost of which shall be allocated such that the amount payable by the League Office is twice the average amount payable by an individual team operator, unless a different allocation is determined by the Board of Governors.

5.3.4. To the extent that any of the costs set forth in Section 5.3.1 or Section 5.3.3 are to be shared between and amongst team operators, or between and amongst the League Office and team operators, or between and amongst different leagues operated by League Office Entities, the Team Operator agrees that the League Office Entities' allocation of such costs is final.

5.4. Championship Match. In the event that the Team is scheduled to participate in the League's championship Match, the League Office may require the Team Operator to host such Match. Any costs or expenses associated with hosting, promoting and operating the championship Match in the manner required by League Rules shall be borne exclusively by the Team Operator.

5.5. No Set Off. Except as explicitly permitted by this Agreement, the Team Operator may not set off or withhold payment of any amounts due to League Office Entities for any reason, including the nonperformance or alleged nonperformance by the League Office of any of its obligations hereunder.

5.6. Payments.

5.6.1. The Team Operator shall deliver to the League Office those documents the League Office requires from time to time to authorize the League Office to automatically debit the Team Operator's checking account for those payments due on an established schedule to League Office Entities. The current form of automatic withdrawal authorization shall be executed contemporaneously herewith. All payments made to the League Office shall be made in U.S. Dollars. All payments by the Team Operator to League Entities shall be applied in such order and for such obligations as the League Office may designate from time to time.

5.6.2. Any payment not actually received by the League Office on or before the due date thereof shall be overdue. If any payment is overdue, the Team Operator shall pay the League Office immediately upon demand, in addition to the overdue amount: (a) a late payment fee in an amount equal to five percent (5%) of the overdue amount; and (b) interest on the overdue amount from the date it was due until paid, at the rate of one and one-half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies the League Office may have.

5.7. Taxes. The Team Operator shall promptly pay all Taxes incurred by Team Operator Entities pursuant to this Agreement or otherwise relating to Team Activities. In the event that any Taxes

are imposed on the League Office Entities on amounts payable by the Team Operator under this Agreement, the Team Operator shall promptly reimburse the League Office Entities for all Tax payments made such that the amount of the Team Operator's payments retained by the League Office Entities, after paying the applicable Taxes, equals the full amount of the payments the Team Operator was required to make under this Agreement had the Taxes not been imposed on the League Office Entities.

VI. COMMERCIAL RIGHTS

6.1. League Assets. The Parties acknowledge and agree that League Office Entities are the exclusive owners of the Broadcast Rights, the League Commercial Affiliations, the League Marks, the Competition Marks, the Historic Marks, the League IP, the Manuals, and the League Site (collectively, the "League Assets"). The Team Operator also acknowledges and agrees that the League Marks, the Competition Marks, the Historic Marks, and all goodwill now or in the future pertaining to the League Marks and Competition Marks are the sole and exclusive property of the League Office Entities and that the Team Operator shall not raise or cause to be raised any questions concerning, or objections to, the validity or ownership of such League Assets on any grounds whatsoever. The Team Operator shall at any time and from time to time at its expense, make, execute, acknowledge and deliver such agreements, documents and instruments and do such other further acts (including without limitation, executing an assignment of any right, title, or interest in the League Assets) as the League Office may request or as may be necessary or appropriate in order to implement and effect fully the intentions, purposes and provisions of this Section 6.1

6.2. Team Assets. The Parties acknowledge and agree that the Team Operator is the exclusive owner of the Home Tickets, the Team Commercial Affiliations, the Team Marks, the Team Site, and the Team Lists (collectively, the "Team Assets"). Notwithstanding the foregoing, the Team Operator agrees that the League Office may exercise control over and exploit, subject to the terms and conditions of this Agreement including but not limited to Section 6.3, the Team Assets in connection with League Activities. The Team Operator shall at any time and from time to time at its expense, make, execute, acknowledge and deliver such agreements, documents and instruments and do such other further acts (including without limitation, executing a license agreement containing such terms and conditions as are customary in such licenses) as the League Office may request or as may be necessary or appropriate in order to implement and effect fully the intentions, purposes and provisions of this Section 6.2.

6.3. Commercial Affiliations.

6.3.1. League Commercial Affiliations.

(a) The League Office has the right to exploit, free of charge, the following sponsorship and advertising rights and inventory relating to the Team for the purpose of fulfilling League Commercial Affiliations or for the League's own advertising: (i) ten percent (10%) of the Core Commercial Inventory; (ii) Negotiation Rights; (iii) Team Lists; (iv) Collective Use Rights; and (v) a reasonable number of Home Tickets, provided that (i) the rights and obligations applicable to the Team Operator are generally applicable to team operators in the League (or an identifiable subset of team operators, if applicable); and (ii) in those instances set forth in Section 9.7, the terms of the League Commercial Affiliation are approved by the Board of Governors.

(b) Notwithstanding any other provision in this Agreement, the Parties understand and agree that the League Office owns and may exploit, free of charge, all sponsorship and advertising rights and inventory relating to the Championship Match for whatever purpose, including for the purpose of fulfilling League Commercial Affiliations or for the promotion of the League.

6.3.2. Team Commercial Affiliations.

(a) The Team Operator may enter into Team Commercial Affiliations for (i) the front of the jersey; (ii) the Core Commercial Inventory and Broadcast Inventory allocated to the Team in Section 6.3.3; and (iii) Ancillary Commercial Inventory; provided that, in each instance, the Team Operator shall only execute agreements in accordance with League Rules (which may include specifications of form as well as requirements for the prior approval of the League Office). The Team Operator agrees to promptly provide the League Office with such details as the League Office may from time to time reasonably request in connection with the Team Operator's activities hereunder.

(b) From time to time, the League Office may reserve or otherwise restrict, on an exclusive or non-exclusive basis, certain Product Categories for sale to League Commercial Affiliates. The Team Operator shall comply with such reservations or restrictions, except that if the League Office adds or amends any reserved or restricted Product Categories such that the Team Operator's compliance therewith would cause it to breach a pre-existing Team Commercial Affiliation in the same or a substantially similar Product Category, the Team Operator may nonetheless fulfill its obligations under such Team Commercial Affiliation for the duration of the remaining term of such Team Commercial Affiliation (the Team Operator may not exercise any optional extensions or renewals of such Team Commercial Affiliation).

(c) A list of League Commercial Affiliations, the durations thereof, and the requirements imposed upon the Team Operator thereby, along with a list of reserved or restricted Product Categories, in each instance as of the Effective Date, has been attached to Schedule 8.

6.3.3. Inventory Allocation.

(a) The League Office will designate and categorize the Core Commercial Inventory in writing. The League Office will allocate at least ninety percent (90%) of each category of Core Commercial Inventory (e.g., in-stadium print collateral; space on the Team Site) to the Team Operator, with the remainder being reserved to the League Office.

(b) In event the League Office wishes to exploit a portion of the Team-allocated Core Commercial Inventory or the Ancillary Commercial Inventory, the League Office shall submit to the Board of Governors a proposal to team operators in the League, which shall be accepted provided that the team operators (as a whole) are compensated with cash or inventory of reasonably equivalent value (as a whole).

(c) The League Office will allocate to the Team Operator at least seventy-five percent (75%) of the Broadcast Inventory on regular season Matches Exhibited: (i) via Local Broadcast, provided that the Local Broadcast does not conflict with any national Broadcast; and (ii) via Digital Distribution, provided that (x) the Exhibition of such Match does not conflict with any national Broadcast and (y) the Match has not been designated as a Featured Match.

(d) With respect to any playoff Match or Championship, the Team Operator's allocation of Broadcast Inventory is the same as any regular season Match, except that the League Office may elect, in its discretion, to pay for the production of the Broadcast and to retain all of the Broadcast Rights (including the Broadcast Inventory) with respect thereto.

(e) If unsold, the Core Commercial Inventory and Broadcast Inventory allocated to the League Office (or any portions thereof) may be released back to the Team Operator on an annual basis at the earliest practicable date prior to the commencement of the applicable Season. For the

2019 Season, the anticipated Core Commercial Inventory to be used by the League Office is included in Schedule 9.

6.4. Broadcasts. The League Office hereby appoints the Team Operator as its exclusive agent with authority to license the Local Broadcast Rights; provided that (i) the Team Operator shall act as the agent of the League Office in any negotiations relating to any of the foregoing and shall not represent or hold itself out as acting on its own behalf; (ii) the Local Broadcast Rights are made subservient to any national television Broadcast Rights; and (iii) the Team Operator shall only execute agreements in accordance with League Rules (which may include specifications of form as well as requirements for prior approval from the League Office). The Team Operator agrees to promptly provide the League Office with such details as the League Office may from time to time reasonably request in connection with the Team Operator's activities hereunder. For the avoidance of confusion, the Local Broadcast Rights do not include the right to Exhibit any Match via Digital Distribution.

6.5. Ticket Agents. The Team Operator hereby appoints the League Office as its exclusive agent (to the exclusion of the Team Operator) with authority to enter into arrangements with Ticket Agents relating to the sale of Home Tickets; provided that the League Office shall act as the agent of the Team Operator in any negotiations relating to the foregoing and shall not represent or hold itself out as acting on its own behalf. The League Office may require that all revenues from the sale of Home Tickets shall be paid from the Ticket Agent directly to the League Office, and the League Office shall distribute such funds to the Team Operator in accordance with the Settlement Procedures.

6.6. Licensed Products.

6.6.1. The Team Operator hereby grants to the League Office, during the Term of this Agreement, the exclusive right (to the exclusion of others as well as the Team Operator representing itself) to enter into Licensing Arrangements. Subject to the foregoing sentence, the Team Operator may sell Licensed Products in its Stadium and in its Team Store, in each instance subject to League Rules.

6.6.2. The Team Operator further empowers the League Office to negotiate the terms of such Licensing Arrangements within the parameters agreed upon between the League Office and the Board of Governors from time to time. In the event that the Team Operator is approached directly by a third party about the right to manufacture, sell or distribute Licensed Products, the Team Operator shall refer such third party to the League Office. The Team Operator agrees that during the Term of this Agreement, it will not negotiate with any other Person to represent it in any capacity in connection with the manufacture, sale or distribution of Licensed Products.

6.6.3. In consideration of the League Office's performance of its duties under this Section 6.6, the League Office shall retain a commission in the amount of twenty percent (20%) of the Net Licensing Revenues.

6.7. Approved Providers; Equipment.

6.7.1. The League Office may require the Team Operator to purchase or lease certain types, models, or brands of facilities, services, goods, supplies, and equipment (including for sale to the general public) designated in the Manuals or approved in writing by the League Office (i) from Providers designated or approved by the League Office in writing or (ii) in accordance with specifications provided by the League Office in writing; provided that such services, goods, supplies, and equipment are (a) available on commercially reasonable terms and (b) are reasonably required for Team Activities. Those services, goods, supplies and equipment with restricted (or exclusive) Providers as of the Effective Date are included in Schedule 7, although the Team Operator further acknowledges that such are subject to

change, consistent with this Agreement

6.7.2. Subject to Section 6.7.1, the Team Operator acknowledges that the Provider of such services, goods, supplies, and equipment may be a League Office Entity, and that League Office Entities may receive payments or other compensation from Providers on account of such Providers' dealings with the Team Operator or other team operators. The League Office Entities may use all amounts so received for any purpose they deem appropriate.

VII. LEAGUE AND TEAM MARKS

7.1. Selection of League Marks. The League Marks are subject to change from time to time in the League Office's sole and absolute discretion. For the avoidance of the doubt, the League Mark may also, from time to time, be a Composite Mark.

7.2. License and Use of League Marks.

7.2.1. The League Office hereby grants to the Team Operator a non-exclusive, royalty free license to use, display, and reproduce the League Marks and Competition Marks in connection with Team Activities, and the limited right to sublicense such rights in accordance therewith, provided that the Team Operator only uses the League Marks and Competition Marks designated by the League Office and as permitted by League Rules.

7.2.2. The Team Operator acknowledges and agrees that League Rules may require the Team Operator to display the League Marks and Competition Marks on promotional materials and merchandise, including, without limitation, team uniforms, game programs, and signage. The Team Operator shall comply with all such requirements at its sole cost and expense.

7.2.3. The League Office may, from time to time and in its sole discretion, add to, modify or discontinue use of any or all of the current League Marks or Competition Marks. The League Office shall inform the Team Operator of such changes in writing and, after a reasonable transition period, the Team Operator agrees to operate under the revised League Marks or Competition Marks, as applicable.

7.3. Selection of Team Marks.

7.3.1. The Team Marks shall be selected by the Team Operator and acceptable to the League Office in its sole discretion. The Team Operator's current Team Marks, if any, are included in Schedule 5. The Team Operator shall submit all proposed revisions or additions to the Team Marks to the League Office for approval, which the League Office may withhold in its sole discretion. No revisions to the Team Marks are permitted without the written consent of the League Office. In the event that the Team Operator changes its official Team name or any Team Marks related to that name (the "Historic Marks"), the Team Operator shall, upon request from the League Office, assign such Historic Marks and their goodwill to the League Office without charge.

7.3.2. The Team Operator shall be solely responsible for complying with all trademark Laws in its selection and use of Team Marks. The League Office assumes no responsibility and shall not be held liable for the Team Operator's selection of Team Marks or for the effectiveness or desirability thereof.

7.4. License and Use of Team Marks.

7.4.1. The Team Operator hereby grants to the League Office a non-exclusive, royalty free license to use, display, and reproduce the Team Marks and Player Likenesses in connection with League Activities, and the limited right to sublicense such rights in accordance therewith.

7.4.2. The Team Operator hereby grants to each other team in the League the right to use the Team Marks and Player Likenesses in connection with the promotion of Matches including, without limitation, the right to display and reproduce the Team Marks and Player Likenesses on game programs and tickets, in accordance with League Rules.

7.4.3. Other than to promote Matches, the Team Operator shall not use the Team Marks in combination with the marks or logos of any other soccer teams (including teams in the League).

7.4.4. The Team Operator shall not pledge or encumber any interest in the Team Marks without the prior written consent of the League Office, nor shall the Team Operator pledge or encumber its right to use the League Marks.

7.5. Infringement of Marks.

7.5.1. Each party shall promptly notify the other party of any actual or potential infringement, counterfeiting, or other unauthorized use of the Team Marks or League Marks by any other Person (an "Infringement") of which it becomes aware.

7.5.2. The Team Operator shall have the right, in its discretion, to enforce its rights in any of the Team Marks, including to bring action with respect to any Infringement. Notwithstanding the foregoing, if within ten (10) days following either party's receipt of a notice provided under Section 7.5.1, the Team Operator does not initiate legal action with respect to any Infringement, or if the Team Operator subsequently decides not to proceed with any such action, the League Office shall have the right, but no obligation, to bring or take any such action as it determines is necessary in its reasonable business judgment to halt any such Infringement and to control the conduct of such enforcement action, including settlement.

7.5.3. Notwithstanding Section 7.5.2, the League Office shall have the first right, but not the obligation, to enforce rights in the Team Marks if: (a) the Infringement of the Team Marks is also (or is related to) the infringement of other team marks in the League and (b) the League Office has a good faith belief that such Infringement has impaired or will impair the value of the applicable marks or otherwise adversely affect the League Office's rights under this Agreement (or similar agreements with other team operators). In such case, subject to the approval of the Board of Governors in accordance with Section 9.7.2(d) (by Supermajority Vote), the League Office may immediately bring or take any such action as it determines is necessary in its reasonable business judgment to halt any such Infringement and to control the conduct of such enforcement action, including settlement.

7.5.4. Both Parties shall provide such assistance as may be reasonably requested by the party taking action against any alleged Infringement in accordance with this Section 7.5 (the "Enforcing Party"), in connection with any such enforcement action (including being joined as a party to such action as necessary to establish standing). Any monetary recovery resulting from such enforcement action shall first be used to pay the legal expenses of the Enforcing Party and then to reimburse any legal expenses incurred by the other party in cooperating in such action as requested by the Enforcing Party, with the balance, if any, of such monetary recovery to be delivered to the Enforcing Party..

VIII. OWNERSHIP

8.1. Corporate Structure.

8.1.1. The Team Operator shall maintain its corporate structure such that it has a Principal Owner at all time. The initial Principal Owner is included on Schedule 2. A current copy of the Team Operator's governing documents and state registration documents must be submitted and kept on file with the League Office, and any change to the governing documents of the Team Operator must be approved by the League Office in writing prior to taking effect.

8.1.2. The Team Operator shall, directly or indirectly, maintain 100% of the ownership of any assets, rights, and agreements that are necessary or incidental to the operation of the Team (including (i) the Team Assets; (ii) the Stadium Lease; (iii) the Domain Name; (iv) the player contracts; (v) the coaching staff contracts; and (vi) the information or other intellectual property developed in connection with the Team) and shall not Transfer (including by pledging or encumbering) any of such assets, rights, or agreements without the express written consent of the League Office. Notwithstanding the foregoing, the League Office shall not unreasonably withhold its consent to the pledge or hypothecation of such assets, rights, or agreements in connection with any financing arrangements obtained by the Team Operator (provided such financing arrangements comply with League Rules). However, for the avoidance of confusion, neither this Agreement nor any Equity Interest may be Transferred other than in accordance with Article X.

8.1.3. From time to time as requested by the League Office, the Team Operator shall provide the League Office with the following, certified by the president or Principal Owner to be true and correct: (a) details on its ownership structure, including ownership and capitalization tables; (b) basic details (e.g., contact information) on its Equity Owners; (c) confirmation that the Team Operator continues to comply with Section 8.1.2 above; (d) details regarding debt or financing arrangements of the Team Operator Entities; and (d) such other information as the League Office may reasonably request, in the format so requested, with respect to the ownership and structure of the Team Operator.

8.2. Equity Owners. The Team Operator hereby represents to the League Office, and the League Office is entering into this Agreement in reliance upon such representation, that the Equity Owners identified on Schedule 6 are all of the holders of Equity Interests, in such percentages as set forth thereon.

8.3. Guaranty. All Equity Owners of five percent (5%) or more of the outstanding Equity Interests shall execute a guaranty, indemnification and acknowledgment of the Team Operator's obligations under this Agreement in the form required by the League Office (the "Guaranty"). If an Equity Owner of five percent (5%) or more of the outstanding Equity Interests is an entity, each of such Equity Owner's legal or beneficial owners must execute the Guaranty as well.

IX. BOARD OF GOVERNORS

9.1. General. The Board of Governors (the "Board of Governors") is made up of (i) one (1) representative of the League Office and (ii) the principal owner of each team operator unconditionally obligated to field a team in an upcoming season (each, a "Governor"). The Principal Owner shall be the Governor representing Team Operator. The Board of Governors may consider items delegated thereto by the terms of this Agreement or by the League Office. Subject to Section 9.7, the League Office may choose which matters to bring (or not bring) to the Board of Governors for a vote in its sole discretion.

9.2. Voting. Each Governor has one vote on the Board of Governors. In the event that a team (including, as applicable, the Team) is Controlled by a team in another league, the League Office may, in its discretion, exclude that team's Governor from certain votes taken by the Board of Governors, except

that (a) the League Office may not exclude such team's Governor from any vote related to the basic structure of the competition and (b) to the extent a team's Governor is excluded from a vote, such team would not be bound by the result.

9.3. Meetings. The Board of Governors shall meet at such time and at such place as the League Office may designate. Meetings of the Board of Governors may be held either in person or by means of telephone or video conference or other communications device that permits all Governors participating in the meeting to hear each other, at the offices of the League Office, or such other place as may be determined from time to time by the League Office. The League office shall provide prior notice of all meetings of the Board of Governors, with each such notice setting forth to the extent reasonably possible the purpose for which the meeting is called. A Governor may be required to attend up to two in-person meetings each year, and the Principal Owner may be required to attend one of such in-person meetings.

9.4. Quorum. Governors from a majority of eligible teams constitute a quorum for the transaction of any business by the Board of Governors, unless otherwise provided in rules adopted by the Board of Governors.

9.5. Action By Written Consent. Notwithstanding anything herein to the contrary, any action of the Board of Governors may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by Governors from two third of the team operators and the League Office (if a Majority Vote is required) or unanimously (if a Super Majority Vote is required). Such consent shall have the same force and effect as a vote at a meeting where a quorum was present.

9.6. Incorporation Into Agreement. The Team Operator hereby agrees to be bound by the acts, decisions, and directives of the Board of Governors, and the acts or decisions of the Board of Governors shall be considered to have been incorporated into this Agreement as if fully set forth herein (and, in the case of conflict, shall supersede this Agreement). To the extent reasonably required, the Team Operator shall enter into such agreements and cause such actions to be performed as may be reasonably required to comply with such acts, decisions, and directives. The League Office may enforce the decisions of the Board of Governors through those means already made available to it (including, without limitation, those enforcement methods described in the Manuals or herein) or otherwise approved by the Board of Governors.

9.7. Limitation of Authority. The League Office shall not establish League Rules or otherwise enter into agreements with third parties relating to the following matters without the approval of the Board of Governors, which shall be achieved through either a Majority Vote or Supermajority Vote, as set forth below.

9.7.1. The following matters require a Majority Vote:

(a) The basic structure of the competition (e.g., number of games and season length) except that, in the event of a deadlock (i) with respect to the first Season of the League, the League Office shall determine the structure of the competition and (ii) with respect to any Season thereafter, the League Office shall use good faith efforts to structure the competition in a substantially similar manner as the previous season;

(b) The amount of any Pool Payments and the parameters within which League Office Entities may hold and distribute such funds;

(c) The parameters within which the League Office may license or Transfer

the Team Lists;

(d) The increase in the Participation Fee, from one Fiscal Year to the next, by more than the Maximum Participation Fee Increase; and

(e) Such other matters as the League Office may present to the Board of Governors from time to time that do not require a Supermajority Vote.

9.7.2. The following matters require a Supermajority Vote:

(a) The establishment or amendment of any revenue or profit-sharing program or programs between or amongst team operator entities and League Office Entities;

(b) Any League Commercial Affiliation for an exclusive Product Category other than soccer balls either (i) on a leaguewide basis or (ii) which would grant to such Commercial Affiliate the right to exploit the Team Marks in isolation from other teams in the League;

(c) Any agreement or League Rule requiring the sale of Home Tickets through a new designated Ticket Agent;

(d) Any Legal Proceeding filed on behalf of teams to protect against the wrongful use of Team Assets by third parties;

(e) Any financing requirements or debt limitations relating to the Team Operator Entities; and

(f) Such other matters as the Board of Governors may determine require a Supermajority Vote.

9.8. Committees. The League Office may, from time to time, establish committees comprised of Governors. Such committees may provide non-binding advice to the League Office and the Board of Governors, and in no instance may the authority of the League Office or the Board of Governors be delegated to any such committee.

X. TRANSFERS

10.1. No Transfers Without Approval.

10.1.1. The Team Operator understands and acknowledges that the rights and duties in this Agreement are personal to the Principal Owner and the other Equity Owners of the Team Operator, and that the League Office is entering into this Agreement in reliance on the business skill, financial capacity, and the personal character of such Equity Owners. Accordingly, the Team Operator shall not Transfer any Equity Interest, or this Agreement, or any of its rights or obligations under this Agreement, nor shall any Equity Owner Transfer any Equity Interest without, in each instance, seeking and receiving the approval of the League Office.

10.1.2. The League Office will permit the Team Operator or any Equity Owner named in Schedule 6 as of the Effective Date (or any transferee Equity Owner subsequently approved by the League Office) to engage in the Transfer of Equity Interests, provided that: (a) such Transfer would not result in a Change of Control of the Team Operator; (b) the proposed transferee would not be restricted by League Rules from becoming an Equity Owner; (c) the Team Operator gives the League Office at least

thirty (30) days' advance written notice of the proposed Transfer (including the identity and contact information for any proposed transferee and any other information the League Office may require in order to review the proposed Transfer); (d) the Team Operator follows the then-current procedure for processing Transfers; and (e) the Team Operator executes any documents required by the League Office for processing Transfers.

10.1.3. Change of Control Transfers. If the proposed Transfer is of this Agreement or of an Equity Interest that would result in a Change of Control, the League Office will process the application for a Change of Control according to its then-current procedures, including review of criteria and requirements regarding upgrading the Home Stadium, credit, background investigations, operations ability and capacity, prior business dealings, relation to community, guarantees, and other factors concerning the proposed transferee (and, if applicable, its owners) the League Office deems relevant (including its belief that the Team will be operated by the proposed transferee at its then-current, or higher, level). The League Office may review all information regarding the Team given to the proposed transferee, correct any information that the League Office believes is inaccurate, and give the transferee copies of any reports that the Team Operator has given the League Office or the League Office has made regarding the Team. The League Office may approve or reject the Transfer in its sole discretion and may require conditions to be met before or concurrently with the effective date of the Transfer, including without limitation:

(a) the Transferee has the necessary business experience, aptitude, and financial resources to operate the Team and meets the then-applicable standards set forth in the League Rules.

(b) the Team Operator has paid all fees and other amounts owed pursuant to Section 4.5; has submitted all required reports and statements; and has not violated any material provision of this Agreement or any other agreement with League Office Entities during both the sixty (60) day period before the Team Operator requested the League Office's consent to the Transfer and the period between the Team Operator's request and the effective date of the Transfer;

(c) the Transferee and its owners shall (if the Transfer is of this Agreement), or the Team Operator and its Equity Owners shall (if the Transfer would result in a Change of Control), sign the League Office's then current form of franchise agreement and related documents (including guarantees and assumptions of obligations), any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the Participation Fee, and the term of which franchise agreement will be equal to the remaining unexpired portion of the Term, except that, for the avoidance of confusion, the League Office would not charge any additional expansion fee;

(d) the Team Operator and its transferring Equity Owners sign the then-current form of termination agreement and a general release, in a form satisfactory to the League Office, of any and all claims against any League Office Entities and their respective Personnel;

(e) the Team Operator shall pay to the League Office the Change of Control Fee included on Schedule 4.

10.2. Transfer Upon Death.

10.2.1. Upon the death of an Equity Owner, his or her Equity Interests may be Transferred in accordance with such individual's will or, if such individual dies intestate, in accordance with the Laws of intestacy governing the distribution of such individual's estate, provided that the Transfer of the deceased's Equity Interest is (i) to an approved third party or a Family Member and (ii)

such Transfer would not cause the Team Operator to be in violation of League Rules. However, in the event of the death of the Principal Owner and the transfer of Control to a Family Member who is not, in the reasonable discretion of the League Office, sufficiently knowledgeable or experienced to act as a Principal Owner, the League Office may appoint a trustee, chosen with the consent of such Family Member (not to be unreasonably withheld), to act as the Principal Owner (for the benefit of the Family Member). The trustee (and any agreed upon successor trustees) shall act in this capacity until such time as either (a) the League Office approves the Family Member to act as the Principal Owner or (b) Control is Transferred to a new Principal Owner, in either instance not to exceed two (2) years without te consent of the League Office.

10.2.2. Upon the death of any Equity Owner of more than with an interest ten percent (10%) of the Equity Interests, any Transfer of such Equity Interests shall be subject to the same terms and conditions as any *inter vivos* Transfer.

10.3. League Office Transfers. The League Office may Transfer this Agreement and all or any part of its rights or obligations herein to any Person, so long as the League Office Transfers all or any part of its rights or obligations in all similar agreements with team operators to such Person (the "Other Agreements"). Upon such Transfer, any designated assignee of the League Office shall become solely responsible for all obligations of the League Office under this Agreement and the Other Agreements from the date of assignment. In addition, and without limitation to the foregoing, the Team Operator expressly affirms and agrees that the League Office may sell its assets (including the League Assets); may sell its securities in a public offering or in a private placement; may merge, acquire other corporations, or be acquired by another entity; and may undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring, in each case without any prior consent or approval by the Team Operator.

XI. INDEMNIFICATION

11.1. Indemnification. The Team Operator shall indemnify and hold harmless the League Office Entities and their respective Personnel (the "League Office Indemnitees") against any and all Losses that are incurred by the League Office Indemnitees in connection with the operation of the Team (including the operation of the Team by the League Office Entities pursuant to Section 12.6, and notwithstanding any claims that the League Office Indemnitees were negligent) or arising out of or related to any third-party claim alleging:

11.1.1. breach or non-fulfillment of any provision of this Agreement by the Team Operator or the Team Operator's Personnel;

11.1.2. any negligent or more culpable act or omission of the Team Operator or its Personnel (including any reckless or willful misconduct) in connection with the operation of the Team (including the operation of the Team by the League Office Entities pursuant to Section 12.6) or the performance of its obligations under this Agreement;

11.1.3. any bodily injury, death of any person or damage to real or tangible personal property caused by the negligent or more culpable acts or omissions of the Team Operator or its Personnel (including any reckless or willful misconduct);

11.1.4. any failure by the Team Operator or its Personnel to comply with any applicable Laws in the performance of its obligations under this Agreement; or

11.1.5. that the use of the Team Marks infringes upon the rights of a third party.

11.2. Notice of Third-party Claims. The League Office shall give notice to the Team Operator (a "Claim Notice") within fourteen (14) days after obtaining knowledge of any Losses or discovery of facts on which the League Office Indemnitees intend to base a request for indemnification under Section 11.1. The League Office's failure to provide a Claim Notice to the Team Operator under this Section 11.2 does not relieve the Team Operator of any liability that the Team Operator may have to the League Office Indemnitees, but in no event shall the Team Operator be liable for any Losses that result directly from a delay in providing a Claim Notice, which delay materially prejudices the defense of the related third-party claim. The Team Operator's duty to defend applies immediately, regardless of whether the League Office Indemnitees have paid any sums or incurred any detriment arising out of or relating, directly or indirectly, to any third-party claim.

11.3. The League Office's Control of Defense. Notwithstanding anything to the contrary in this Article XI, the League Office may employ, at any time, separate counsel to represent it; provided, that (i) the League Office shall be solely responsible for the costs and expenses of any such separate counsel and (ii) the Team Operator shall remain responsible to the League Office for any Losses indemnified under this Article XI.

11.4. Settlement of Indemnified Claims by the Team Operator.

The Team Operator shall give prompt written notice to the League Office of any proposed settlement of a claim that is indemnifiable under Section 11.1. The Team Operator may not, without the League Office's prior written consent, settle or compromise any claim or consent to the entry of any judgment regarding which indemnification is being sought hereunder.

XII. DEFAULTS AND TERMINATION

12.1. Termination Rights of the League Office.

12.1.1. Subject to Cure. The League Office may terminate this Agreement by written notice to the Team Operator, effective on the date stated in such notice or the earliest date permitted by applicable Law, if:

(a) The Team Operator fails to pay the League Office or any of its Affiliates any fees or other amounts due under this Agreement or any other agreement between the Team Operator and the League Office or its Affiliates and does not cure that default within ten (10) days after delivery of the written notice of default;

(b) The Team Operator fails to pay when due any financial obligation to a Provider and does not cure that default within thirty (30) days after delivery of the written notice of default;

(c) The Team Operator fails to comply with any other provision of this Agreement or League Rules and does not cure that default within thirty (30) days after delivery of the written notice of default;

(d) The Team Operator fails to comply with any other agreement with League Office Entities relating to Team Activities and does not cure that default within thirty (30) days (or such shorter time period that the other agreement specifies for curing that default) after delivery of the written notice of default;

(e) The Team Operator does not buy, maintain, or send evidence to the

League Office of any required insurance or workers compensation coverage and does not cure that default within ten (10) days after delivery of the written notice.

(f) The Team Operator or any Equity Owner Transfers or attempts to Transfer an Equity Interest in violation of Article X and does not cure that default within thirty (30) days after delivery of the written notice of default;

(g) The Team Operator fails to timely pay any Taxes to a Governmental Authority, unless the Team Operator is in good faith contesting its liability for those Taxes or have received an extension from the applicable Governmental Authority of the time within which to make such payments, and does not cure that default within thirty (30) days after delivery of the written notice of default;

12.1.2. Upon Notice. The League Office may terminate this Agreement immediately, without giving the Team Operator an opportunity to cure the default, effective upon delivery of written notice to the Team Operator (or such later date as required by applicable Law) if:

(a) The Team Operator or any Guarantor admits its inability to pay its debts as they become due or makes a general assignment for the benefit of creditors;

(b) The Team Operator or any Guarantor commences or consents to any case, proceeding, or action seeking: (i) reorganization, arrangement, adjustment, liquidation, dissolution, or composition of debts under any Law relating to bankruptcy, insolvency, reorganization, or relief of debtors; or (ii) appointment of a receiver, trustee, custodian, or other official for any portion of its property;

(c) The Team Operator or any Guarantor takes any corporate or other action to authorize any of the actions set forth above in Section (a) or (b);

(d) Any Legal Proceeding against the Team Operator or any Guarantor is commenced seeking an order for relief against it as debtor, or seeking reorganization, arrangement, adjustment, liquidation, dissolution, or composition of it or its debts under any Law relating to bankruptcy, insolvency, reorganization, or relief of debtors, or seeking appointment of a receiver, trustee, custodian, or other official for it or any portion of its property, and such case, proceeding, or other action: (i) results in an order for relief against it that is not fully stayed within seven (7) business days after being entered; or (ii) remains un-dismissed for forty-five (45) days;

(e) An attachment remains on assets of the Team Operator or the Guarantor for at least thirty (30) days;

(f) The Team Operator or the Principal Owner fails, within sixty (60) days after the entry of a final judgment against it in any amount exceeding Fifty Thousand Dollars ($50,000), to discharge, vacate, or reverse the judgment, to stay its execution, or, if appealed, to discharge the judgment within thirty (30) days after a final adverse decision in the appeal;

(g) The Team Operator loses the right to operate at the Home Stadium, except in accordance with this Agreement, or has not entered into an approved Stadium Lease for the upcoming Season by August 1 of the preceding calendar year;

(h) The Team Operator knowingly maintains false books or records, or knowingly submits any false reports or information to the League Office;

(i) The Team Operator fails to provide and maintain the Letter of Credit;

(j) The Team Operator ceases to operate the Team or it is reasonable, under the facts and circumstances, to conclude that the Team Operator does not intend to continue to operate the Team in the League;

(k) The Team Operator fails to present the Team at the time and place it is scheduled to play in a Match or fails to play and complete any such Match, unless such failure arises out of acts or events beyond its reasonable control, including acts of God, labor disputes, unavoidable accidents, fire, riot or civil commotion, or government actions or decrees;

(l) The Team Operator fails to comply in any material respect with all applicable Laws, including Anti-Terrorism Laws, (including if such failure by the Team Operator or any of its Equity Owners results in the Team Operator's or the Principal Owner's assets, property or interests being blocked under any Laws relating to terrorist activities).

(m) The Team conducts a practice or game without approved workers compensation insurance;

(n) Contrary to the terms of this Agreement, the Team Operator intentionally and knowingly discloses or divulges the contents of League Rules or other Confidential Information provided to the Team Operator by the League Office;

(o) The Team Operator commits three (3) or more material defaults under this Agreement in any twelve (12) month period, whether or not each such default has been cured after notice, or the Team Operator materially violates a material League Rule on three (3) or more separate occasions in any twelve (12) month period; or

(p) The League Office discovers that the Team Operator or the Principal Owner has made material misrepresentations to League Office Entities in connection with obtaining the right to enter into this Agreement or in conducting Team Activities.

(q) The Team Operator fails to meet the Minimum Performance Standard in four out of any six consecutive Fiscal Years.

12.1.3. General. In the event that the League Office issues a termination notice to the Team Operator, the Team Operator expressly acknowledges that:

(a) In any Legal Proceeding in which the validity of the League Office's termination of this Agreement is contested, it may cite and rely upon all of the Team Operator's defaults or violations of this Agreement, not only the defaults or violations referenced in any written default notice sent to it.

(b) No such termination notice will relieve the Team Operator of its obligations that survive termination of this Agreement, including its de-identification, indemnification, and Liquidated Damages payment obligations.

12.2. Termination Rights of the Team Operator.

12.2.1. Upon any material default hereunder by the League Office, the Team Operator may terminate this Agreement by giving written notice of termination stating the nature of such material

default to the League Office at least thirty (30) days prior to the effective date of termination; provided, however, that the League Office may avoid termination by initiating a remedy to cure such material default, curing it to the reasonable satisfaction of the Team Operator, and by promptly providing proof thereof to the Team Operator within the applicable time period set forth above; provided further, however, that if the League Office cannot reasonably correct the default within this thirty (30) day period but, prior to the expiration of such period, it provides the Team Operator with reasonable evidence of its effort to correct the default within a reasonable time period, then the cure period will run through the end of such reasonable time period.

12.2.2. If any such default is not cured within the specified time period, or such longer time period as the Team Operator may allow or applicable law may require, this Agreement shall terminate without further notice to the League Office, effective immediately upon the later of (i) the conclusion of the then-current Season and (ii) the expiration of the applicable time period.

12.3. Additional Termination Rights of the League Office. The League Office may disband the League and terminate this Agreement at any time after the completion of the Initial Season, in its sole discretion, upon sixty (60) days written notice to the Team Operator if either (a) the Governing Body which currently sanctions the League (or which sanctioned the League at any time during the prior twenty-four (24) months), if any, ceases or refuses to sanction the League; or (b) the League Office or League Office Entities incur substantial and continuing losses as determined by the League Office in its reasonable discretion, which renders the economic viability of the League or League Office Entities unsustainable. Upon any termination by the League Office pursuant to this Section 12.3, the League Office shall refund the Team Operator the full amount of any Participation Fees previously paid with respect to the upcoming Season, if any, and return the full Letter of Credit Security (or whatever portion of the Letter of Credit is then remaining, if applicable). The refund of such Participation Fees and return of the Letter of Credit represent the Team Operator's sole and exclusive remedy in the event that the League Office terminates this Agreement pursuant to this Section 12.3.

12.4. 2019 Sanctioning.

12.4.1. The Parties understand and acknowledge that the 2019 Season will be the first Season of the League, and that the League Office is in the process of developing an application to receive sanctioning (or provisional sanctioning) by USSF as a Division 3 men's outdoor professional league ("Sanctioning"). If, for whatever reason, the League does not receive Sanctioning for the 2019 Season, the League Office will submit an application for Sanctioning for the 2020 Season. If, for whatever reason, the League does not receive Sanctioning for the 2020 Season on or prior to October 1, 2020, either Party may terminate this Agreement by providing written notice of such termination to the other Party and, upon such occurrence, the League Office shall promptly return to the Team Operator the entirety of any Expansion Fee payments already delivered to the League Office, in accordance with the terms of Section 5.1.

12.4.2. With respect to any failure to receive Sanctioning or any termination of this Agreement resulting therefrom, (a) the remedies set forth in Section 12.4.1 above represent the Team Operator's sole and exclusive remedy and (b) the League Office shall otherwise have no liability to the Team Operator arising therefrom.

12.5. Effect of Termination.

12.5.1. Upon termination or expiration of this Agreement, all rights granted hereunder to the Team Operator shall terminate and:

(a) The Team Operator shall immediately cease to operate the Team. The Team Operator and its Equity Owners shall not thereafter, directly or indirectly, represent to the public or hold themselves out as owners of the Team;

(b) The Team Operator shall immediately cease any further use the League Marks in any capacity;

(c) The Team Operator shall promptly pay all sums owing to the League Office Entities including, in the event of termination for any default of the Team Operator, all Liquidated Damages;

(d) The Team Operator shall immediately turn over to the League Office any copies (including digital copies) of the Manuals, as well as all videos, records, files, instructions, and other materials in the Team Operator's possession relating to the operation of the Team (all of which are acknowledged to be the property of the League Office Entities), and shall retain no copy or record of any of the foregoing except as may be reasonably necessary to comply with applicable Law; and

(e) At the request of the League Office, the Team Operator shall immediately notify and make arrangements with its telephone service provider that the telephone number then currently assigned to the Team Operator reverts to and becomes the property of the League Office;

(f) The Team Operator may be required to assign to the League Office the Team Marks and Historic Marks, in accordance with Section 7.3.1.

12.5.2. If this Agreement is terminated by the League Office For Cause, in addition to the obligations set forth in Section 12.5.1, the League Office may also require the Team Operator to assign to the League Office (at no cost to the League Office) all of the Team Operator's right, title and interest in, to or under any of the Team Assets, as the League Office requests in its sole discretion, and the Team Operator hereby agrees to fully and completely cooperate with the League Office to give effect to this Section.

12.6. Right of the League Office to Operate the Team. If the Team Operator ceases to operate the Team or the League Office terminates this Agreement For Cause either (a) during a Season or (b) after the earlier of (i) November 1 and (ii) the date the schedule for the upcoming Season has been made public, the League Office may (but shall not be obligated to) take any action reasonably necessary to continue performing Team Activities for the applicable Season (but, in no event, beyond the applicable Season). In connection with the foregoing:

12.6.1. The Team Operator shall assign to the League Office at no cost such of the Team Operator's right, title and interest in and to the Team Assets as the League Office may request. Until the applicable assignments have been completed, the Team Operator hereby grants to the League Office a non-exclusive, royalty-free right and license to use, only in connection with Team Activities, the Team Marks, the Team Lists, and such other information and intellectual property as may be reasonably necessary to perform Team Activities.

12.6.2. As further set forth in Article XI (and subject to the provisions thereof), the Team Operator hereby agrees to indemnify and hold harmless League Office Entities against any and all Losses incurred by League Office Entities, including reasonable attorney's fees and costs (but not the League Office's overhead), arising out of or related to the League Office's operation of the Team pursuant to this Section 12.6.

12.6.3. The rights granted to the League Office in this Section 12.6 shall be without prejudice to and exclusive of any other rights or remedies available to the League Office pursuant to this Agreement, at Law or in equity.

12.7. Continued Use of Team Marks.

12.7.1. Upon the termination or expiration of this Agreement, regardless of whether the League Office exercises the purchase right set forth in Section 12.9.1, the League Office may continue to sell products bearing the Team Marks and otherwise enter into Licensing Arrangements, provided that (a) the League Office's right to use the Team Marks shall cease, except with regard to the publication of statistical or historical information (which right shall remain in perpetuity), within a period of one (1) year from the final Match played by the Team and (b) the League Office shall use reasonable efforts to ensure that any Licensees cease any further use of the Team Marks within the same time period.

12.7.2. Unless this Agreement is terminated by the League Office For Cause and regardless of whether the League Office exercises the purchase right set forth in Section 12.9.1, the League Office may sell off any existing products bearing the Team Marks for a period of ninety (90) days following the conclusion of the final Match played by the Team, but the League Office's right to use the Team Marks and to grant or license such right to others shall otherwise immediately cease, except with regard to the publication of statistical or historical information (which right shall remain in perpetuity). The League Office shall use reasonable efforts to ensure that any third parties granted or licensed rights by the League Office to use the Team Marks cease any further use at the earliest practicable date, but in no instance longer than one (1) year following such termination or expiration.

12.8. Liquidated Damages. Upon termination of this Agreement by the League Office For Cause, the Team Operator agrees that the League Office shall be entitled to the liquidated damages as set forth below (the "Liquidated Damages"). The parties intend that the Liquidated Damages constitute compensation, and not a penalty. The parties acknowledge and agree that the League Office's harm caused by the Team Operator's default and termination would be impossible or very difficult to accurately estimate as of the Effective Date, and that the Liquidated Damages are a reasonable estimate of the anticipated or actual harm that might arise therefrom. The Team Operator's payment of the Liquidated Damages is its sole liability and entire obligation and the League Office's exclusive remedy for any termination For Cause.

12.8.1. If the Team Operator ceases to operate the Team or the League Office terminates this Agreement For Cause either (a) during a Season or (b) after the earlier of (i) November 1 and (ii) the date the schedule for the upcoming Season has been made public, then the Team Operator will pay to the League Office Liquidated Damages in an amount equal to three times (3x) the most recent Participation Fee paid (or payable) by the Team Operator; or

12.8.2. If the Team Operator (a) provides notice of its termination to the League Office prior to the earlier of (i) November 1 and (ii) the date the schedule for the upcoming Season has been made public, then the Team Operator will pay to the League Office Liquidated Damages in an amount equal to two times (2x) the most recent Participation Fee paid (or payable) by the Team Operator.

12.9. Purchase Rights.

12.9.1. Team Marks. Upon termination of this Agreement by the League Office For Cause, the Team Operator shall, upon request from the League Office, assign the Team Marks, any Historic Marks, and their goodwill to the League Office without charge. Upon the expiration or termination of this Agreement other than For Cause, the League Office has the option, exercisable by

written notice within sixty (60) days from such expiration or termination, to purchase the Team Marks and Historic Marks for an amount equal to the Net Licensing Revenue directly attributable to such Team Marks and Historic Marks during the last full Fiscal Year.

12.9.2. Equipment. Upon the expiration of this Agreement or if this Agreement is terminated by the League Office For Cause, the League Office shall have the option, to be exercised within thirty (30) days after termination, to purchase any or all of the furnishings, equipment, signs, fixtures, supplies, or inventory of the Team Operator or its Affiliates related to Team Activities, at the lesser of the Team Operator's cost or Fair Market Value. The cost for such items shall be determined based upon a five (5) year straight-line depreciation of original costs. For equipment that is five (5) or more years old, the parties agree that Fair Market Value shall be deemed to be ten percent (10%) of the equipment's original cost. If the League Office elects to exercise any option to purchase herein provided, it shall have the right to set off against the purchase price for such assets all amounts due from the Team Operator.

12.10. Reinstatement and Extension. If the provisions of this Agreement provide for periods of notice less than those required by applicable Law or provide for termination, cancellation or expiration of this Agreement other than in accordance with applicable Law, the League Office may reinstate or extend the Term for the purpose of complying with applicable Law by submitting a written notice to the Team Operator without waiving any of the League Office's rights under this Agreement.

12.11. Discontinuing Services to the Team Operator. Notwithstanding any other provision in this Agreement, for so long as the Team Operator is in default under any of the terms and conditions of this Agreement, League Office Entities shall not be obligated to provide any of the services required to be provided to the Team Operator hereunder, and the failure by any League Office Entities to provide such services shall not be deemed to be a breach or an event of default hereunder.

XIII. DISPUTE RESOLUTION

13.1. Choice of Law. This Agreement, the documents executed in connection herewith, the relationship of the parties hereunder and all disputes between the parties with respect to any of the foregoing shall be governed by and construed in accordance with the laws of the State of Florida without giving effect to any conflict of law provision (whether of the State of Florida or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Florida.

13.2. Consent to Jurisdiction. THE TEAM OPERATOR AND THE LEAGUE OFFICE CONSENT AND IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED IN HILLSBOROUGH COUNTY, FLORIDA, AND WAIVE ANY OBJECTION TO THE JURISDICTION AND VENUE OF SUCH COURTS. ANY LAWSUIT ARISING OUT OF OR RELATING TO THIS AGREEMENT MUST BE BROUGHT IN A COURT OF COMPETENT JURISDICTION IN HILLSBOROUGH COUNTY, FLORIDA. HOWEVER, THE EXCLUSIVE CHOICE OF VENUE AND JURISDICTION DO NOT PRECLUDE THE BRINGING OF ANY ACTION BY THE PARTIES OR THE ENFORCEMENT BY THE PARTIES OF ANY JUDGMENT OBTAINED IN ANY SUCH JURISDICTION, IN ANY OTHER APPROPRIATE JURISDICTION OR THE RIGHT OF THE PARTIES TO CONFIRM OR ENFORCE ANY ARBITRATION AWARD IN ANY APPROPRIATE JURISDICTION.

13.3. Limitation of Claims. Any and all claims, actions, or Legal Proceedings arising out of or relating to this Agreement, the relationship of the Team Operator and the League Office, or the Team Operator's performance (or non-performance) of Team Activities, brought by either the League Office or

the Team Operator against the other, shall be commenced within two (2) years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

13.4. Limitation of Damages. To the fullest extent permitted by law, no party shall be liable to any other party for any damages or other amounts which represent lost profits or indirect, incidental, special, consequential or punitive damages arising from the performance or nonperformance of this Agreement or any acts or omissions related thereto.

13.5. Attorneys' Fees. In the event that a League Office Entity institutes any Legal Proceeding against a Team Operator Entity, or vice versa, arising out of or relating to this Agreement, the prevailing party in the suit, action, or proceeding shall be entitled to receive, in addition to all other damages to which it may be entitled, the costs incurred by such party in conducting the suit, action, or proceeding, including reasonable attorneys' fees and expenses and court costs.

13.6. Arbitration.

13.6.1. The League Office and the Team Operator agree that, except for controversies, disputes, or claims related to or based on improper use of the League Marks or the Team Marks (or other disputes which may fairly be categorized as "trademark disputes"), all controversies, disputes or claims between the League Entities and their respective Personnel, on the one hand, and the Team Operator, its Equity Owners, Affiliates, or Personnel, on the other hand, arising out of or, in any way related to (a) this Agreement or any other agreement between the Team Operator and the League Office (including its formation, execution, interpretation, performance and any alleged breach), (b) the League Office's relationship with the Team Operator or (c) the validity of this Agreement or any other agreement between the Team Operator and the League Office shall be resolved through binding arbitration, on demand of either the League Office or the Team Operator, such arbitration to be administered by the AAA under its AAA Commercial Rules. All matters relating to arbitration will be governed by the United States Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Despite the League Office's and the Team Operator's agreement to arbitrate, the League Office and the Team Operator each have the right, in a proper case, to seek specific performance, temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that seeking such relief in a court of competent jurisdiction shall not relieve the League Office or the Team Operator from submitting the remaining portions of the dispute to arbitration on the merits as provided in this Section.

13.6.2. The award rendered by the arbitrators shall be final and binding on the parties and may be entered and enforced in any court having jurisdiction, and any court where a party or its assets is located (to whose jurisdiction the parties consent for the purposes of enforcing the award). Judgment on the award shall be final and non-appealable. Subject to the limitation of liability set forth in Section 13.4, the arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorney fees and costs. The League Office and the Team Operator agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. The League Office and the Team Operator further agree that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the United States Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either the Team Operator or the League Office.

13.6.3. There shall be three arbitrators, regardless of the amount in controversy, unless

otherwise agreed by the parties.

13.6.4. All proceedings will be conducted in Tampa, Florida, unless otherwise agreed upon by the parties. Subject to the provisions of Section 11.2, judgment upon the arbitration award may be entered in any court of competent jurisdiction.

13.6.5. Except as may be required by law, neither a party nor the arbitrators may disclose the existence, content or results of any arbitration without the prior written consent of both parties, unless to protect or pursue a legal right.

13.6.6. The League Office and the Team Operator agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between League Office Entities and their respective Equity Owners and Personnel, and the Team Operator (and/or the Team Operator's Equity Owners, Affiliates and/or Personnel) may not be consolidated with any other arbitration proceeding between the League Office and any other Person.

13.7. Waiver of Jury Trial. THE LEAGUE OFFICE AND THE TEAM OPERATOR EACH IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY DISPUTE ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE DOCUMENTS EXECUTED IN CONNECTION HEREWITH, AND THE RELATIONSHIP OF THE PARTIES HEREUNDER.

XIV. MISCELLANEOUS

14.1. Confidentiality. From time to time during the Term of this Agreement, one party (as the "Disclosing Party") may disclose or make available to the other party (as the "Receiving Party") information about its business affairs, confidential intellectual property, trade secrets, third-party confidential information, and other sensitive or proprietary information (collectively, "Confidential Information"). The Receiving Party shall not, during the Term and, subject to the last sentence of this subsection, for a period of two (2) years following the expiration or earlier termination of this Agreement, communicate, divulge or use for the benefit of any other Person any Confidential Information. The Receiving Party shall divulge such Confidential Information only to such of its Personnel as must reasonably have access to it. Confidential Information shall not include information, knowledge or know-how that (i) the Receiving Party can demonstrate came to its attention prior to disclosure thereof by the Disclosing Party; (ii) becomes a part of the public domain other than as a result of a disclosure by the Receiving Party in violation of this Agreement; (iii) was independently developed by the Receiving Party without use of, or reference to, any Confidential Information; (iv) is generally considered to be common knowledge within the soccer industry or community; and/or (v) was obtained on a non-confidential basis from a third party who was not legally or contractually restricted from disclosing such information. To the extent any Confidential Information constitutes a trade secret under applicable law, the restrictions on the Receiving Party described herein shall remain in effect for so long as such Confidential Information remains a trade secret under applicable law. Notwithstanding the foregoing, the League Office may disclose Confidential Information (but not trade secrets) to USSF and other team operators in the League provided that, in each instance, the League Office reasonably determines that such disclosure is in the best interest of the League and the receiving party (a) is informed of the confidential nature of the Confidential Information, (b) is subject to confidentiality duties or obligations to the League Office that are no less restrictive than the terms and conditions of this Agreement, and (c) is provided only the minimum amount of Confidential Information necessary to achieve the permissible purpose of such disclosure.

14.2. Non-Disparagement. Each Party acknowledges and agrees that it shall not, during the

Term and, subject to the last sentence of this subsection, for a period of two (2) years following the expiration or earlier termination of this Agreement, make any public statement (whether oral, written, or otherwise), or knowingly engage in any conduct, that is disparaging or derogatory or detrimental to the good name or business reputation of the other party, any of the other party's officers, directors, shareholders, or employees including, but not limited to, any statement that disparages the products, services, finances, financial condition, capabilities or other aspects of the business or operations of the other party. Notwithstanding anything to the contrary herein, neither party shall be in breach of this section for the making of any truthful statements under oath.

14.3. League Work Stoppage. In the event of a strike by the players in the League or a lockout of the players by the League (in either case a "League Work Stoppage") that precludes the satisfaction of either Party's obligations under this Agreement or applicable League Rules, all obligations of the Parties hereunder shall continue except that neither Party shall be in breach for failing to satisfy those obligations precluded by the League Work Stoppage.

14.4. No Waiver. Failure by the League Office or the Team Operator to enforce any rights under this Agreement shall not be construed as a waiver of such rights. Any waiver, including waiver of default, in any one instance shall not constitute a continuing waiver or a waiver in any other instance.

14.5. No Joint Venture. The League Office and the Team Operator are completely separate entities and are not fiduciaries, partners, or joint venturers and, except as set forth in this Agreement, neither Party is an agent of the other and neither Party shall have the power to bind the other. No act or assistance given by either Party or its Affiliates to the other Party or its Affiliates pursuant to this Agreement shall be construed to alter the relationship. The Team Operator shall be solely responsible for compliance with all applicable Law and for its policies, practices, and decisions relating to the operation of the Team. During the Term, the Team Operator shall hold itself out to the public as an independent party operating the Team pursuant to a franchise agreement with the League Office. Nothing in this Agreement authorizes the Team Operator to make any contract, agreement, warranty, or representation on behalf of the League Office, or to incur any debt or other obligation in the name of the League Office; and the League Office shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action.

14.6. Injunctive Relief. Nothing herein contained shall bar the right of the League Office or the Team Operator to obtain specific performance or injunctive relief against threatened conduct that will cause loss or damages to such party, including, without limitation, violations of the terms of Section 4.22, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

14.7. Notice. All notices, requests, demands, payments, consents and other communications hereunder shall be transmitted in writing by United States mail, postage prepaid, by hand delivery with written receipt, by overnight courier with verification of delivery addressed, if to the Team Operator at the contact information set forth in Schedule 2 and if to the League Office as follows:

USL Pro-2, LLC
1715 N. Westshore Blvd. Suite 825
Tampa, Florida 33607
Attn: Legal

The League Office and the Team Operator may change the mailing address for notice purposes by giving written notice of such change of address to the other party. Mailed notices shall be deemed communicated five (5) days from the time of mailing. All other notices shall be deemed delivered as of

actual delivery.

14.8. Cost of Enforcement. Each of the League Office and the Team Operator shall be entitled to recover from the other all fees, costs and expenses incurred by such party in enforcing the covenants, terms and conditions of this Agreement against the other party, including, without limitation, (a) the collection of any amounts required to be paid under this Agreement, (b) the enforcement of covenants and (c) the protection of the League Marks and Team Marks.

14.9. Remedies Cumulative. Except as otherwise set forth in Section 12.3 ("Additional Termination Rights of the League Office"), Section 12.4 ("2019 Sanctioning"), and Section 12.8 ("Liquidated Damages"), all rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at Law, in any other agreement between the Parties or otherwise.

14.10. Approvals. Whenever this Agreement requires the prior authorization, approval or consent of a party hereto, the party seeking authorization, approval or consent shall make a timely written request to the other party therefor, and such authorization, approval or consent must be obtained in writing.

14.11. Interpretation of Rights. Whenever this Agreement provides that the League Office has a certain right, that right is absolute and, except as expressly limited or conditioned herein, the parties intend that the League Office's exercise of that right will not be subject to any limitation or review. The League Office has the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, and all rights and licenses not specifically and expressly granted to and conferred on the Team Operator by this Agreement are, for all purposes, reserved to the League Office. Whenever the League Office reserves discretion in a particular area or where the League Office agrees to exercise its rights reasonably or in good faith, the League Office will satisfy its obligations whenever the League Office exercises "Reasonable Business Judgment" in making its decision or exercising its rights. The League Office's decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or arguably preferable alternatives are available, if the League Office's decisions or actions are intended, in whole or significant part, to promote or benefit the League generally, even if the decision or action also promotes the League Office's financial or other individual interest. Examples of decisions or actions designed to benefit or promote the League generally, include, without limitation, decisions and actions intended to enhance the value of the League Marks, manage League Activities, improve uniformity, enhance or encourage modernization or improve the competitive position of the League.

14.12. Entire Agreement; Amendment. This Agreement, the exhibits hereto, and the documents referred to herein (including the Guaranty) constitute the entire agreement between the League Office and the Team Operator concerning the subject matter hereof, and supersede any prior agreements, no other representations having induced the Team Operator to execute this Agreement. No amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the League Office and the Team Operator and executed by their authorized officers or agents in writing.

14.13. Severability. The provisions of this Agreement are severable and any invalidity of any portion of this Agreement shall not affect the validity of the remaining portion.

14.14. Time Is of the Essence. Time is of the essence of this Agreement and each and every part hereof.

14.15. Further Assurance. The parties agree to execute such other documents and perform such additional acts as may be necessary or desirable to carry out the purposes of this Agreement.

14.16. No Third-Party Beneficiaries. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any Person other than the Team Operator, the League Office and their permitted successors and assigns, any rights or remedies under or by reason of this Agreement.

14.17. Headings and Table of Contents. The headings and table of contents used herein are for purposes of convenience only and shall not be used in construing the provisions hereof. As used herein, the male gender shall include the female and neuter genders, the singular shall include the plural, and the plural, the singular.

14.18. Survival. All representations, warranties, covenants and agreements of parties hereto that by their sense and context are intended to survive the expiration or termination of this Agreement, including, without limitation, each of Sections 4.22 (Restrictive Covenants); 4.23 (Upward Movement); 14.1 (Confidentiality); 14.2 (Non-Disparagement); 12.5 (Effect of Termination); 12.6 (Right of the League Office to Operate the Team); 12.7 (Continued Use of Marks); 12.8 (Liquidated Damages); 12.9 (Purchase Rights); 12.10 (Reinstatement and Extension); and 12.11 (Discontinuing Services to Team Operator), as well as Articles XI (Indemnification) and XIII (Dispute Resolution) shall survive the expiration or termination of this Agreement regardless of the reason for termination.

14.19. Counterparts. This Agreement may be executed in one or more counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by facsimile or other electronic imaging means (including .PDF), which signature and copies shall deemed to be an original.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

USL PRO-2, LLC
a Florida limited liability company

By: _____
Name:
Title:

[Counterparty]
a [State of Incorporation] [Entity Type]

By: _____
Name:
Title:

Schedule 1

Definitions

"**AAA**" means the American Arbitration Association.

"**AAA Commercial Rules**" means the Commercial Arbitration Rules and Mediation Procedures of the AAA including, if appropriate, the AAA's Procedures for Large, Complex Commercial Disputes.

"**Affiliate**" means, with respect to any Person, any Person directly or indirectly Controlling, Controlled by or under common Control with such Person.

"**Agreement**" has the meaning set forth in the introduction.

"**Ancillary Commercial Inventory**" means the sponsorship, promotional, and advertising inventory related to the Team and controlled by the Team Operator that is not considered Core Commercial Inventory.

"**Anti-Terrorism Laws**" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future Laws addressing or in any way relating to terrorist acts and acts of war.

"**Board of Governors**" has the meaning set forth in Section 9.1.

"**Books and Records**" has the meaning set forth in Section 4.21.1.

"**Broadcast**" means the display or delivery of accounts of Matches, by way of radio, internet or television or any other medium now existing or hereafter created, whether live or recorded.

"**Broadcast Inventory**" means any advertising, sponsorship, or promotional inventory integrated into, overlaid on, or otherwise for sale as part of a Broadcast.

"**Broadcast Rights**" means all rights related to the Broadcasts throughout the Universe through any and all forms, means or modalities of electronic or other tangible or non-tangible Exhibition of audio, visual or audiovisual programming (whether now existing or developed in the future).

"**Cable Television**" means any system that is used to deliver multiple linear programming services in a closed and encrypted manner primarily for in the premises reception and viewing on a television set;

"**Championship**" means the championship game for the League held at the conclusion of the regular season and playoffs.

"**Change of Control**" means, with respect to the Team Operator, after the date hereof, the occurrence of any transaction or series of transactions which results in the change in identity of the Principal Owner.

"**Change of Control Fee**" means the fee set forth in Schedule 4.

"**Collective Bargaining Activities**" means activities related to the unionization (or potential unionization) or collective bargaining of players.

"**Collective Use Rights**" means the right to use and exploit the Team Marks, provided that they are equally emphasized with the team marks of all other teams in the League or an identifiable subset of

teams therein (for example, a conference or division).

"**Commercial Affiliations**" mean advertising, sponsorship, and promotional agreements.

"**Competition Marks**" means the identifiers of League-related competitions (e.g., the playoffs), League events (e.g., all-star game), as well as any specific Matches (e.g., a rivalry match) regardless of whether the opponent is also a participant in the League, in each instance including but not limited to the trade names, logos, symbols, and mascots (whether registered or not), if any, of such events, competitions, and Matches.

"**Composite Mark**" means a League Mark that incorporates the name and/or logo of another brand (e.g., the Barclay's Premier League).

"**Consumer Price Index**" means the Consumer Price Index, All Urban Consumers, United States, All Items (1982 - 1984 = 100), as published by the Bureau of Labor Statistics of the United States Department of Labor or, if such index is not available, such other index as the parties may agree most closely resembles such index.

"**Control**" (including the terms "**Controlled by**" and "**under common Control with**") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including, without limitation, the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.

"**Core Commercial Inventory**" means sponsorship and advertising inventory relating to the Team including without limitation: (i) advertising, product or service placement, sponsorships and promotions relating to commercial identification in the Field of Play; (ii) promotional activities in and around the Home Stadium; (iii) in-stadium print collateral; and (iv) advertising and promotions on the Team Site and Team Digital Platforms, as such inventory may be designated in League Rules.

"**Digital Distribution**" means the Exhibition via (i) the Internet (including Internet applications and services) or (ii) wireless technology used to Exhibit audio, visual or audiovisual programming via mobile devices such as smartphones, tablets and PDAs, including Wireless Application Protocol and Internet Protocol Television and other devices whether now existing or developed in the future, but excluding radio distribution.

"**Disclosing Party**" has the meaning set forth in Section 14.1.

"**Domain Name**" means the web address of the Team Site, as included on Schedule 5 or at such alternative location as may be approved by the League Office.

"**Effective Date**" has the meaning set forth in the introduction.

"**Equity Interest**" means any direct or indirect legal or beneficial interest in the Team Operator (including without limitation the right or obligation to receive all or a portion of the profits or incur all or a portion of the losses of the Team Operator).

"**Equity Owner**" means the direct or indirect owner of an Equity Interest.

"**Escrow Agent**" has the meaning set forth in Section 5.1.2.

"**Escrow Amount**" has the meaning set forth in Section 5.1.2.

"**Exhibit**" means to transmit, broadcast, distribute and/or exhibit.

"**Fair Market Value**" means the cash price that an unaffiliated third party would pay to acquire such property (real, tangible, intangible, or otherwise) in an arm's-length transaction, assuming with respect to the Fair Market Value of such property, that it was being sold in a manner reasonably designed to solicit all possible participants and permit all interested Persons an opportunity to participate and to achieve the best value reasonably available to the seller at the time.

"**Family Member**" means, as to a natural person, his or her spouse, parent, sibling, descendant (including through adoption), or the spouse of each such natural person.

"**Featured Game**" means a Match designated and featured by the League Office (*e.g.*, Games of the Week, rivalry games, kickoff matches, or other nationally branded games).

"**Field of Play**" means the sidelines, the playing field, and those areas otherwise subject to exposure during a Broadcast, including without limitation: any retaining walls or other backdrops to the game presentation as well as any field-level signage, benches and other forms of Team seating or covering.

"**FIFA**" means Federation Internationale de Football Association, the governing body for professional soccer internationally, or its successors.

"**Final Season**" means the Season set forth in Schedule 3.

"**Fiscal Year**" means a calendar year ending December 31, unless another ending date is required by the League Office.

"**For Cause**" means for those causes set forth in Sections 12.1.

"**GAAP**" means U.S. generally accepted accounting principles.

"**Governing Body**" means an organization that governs, sanctions and/or oversees the League, which may include, without limitation, FIFA and USSF.

"**Governmental Authority**" means the government of any nation or any political subdivision thereof, whether at the national, state, territorial, provincial, municipal or any other level, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of, or pertaining to, government.

"**Guaranty**" has the meaning set forth in Section 8.3.

"**Guarantor**" means a natural person having executed the Guaranty.

"**Home Match**" or "**Home League Match**" means any Match or League Match, as applicable, involving the Team occurring within the Protected Territory or in which the Team is otherwise designated as the "home" team.

"**Home Stadium**" means the stadium identified on Schedule 3 as the Home Stadium or, if applicable, the stadium identified as the Interim Stadium on Schedule 3, but only upon the terms and conditions set forth therein.

"**Home Tickets**" mean admission tickets to Home Matches.

"**Initial Season**" means the Season set forth in Schedule 3.

"**Law**" means, as to any Person, any law (including common law), statute, ordinance, treaty, rule, regulation, order, decree, judgment, writ, injunction, settlement agreement, requirement or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"**League**" means the league identified on Schedule 3, operated by the League Office.

"**League Activities**" shall mean, with respect to the League, those activities that are integral to operating a professional soccer league, including without limitation, the marketing and promotion of such League, individual teams in such League, maintenance of such League and Team historical and statistical information, operation and display of the game competitions in such League, and commercial exploitation of such League and individual teams therein which includes, without limitation, securing League Commercial Affiliations, Broadcast agreements (television, radio, internet, mobile technology, etc.), Licensing Arrangements, and the creation of publications subject to the terms of this Agreement.

"**League Allocation**" means, with respect to Core Commercial Inventory and Broadcast Inventory, the allocation to the League Office set forth in Section 6.3.3.

"**League Assets**" has the meaning set forth in Section 6.1

"**League Commercial Affiliations**" means Commercial Affiliations relating to either (i) every team in the League or (ii) identifiable subsets of the teams in the League (including, for example and without limitation, all of the teams of a particular conference, division, or geographic region).

"**League Events**" means events relating to the League competition (e.g., the championship or all-star game).

"**League IP**" means information and intellectual property obtained or developed in connection with the League or the playing of Matches.

"**League Marks**" mean the identifiers of the League, including but not limited to its trade names, logos, symbols, and mascots (whether registered or not), if any.

"**League Match**" means any game played (or scheduled to be played) by the Team as part of the regular season or playoffs of the League (including the League Championship), or any game in which the Team is eligible to play due, in whole or in part, to its participation in the League (specifically including any U.S. Open Cup or CONCACAF Champions League matches)

"**League Office**" has the meaning set forth in the introduction.

"**League Office Entities**" means the League Office and its Affiliates.

"**League Rules**" means all standards (including the Minimum Standards), specifications, requirements, criteria, and policies of general application that have been and are in the future developed and compiled by the League Office for use by the Team Operator in connection with the operation of the Team, Team Activities, or League Activities and all resolutions of the Board of Governors, in each instance whether contained in the Manuals or set out in this Agreement or other written communication.

"**Legal Proceeding**" means any suit, action, or proceeding, including arbitration.

"**Letter of Credit**" means (i) an irrevocable, standby letter of credit issued by a bank with offices in the United States and acceptable to the League Office; (ii) cash to be held by the League Office; or (iii) such other instrument as is acceptable to the League Office.

"**Licensed Products**" means the products that may be agreed upon in writing by the League Office and either (i) the Team Operator or (ii) the Board of Governors from time to time for manufacture, sale, or distribution bearing the Team Marks.

"**Licensee**" means a Person granted or licensed rights by the League Office to use the Team Marks.

"**Licensing Arrangement**" means agreements or arrangements for the manufacture, sale or distribution of Licensed Products.

"**Liquidated Damages**" has the meaning set forth in Section 12.8.

"**Local Advertising**" means advertising and promotion related to the Team, whether through print, media, or other.

"**Local Broadcast**" means the Exhibition of Matches via Standard Television or Standard Radio solely within the Local Broadcast Territory.

"**Local Broadcast Rights**" mean the rights relating to the Local Broadcasts.

"**Local Broadcast Territory**" means the greater of (a) the designated market area in which the Home Stadium is located and (b) the Protected Territory.

"**Local Revenues**" means the gross receipts accruing from Team Activities.

"**Losses**" means, collectively, any losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees.

"**Majority Vote**" means (a) more than half of the team votes cast voting in the affirmative and (b) the affirmative vote of the League Office.

"**Management Arrangement**" has the meaning set forth in Section 4.6.

"**Match**" means any game played (or scheduled to be played) by the Team (including any pre-season or exhibition matches).

"**Maximum Participation Fee Increase**" has the meaning set forth in Section 5.2.

"**Minimum Performance Standard**" has the meaning set forth in Section 4.7.

"**MLS**" means the Division 1 outdoor professional soccer league in the United States operated by MLS Entities.

"**MLS Entities**" means Major League Soccer, Soccer United Marketing, and their respective Affiliates.

"**MLS Team**" means a Person (or such Person's Affiliate) who owns, retains, or receives the right to

operate a team in the Division 1 league operated by Major League Soccer.

"**Negotiation Rights**" mean rights of first refusal, rights of first negotiation, and similar such rights.

"**Net Licensing Revenues**" shall include all income received by the League Office (prior to the deduction of the League Office's commission) from licensees pursuant to any Licensing Arrangements including, but not limited to, advances, royalties, guarantees, fees and payments (whether in cash, barter or other form of consideration) less any payments made or expenses incurred by the League Office for or on behalf of the Team Operator with the prior approval of the Team Operator or the Board of Governors.

"**New Agreement**" means a franchise agreement in substantially the form then used by the League Office for team operators in the League, which shall supersede this Agreement in all respects and the terms of which may differ from the terms of this Agreement, including requirements to pay additional and/or higher fees, except that the New Agreement shall not include (a) any requirement to pay an additional expansion fee or (b) any change that (i) materially and adversely affects the Team Operator's basic rights to operate the Team in the League in the Protected Territory; or (ii) materially increases the Team Operator's net obligations; or (iii) materially reduces the League Office's obligations.

"**New Market**" has the meaning set forth in Section 4.2.3.

"**Other Agreements**" has the meaning set forth in Section 10.3.

"**Participation Fee**" has the meaning set forth in Section 5.2.

"**Party**" and "**Parties**" have the meaning set forth in the introduction.

"**Person**" means an individual or a corporation, partnership, sole proprietorship, company, firm, limited liability company, joint venture, trust, business association, organization, joint stock company, unincorporated organization, group acting in concert, Governmental Authority or other entity.

"**Personnel**" of a Party means any officers, directors, agents, employees or other Persons engaged or appointed by the Party which, in the case of the Team Operator, includes players on the Team.

"**Platform**" means any technology used for delivery of information (including, but not limited to, video images) to end users or consumers, including as of the date hereof, without limitation, such technologies as Cable Television, direct broadcast satellite, open video systems, computer on-line services, the Internet, technologies designed to reach mobile phones and other mobile devices, multichannel multipoint video distribution systems, closed circuit television, and satellite master antenna television systems, and, during the term hereof, any successor, supplementary, replacement, or new technology performing substantially similar functions as (or enhanced or additional functions with respect to) Platforms currently in existence;

"**Player Likenesses**" shall mean, collectively, the names, nicknames, numbers, pictures, or images (whether still, motion, video, digital, or television), voices, signatures, facsimile signatures, caricatures, reputation, goodwill, persona, any aspect of the right of privacy, personality or publicity or other likenesses of players on the Team.

"**Pool Payments**" has the meaning set forth in Section 5.3.1(r).

"**Principal Owner**" means a natural person who: (i) Controls the Team Operator; (ii) is the Equity Owner of at least thirty-five percent (35%) of the Equity Interests (or such other amount as may be required by

the Pro League Standards); (iii) has authority to bind the Team Operator; and (iv) meets the thresholds, including net worth, proscribed by the Pro League Standards from time to time.

"**Product Categories**" means categories of products, services, or retail operations.

"**Professional League Standards**" means the rules and standards instituted or enforced by USSF and applicable to the League and its teams, as such rules and standards may be amended from time to time in USSF's sole discretion.

"**Protected Territory**" has the meaning set forth in Section 3.4.

"**Provider**" means a provider of products or services for the Team.

"**Reasonable Business Judgment**" has the meaning set forth in Section 14.11.

"**Receiving Party**" has the meaning set forth in Section 14.1

"**Relocation Proposal**" means any inquiry, proposal, solicitation or offer from or to any Person that contemplates a relocation of the Team from the Home Stadium.

"**Renewal Date**" is December 31 of the third to last year of the Term.

"**Renewal Term**" has the meaning set forth in Section 2.2.

"**Rival League**" means any men's professional soccer league (or soccer league that permits its teams to roster professional soccer players) with teams in the United States. The Division 1 league operated by Major League Soccer is not a Rival League as of the Effective Date of this Agreement. However, should League Office Entities, at any point, no longer affiliate with Major League Soccer (MLS), such division 1 league is to be included as a Rival League.

"**Season**" means the time period from the first official League Match of a competition through the conclusion of the championship game.

"**Settlement Procedures**" means the League Rules comprising the account settlement procedures, as the same may be amended from time to time.

"**Stadium Lease**" means any lease, license, use or occupancy agreement for the Home Stadium.

"**Standard Radio**" means free (non-subscription) over-the-air audio-only signals intended for reception by the general public.

"**Standard Television**" means free (non-pay-per-view and non-subscription) over-the-air broadcast television signals intended for reception by the general public transmitted by full power terrestrial broadcast television stations on spectrum assigned by the FCC. For avoidance of doubt, "Standard Television" shall not include, without limitation, (i) any on-demand (VOD, etc), pay-per-view, subscription, time-shifted transmission or other service in which any portion of a Standard Television program or signal is provided to viewers for payment or in a manner that is not simultaneous with its free, over-the-air linear terrestrial broadcast; (ii) any wireless distribution to mobile phones or other mobile devices; (iii) any interactive or internet/broadband distribution or distribution through any other systems network; (iv) any other non-television protocol or Platform; or (v) distribution via any linear Cable Television network or programming service.

"**Supermajority Vote**" means (a) more than two thirds (2/3) of the team votes cast voting in the affirmative and (b) the affirmative vote of the League Office.

"**Taxes**" means any and all sales, use, gross receipts, environmental, ad valorem, or excise tax or any other similar taxes, fees, duties, or charges of any kind imposed by any Governmental Authority; exclusive, however, of any taxes, assessments, or other levies imposed on income or capital (including leased or purchased property, equipment, or software), any franchise taxes, any taxes in lieu of net income taxes and any other direct taxes.

"**Team**" means the soccer team to be operated by the Team Operator pursuant to this Agreement.

"**Team Assets**" has the meaning set forth in Section 6.2.

"**Team Activities**" means those activities integral to the administration, marketing, promotion and operation of the Team and the commercial exploitation thereof, including the sale and fulfillment of Team Commercial Affiliations, Local Broadcast Rights and Home Tickets.

"**Team Commercial Affiliations**" means Commercial Affiliations related to the Team.

"**Team Digital Platforms**" means any and all digital platforms including, but not limited to official websites, social media platforms (e.g., Twitter, Instagram, Facebook) as well as pages or microsites on platforms such as YouTube.

"**Team Lists**" means all customer lists and records relating to the Team.

"**Team Marks**" means the identifiers of the Team, including but not limited to team name, logos, characters, mascots, trademarks, trade names and other identifying words or symbols of the Team.

"**Team Operator**" means the Person identified in Schedule 2.

"**Team Operator Entities**" means the Team Operator and any entities Controlled by the Team Operator.

"**Team Operator Training**" has the meaning set forth in Section 3.5.

"**Team Site**" means the website dedicated to the Team located at the Domain Name.

"**Team Store**" means a Team-identified store or any store owned by the Team Operator or under common Control with the Team Operator that sells predominately Team-branded merchandise. For the avoidance of confusion, "Team Store" does not include any e-commerce store.

"**Term**" has the meaning set forth in Section 2.1.

"**Ticket Agent**" means a Person that processes the sale of a ticket on either the primary market (e.g., Ticketmaster) or secondary, resale market (e.g., StubHub).

"**Transfer**" means any sale, issuance, transfer, assignment, pledge, or other encumbrance of an interest or the rights thereof. The terms "Transferee," "Transferred," "Transferor" and other forms of the word "Transfer" shall have correlative meanings.

"**Upward Movement Fee**" means the sum set forth in Schedule 4.

"**USSF**" means the United States Soccer Federation (also known as U.S. Soccer), the governing body for

professional soccer in the United States, or such entity or organization as may assume responsibilities similar to that of the USSF in the future.

Schedule 2

Team Operator and Principal Owner

Team Operator:	[Counterparty]
Address:	[Address]
Principal Owner:	[Principal Owner]
Address:	[Address]

Schedule 3

Basic Terms

League:	"USL Division 3"
Effective Date:	
Initial Season:	2019
Final Season:	2028
Interim Stadium (if applicable):	
Home Stadium:	
Protected Territory:	
Renewal Term:	10 years, then in accordance with the then-current form of franchise agreement.

Schedule 4

Payment Terms

Expansion Fee:	$500,000.00
Initial Season – Participation Fee Amount and due dates:	$75,000.00, divided into two equal installments, due the October 1 and January 1 preceding the season.
Change of Control Fee:	10% of the then-current, published expansion fee
Relocation Fee:	10% of the then-current, published expansion fee
Renewal Fee:	$10,000.00, as adjusted annually (using the Initial Season as the base year) by the percentage rate of increase plus three percent for the immediately preceding 12-month period in the Consumer Price Index.
Upward Movement Fee:	A sum equal to (i) seven percent (7%) of any expansion, acquisition, or relocation fee paid or payable to MLS Entities for the right to operate an MLS Team in a particular territory which, for the purposes of calculation, includes any foregone distributable proceeds from MLS Entities and the Fair Market Value of any other tangible property transferred or transferable to MLS Entities, and, in addition, (ii) such Participation Fees as would have been due through the remainder of the Term in the absence of upward movement.

Schedule 5

Team Marks and Indicia

Domain Name:

Team Name:

Primary Logo:

Schedule 6

Equity Owners

As of the Effective Date, the full name and mailing address of each Equity Owner is included below, along with a description of the nature of their Equity Interest. For the avoidance of confusion, the direct and indirect owners of any entity that is an Equity Owner must also be included.

Equity Owner Name	If Equity Owner is an Entity, the direct and indirect owners of the entity	Description and number of Equity Interests

The Equity Owners of greater than five percent (5%) of the Equity Interests, as identified above, hereby acknowledge that they have reviewed, or have had ample opportunity to review, the Franchise Agreement and agree to be bound by the restrictive covenants contained therein, including, without limitation, those contained in Section 4.22 ("Restrictive Covenants").

_____ _____

[Name] [Name]

_____ _____

[Name] [Name]

_____ _____

[Name] [Name]

Schedule 7

2019 Fees and Pass-Throughs

Schedule 8

Exclusive or Restricted Providers

TicketReturn – exclusive primary Ticket Agent with respect to all Matches.

Select – exclusive Provider of soccer balls.

Schedule 9

2019 Anticipated Use of League-Allocated Inventory

Schedule 10

State Addenda

[Included on the following pages]

SCHEDULE 10

ADDENDUM TO USL FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, 815 Illinois Compiled Statutes §§ 705/1 - 705/44, the parties to the attached USL Franchise Agreement (the "Agreement") agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

2. Article II of the Agreement, under the heading "Term; Renewal; Expiration", shall be amended by the addition of the following new subsection 2.4, which shall be considered an integral part of the Agreement:

> "2.4. If any of the provisions of this Article II are inconsistent with Section 705/20 of the Illinois Franchise Disclosure Act of 1987, the provisions of the Illinois Franchise Disclosure Act of 1987 shall apply. If the League Office refuses to renew this Agreement, the League Office shall compensate the Team Operator if (and to the extent) such compensation is required under Section 705/20 of the Illinois Franchise Disclosure Act of 1987."

3. Section 12.1 of the Agreement, under the heading "Termination by the League Office," shall be amended by the addition of the following new subsection 12.1.4, which shall be considered an integral part of the Agreement:

> "12.1.4 Compliance with the Illinois Franchise Disclosure Act of 1987. If any of the provisions of this Section 11.2.5. are inconsistent with Section 705/19 of the Illinois Franchise Disclosure Act of 1987, the provisions of the Illinois Franchise Disclosure Act of 1987 shall apply."

4. Section 13.1 of the Agreement, under the heading "Choice of Law," is deleted in its entirety, and shall have no further force or effect, and the following shall be substituted in lieu thereof:

> "13.1 This Agreement, the documents executed in connection herewith, the relationship of the parties hereunder and all disputes between the parties with respect to any of the foregoing shall be governed by and construed in accordance with the laws of the State of Illinois without giving effect to any conflict of law provision (whether of the State of Illinois or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Illinois."

5. Section 13.2 of the Agreement, under the heading "Consent to Jurisdiction," is deleted in its entirety and replaced with the following:

> "13.2 THE TEAM OPERATOR AND THE LEAGUE OFFICE CONSENT AND IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED IN HILLSBOROUGH COUNTY, FLORIDA, AND WAIVE ANY OBJECTION TO THE JURISDICTION AND VENUE OF SUCH COURTS. ANY LAWSUIT ARISING OUT OF OR RELATING TO THIS AGREEMENT, BUT EXPRESSLY EXCLUDING CLAIMS ARISING UNDER THE ILLINOIS FRANCHISE DISCLOSURE ACT OF 1987, MUST BE BROUGHT IN A COURT OF COMPETENT JURISDICTION IN HILLSBOROUGH COUNTY, FLORIDA.

HOWEVER, THE EXCLUSIVE CHOICE OF VENUE AND JURISDICTION DO NOT PRECLUDE THE BRINGING OF ANY ACTION BY THE PARTIES OR THE ENFORCEMENT BY THE PARTIES OF ANY JUDGMENT OBTAINED IN ANY SUCH JURISDICTION, IN ANY OTHER APPROPRIATE JURISDICTION OR THE RIGHT OF THE PARTIES TO CONFIRM OR ENFORCE ANY ARBITRATION AWARD IN ANY APPROPRIATE JURISDICTION.

6. Article XIII of the Agreement, under the heading "Dispute Resolution," shall be amended by the addition of the following new Section 13.8, which shall be considered an integral part of the Agreement:

"(c) Nothing contained in this Article XIII shall constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act of 1987 or any other Illinois law (as long as the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met)."

7. Each provision of this Addendum to the Franchise Agreement for the State of Illinois shall be effective only to the extent, with respect to such provision, the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met independently, without reference to this Addendum to USL Franchise Agreement for the State of Illinois, and only to the extent such provision is a then valid requirement of the statute.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to the Franchise Agreement for the State of Illinois to be duly executed as of the Effective Date of the Agreement.

LEAGUE OFFICE: USL Pro-2, LLC
By United Soccer Leagues, LLC, its sole member

By:_____
Signature

_____
Name

_____
Title

TEAM OPERATOR:

_____
(Name of Entity)

By:_____
Signature

_____
Name

_____
Title

SCHEDULE 10

ADDENDUM TO USL FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Franchise Act, Minnesota Statutes §§ 80C.01 - 80C.30, and of the Franchise Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minnesota Rules §§ 2860.0100 - 2860.9930, the parties to the attached USL Franchise Agreement (the "Agreement") agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

2. Section 2.2.3 of the Agreement, under the heading "Renewal Term," is deleted in its entirety, and shall have no further force or effect, and the following paragraph shall be substituted in lieu thereof:

> "2.2.3. On or before the Renewal Date, the Team Operator executes a general release, in a form prescribed by the League Office, of any and all claims against the League Office Entities and their respective Personnel, excluding only such claims as Franchisee may have under the Minnesota Franchise Act and the Franchise Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce."

3. Section 2.3 of the Agreement, under the heading "Expiration", shall be amended by adding the following sentence, which shall be considered an integral part of the Agreement:

> "Minnesota law provides franchisees with certain non-renewal rights. In sum, Section 80C.14, Subsection 4, of the Minnesota Franchise Act currently requires, except in certain specified cases, that Franchisee be given 180 days notice of non-renewal of this Agreement."

4. Section 8.2 of the Agreement, under the heading "License and Limitation on Use of USL Marks," shall be amended by the addition of the following new subsection 8.2.6., which shall be considered an integral part of the Agreement:

> "8.2.6. Pursuant to Section 800.12, Subsection 1(g), of the Minnesota Statutes, Franchisor is required to protect any rights Franchisee may have to the USL Marks."

5. Section 10.1 of the Agreement, under the heading "No Transfer without Franchisor Approval," shall be amended by the addition of the following new paragraph, which shall be considered an integral part of the Agreement:

> "Minnesota law provides franchisees with certain transfer rights. In sum, Section 80C.14, Subsection 5, of the Minnesota Franchise Act currently requires that consent to the transfer of the franchise may not be unreasonably withheld."

6. Section 10.2.3 of the Agreement, under the heading "Conditions to Approval," is deleted in its entirety, and shall have no further force or effect, and the following paragraph shall be substituted in lieu thereof:

> "10.2.3. Franchisee and/or its Owners, as applicable, shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, owners and employees, in their corporate and individual

capacities, excluding only such claims as Franchisee or its Owners may have under the Minnesota Franchise Act and the Franchise Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce."

7. Section 11.2 of the Agreement, under the heading "Termination by Franchisor," shall be amended by the addition of the following new subsection 11.2.5, which shall be considered an integral part of the Agreement:

"11.2.5. Compliance with the Minnesota Franchise Act. Minnesota law provides franchisees with certain termination rights. In sum, Section 80C.14, Subsection 3, of the Minnesota Franchise Act currently requires, except in certain specified cases, that Franchisee be given 90 days notice of termination (with 60 days to cure) of this Agreement."

8. Section 2860.4400J of the Franchise Rules and Regulations promulgated by the Minnesota Commissioner of Commerce prohibits a franchisor from requiring a franchisee to consent to liquidated damages. Section 12.10 of the Agreement, under the heading "Liquidated Damages," shall be deleted in its entirety.

9. Section 15.2 of the Agreement is deleted in its entirety, and shall have no further force or effect, and the following Section shall be substituted in lieu thereof:

"15.2. Injunctive Relief. Nothing herein contained shall bar the right of Franchisor to seek injunctive relief against threatened conduct that will cause it loss or damages, including, without limitation, violations of the terms of Sections 7.4, 7.6 or 8.2, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions."

10. Article XV shall be amended by the addition of the following new Section 15.15, which shall be considered an integral part of the Agreement:

"15.15. Effect of Minnesota Law. Notwithstanding anything to the contrary set forth herein, pursuant to Minnesota Rules § 2860.4400J, nothing herein shall abrogate or reduce, or require Franchisee to waive, any of Franchisee's rights as provided for in the Minnesota Statutes, Chapter 80C, or its rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

11. Section 16.2 of the Agreement, under the heading "Consent to Jurisdiction," shall be amended by the addition of the following new subsection (c), which shall be considered an integral part of the Agreement:

"(c) Section 80C.21 of the Minnesota Franchise Act and Section 2860.4400J of the Franchise Rules and Regulations promulgated by the Minnesota Commissioner of Commerce prohibit Franchisor from requiring litigation to be conducted outside of the State of Minnesota. In addition, nothing in the Franchise Disclosure Document or this Agreement can abrogate or reduce any of Franchisor's rights as provided for in the Minnesota Franchise Act, or Franchisor's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

12. Section 16.3 of the Agreement is deleted in its entirety, and shall have no further force or effect, and the following Section shall be substituted in lieu thereof:

"16.3. Limitation of Claims. Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee and Franchisor, or Franchisee's operation of the Franchised Team, brought by either party hereto against the other, whether in mediation, or a legal action, shall be

commenced within three (3) years after the cause of action accrues, or such claim or action shall be barred."

13. Each provision of this Addendum to USL Franchise Agreement for the State of Minnesota shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act or the Franchise Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently, without reference to this Addendum to USL Franchise Agreement for the State of Minnesota, and only to the extent such provision is a then valid requirement of the statute.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to USL Franchise Agreement for the State of Minnesota to be duly executed as of the Effective Date of the Agreement.

LEAGUE OFFICE: USL Pro-2, LLC
By United Soccer Leagues, LLC, its sole member

By:_____
Signature

_____
Name

_____
Title

TEAM OPERATOR:

_____
(Name of Entity)

By:_____
Signature

_____
Name

_____
Title

SCHEDULE 10

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK

In recognition of the requirements of the Article 33 of the General Business Law of the State of New York, §§ 680 - 695, the parties to the attached USL Franchise Agreement (the "Agreement") agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

2. Section 2.2.3 of the Agreement, under the heading "Renewal Term" is deleted in its entirety, and shall have no further force or effect, and the following paragraph shall be substituted in lieu thereof:

> "2.2.3. On or before the Renewal Date, the Team Operator executes a general release, in a form prescribed by the League Office, of any and all claims against the League Office Entities and their respective Personnel; provided, however, that all rights enjoyed by the Team Operator and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York, and the rules and regulations issued thereunder, shall remain in force, it being the intent of this provision that the non-waiver provisions of Sections 687.4 and 687.5 of Article 33 of the General Business Law of the State of New York be satisfied."

3. Section 10.1.3(d) of the Agreement, under the heading "Change of Control Transfers," is deleted in its entirety, and shall have no further force or effect, and the following paragraph shall be substituted in lieu thereof:

> "(d) the Team Operator and its transferring Equity Owners sign the then-current form of termination agreement and a general release, in a form satisfactory to the League Office, of any and all claims against any League Office Entities and their respective Personnel; provided, however, that all rights enjoyed by the Team Operator and its Equity Owners and any causes of action arising in their favor from the provisions of Article 33 of the General Business Law of the State of New York, and the rules and regulations issued thereunder, shall remain in force, it being the intent of this provision that the non-waiver provisions of Sections 687.4 and 687.5 of Article 33 of the General Business Law of the State of New York be satisfied."

4. Section 10.3 of the Agreement, under the heading "League Office Transfers," shall be amended by the addition of the following new sentence, which shall be considered an integral part of the Agreement:

> "However, no assignment shall be made except to an assignee who, in the good faith judgment of the League Office, is willing and able to assume the League Office's obligations under this Agreement."

5. Section 13.1 of the Agreement, under the heading "Choice of Law," shall be amended by the addition of the following new sentence, which shall be considered an integral part of the Agreement:

> "The foregoing choice of law should not be considered a waiver of any right conferred upon the League Office or the Team Operator by Article 33 of the General Business Law of the State of New York."

6. Each provision of this Addendum to the Franchise Agreement for the State of New York shall be

effective only to the extent, with respect to such provision, that the jurisdictional requirements of Article 33 of the General Business Law of the State of New York are met independently, without reference to this Addendum to USL Franchise Agreement for the State of New York, and only to the extent such provision is a then valid requirement of the statute.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to Franchise Agreement for the State of New York to be duly executed as of the Effective Date of the Agreement.

LEAGUE OFFICE: USL Pro-2, LLC
By United Soccer Leagues, LLC, its sole member

By:_____
Signature

_____
Name

_____
Title

TEAM OPERATOR:

_____
(Name of Entity)

By:_____
Signature

_____
Name

_____
Title

SCHEDULE 10

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, Rhode Island Code §§ 19-28.1-1 - 19-28.1-34, the parties to the attached USL Franchise Agreement (the "Agreement") agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

2. Section 13.1 of the Agreement, under the heading "Choice of Law," shall be amended by adding the following language, which shall be considered an integral part of the Agreement, to the conclusion of such Section:

> "Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that 'A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.'"

3. Each provision of this Addendum to the Franchise Agreement for the State of Rhode Island shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently, without reference to this Addendum to USL Franchise Agreement for the State of Rhode Island, and only to the extent such provision is a then valid requirement of the statute.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to the Franchise Agreement for the State of Rhode Island to be duly executed as of the Effective Date of the Agreement.

[signature page follows]

LEAGUE OFFICE: USL Pro-2, LLC
By United Soccer Leagues, LLC, its sole member

By:_____
Signature

_____
Name

_____
Title

TEAM OPERATOR:

_____
(Name of Entity)

By:_____
Signature

_____
Name

_____
Title

SCHEDULE 10

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF WASHINGTON

In recognition of the requirements of the Washington Franchise Investment Protection Act, Revised Code of Washington §§ 19.100.010 – 19.100.940, the parties to the attached Franchise Agreement (the "Agreement") agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

2. Section 19.100.180 of the Washington Franchise Investment Protection Act may supersede the Agreement in the Team Operator's relationship with the League Office including the areas of termination and renewal of the franchise. There may also be court decisions which may supersede the Agreement in the Team Operator's relationship with the League Office including the areas of termination and renewal of the franchise.

3. If any provisions of the Agreement are inconsistent with the relationship provisions of Section 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Washington Franchise Investment Protection Act will prevail over the inconsistent provisions of the Agreement with regard to any franchise sold in Washington.

4. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act shall prevail.

5. 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.

6. Any release or waiver of rights executed by the Team Operator will not include rights under the Washington Franchise Investment Protection Act except if the Team Operator executes the release or waiver as part of a negotiated settlement after the Agreement is in effect and where the parties are both represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act and/or rights or remedies under the Washington Franchise Investment Protection Act, such as a right to a jury trial, may not be enforceable.

7. The League Office may collect the transfer fees if they reflect the League Office's reasonable estimated or actual costs in effecting the Team Operator's transfer.

8. Each provision of this Addendum to USL Franchise Agreement for the State of Washington shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently, without reference to this Addendum to the Franchise Agreement for the State of Washington, and only to the extent such provision is a then valid requirement of the statute.

[Signatures begin on the following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to the Franchise Agreement for the State of Washington to be duly executed as of the Effective Date of the Agreement.

LEAGUE OFFICE: USL Pro-2, LLC
By United Soccer Leagues, LLC, its sole member

By:_____
Signature

_____
Name

_____
Title

TEAM OPERATOR:

_____
(Name of Entity)

By:_____
Signature

_____
Name

_____
Title

EXHIBIT B – DIRECTOR OF STATE ADMINISTRATORS & AGENCIES

California
Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013
(866) 275-2677

Hawaii
Department of Commerce & Consumer Affairs
P.O. Box 40
Honolulu, Hawaii 96810
Telephone: (808) 586-2272

Illinois
Office of Attorney General
500 S. Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana
Franchise Section
Securities Division
302 W. Washington St., Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Maryland
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-7042

Michigan
Consumer Protection Division
Department of Attorney General
525 W. Ottawa St.
P.O. Box 30213
Lansing, Michigan 48909
(517) 373-7117

Minnesota
Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
(651) 296-4026

New York
Bureau of Investor Protection and Securities
Department of Law
120 Broadway, 23rd Floor
New York, New York 10271
(212) 416-8211

North Dakota
North Dakota Securities Department
600 East Blvd., Fifth Floor
Bismarck, North Dakota 58505
(701) 328-4712

Rhode Island
Securities Division
233 Richmond Street, Suite 232
Providence, Rhode Island 02903-4232
(401) 222-3048

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

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

Washington
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501
(360) 902-8760

Wisconsin
Division of Securities
Department of Financial Institutions
345 W. Washington, 4th Floor
Madison, Wisconsin 53703
(608) 266-8559

EXHIBIT C – AGENT FOR SERVICE OF PROCESS

California
California Commissioner of Business Oversight
California Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344

Illinois
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana
Secretary of State of Indiana
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

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

Michigan
Michigan Department of Commerce
Corporations and Securities Bureau
6546 Mercantile Way
Lansing, Michigan 48910

Minnesota
Minnesota Commissioner of Commerce
Department of Commerce
85 7th Place, Suite 500
St. Paul, Minnesota 55101

New York
Secretary of State of New York
99 Washington Avenue
Albany, New York 12231

North Dakota
Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue State Capitol 5th Floor
Department 414
Bismarck, ND 58505

Oregon
Department of Insurance and Finance
700 Summer Street, N.E.
Suite 120
Salem, Oregon 97310

Rhode Island
Director of Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920

South Dakota
Department of Labor and Regulation
Division of Securities
124 S. Euclid, Suite 104
Pierre, SD 57501

Virginia
Clerk of the State Corporation Commission
1300 East Main Street, First Floor
Richmond, Virginia 23219

Washington
Securities Administrator
Washington State Department of Financial Institutions
150 Israel Road
Tumwater, Washington 98501

Wisconsin
Wisconsin Commissioner of Securities
345 West Washington Avenue, 4th Floor
Madison, Wisconsin 53703

EXHIBIT D – LIST OF CURRENT FRANCHISEES

As of December 31, 2017

None.

EXHIBIT E – FRANCHISES THAT HAVE TRANSFERRED CONTROLLING OWNERSHIP, BEEN CANCELLED OR TERMINATED, HAVE NOT BEEN RENEWED, BEEN ACQUIRED OR OTHERWISE CEASED TO DO BUSINESS

2017

None / Not Applicable.

EXHIBIT F-1 – FINANCIAL STATEMENTS

[See attachment]

UNITED SOCCER LEAGUES, LLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

UNITED SOCCER LEAGUES, LLC AND SUBSIDIARIES
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

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CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
United Soccer Leagues, LLC and Subsidiaries
Tampa, Florida

We have audited the accompanying consolidated financial statements of United Soccer Leagues, LLC and Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the related consolidated statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

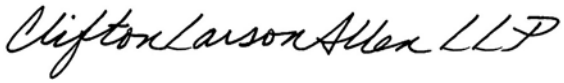
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of United Soccer Leagues, LLC and Subsidiaries as of December 31, 2017 and 2016, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



CliftonLarsonAllen LLP

Tampa, Florida
March 15, 2018

UNITED SOCCER LEAGUES, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and Restricted Cash	$ 6,383,706	$ 2,890,198
Accounts Receivable, Net	6,232,929	3,787,070
Prepaid Expenses	-	36,250
Total Current Assets	12,616,635	6,713,518
Long-Term Receivables	6,800,500	1,454,000
Furniture and Equipment, Net	76,822	126,219
Intangible Assets, Net	1,317,317	1,328,067
Goodwill	711,601	813,258
Other Noncurrent Assets	19,398	20,539
Total Assets	$ 21,542,273	$ 10,455,601
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 297,780	$ 102,035
Due to Related Party	538,015	347,581
Performance Security Deposits	1,630,443	1,261,734
Deferred Revenue	11,579,846	5,709,191
Accrued Liabilities	380,562	429,659
Total Current Liabilities	14,426,646	7,850,200
Note Payable - Related Party	5,737,503	-
Total Liabilities	20,164,149	7,850,200
MEMBERS' EQUITY	1,378,124	2,605,401
Total Liabilities and Members' Equity	$ 21,542,273	$ 10,455,601

See accompanying Notes to Consolidated Financial Statements.

UNITED SOCCER LEAGUES, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
REVENUE		
Sales of Initial Franchises	$ 9,537,782	$ 5,887,000
Continuing Franchising Fees	3,922,267	2,930,060
Other Revenue	1,026,486	1,113,814
Total Revenue	14,486,535	9,930,874
EXPENSES		
Payroll Expense	3,708,968	3,093,956
Legal and Professional Fees	1,481,829	1,452,113
Operating Expenses	1,288,523	1,780,312
Broadcast and TV Production	444,098	978,585
Rent Expense	261,639	228,448
Total Expenses	7,185,057	7,533,414
INCOME FROM OPERATIONS	7,301,478	2,397,460
OTHER INCOME (EXPENSE)	(624,660)	28,822
NET INCOME	$ 6,676,818	$ 2,426,282

See accompanying Notes to Consolidated Financial Statements.

UNITED SOCCER LEAGUES, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
YEARS ENDED DECEMBER 31, 2017 AND 2016

BALANCE - DECEMBER 31, 2015	$ 1,337,499
Member Distributions	(1,158,380)
Net Income	2,426,282
BALANCE - DECEMBER 31, 2016	2,605,401
Member Distributions	(2,094,874)
Exchange of Equity for Issuance of Note Payable	(5,809,221)
Net Income	6,676,818
BALANCE - DECEMBER 31, 2017	$ 1,378,124

See accompanying Notes to Consolidated Financial Statements.

UNITED SOCCER LEAGUES, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 6,676,818	$ 2,426,282
Adjustments to Reconcile Net Income to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization	177,463	160,997
Bad Debt Expense	45,087	-
Gain on Disposal of Asset	8,842	-
Imputed Interest - Long-Term Receivables	(163,454)	-
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(2,490,946)	(2,561,726)
Long-Term Receivables	(5,183,046)	-
Other Assets	37,391	4,331
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	195,745	23,771
Due to Related Party	190,434	166,433
Accrued Liabilities	(49,097)	162,766
Performance Security Deposits	368,709	96,241
Deferred Revenue	5,870,655	2,857,543
Net Cash Provided by Operating Activities	5,684,601	3,336,638
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Furniture and Equipment	(24,501)	(101,471)
CASH FLOWS FROM FINANCING ACTIVITIES		
Member Distributions	(2,094,874)	(1,158,380)
Payments on Notes Payable	(71,718)	(548,776)
Net Cash Used by Financing Activities	(2,166,592)	(1,707,156)
NET INCREASE IN CASH	3,493,508	1,528,011
Cash and Restricted Cash - Beginning of Year	2,890,198	1,362,187
CASH AND RESTRICTED CASH - END OF YEAR	$ 6,383,706	$ 2,890,198
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	$ 773,576	$ 21,343
SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION		
Exchange of Equity for Issuance of Note Payable	$ 5,809,221	$ -

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background and Description of Business

USISL, Inc., (the Corporate Predecessor) was incorporated on April 1, 1996. On August 27, 2009, NuRock Soccer Holdings, LLC (NuRock), which owns 99%, and Robert Hoskins, who owns 1%, (the Members) purchased all of the outstanding stock of the Corporate Predecessor and subsequently converted the Corporate Predecessor to United Soccer Leagues, LLC, (USL), a limited-liability company. USL operates soccer leagues collectively known as United Soccer Leagues. USL sells and grants franchises to owners of soccer teams throughout the United States and Canada and manages league activities. USL is sanctioned by the United States Soccer Federation (the Federation) and has been a member of the Federation for over twenty five years.

The liability of the Members is limited to the amount of their invested capital and Members have no obligation to make additional capital contributions to USL. Net profits and losses are allocated among the Members based on the Members' respective percentage of ownership interest.

On December 30, 2015, USL created a wholly owned subsidiary named RRFC Acquisition, LLC, (RRFC, and collectively with USL the Company) for the purpose of maintaining the operations of a soccer team. This soccer team was sold to a new owner in March 2016, and there has been no other activity in the current year.

On January 1, 2017, the Company created five Florida limited liability companies (USL Pro, LLC; USL Pro-2, LLC; USL Productions, LLC; Super Y League, LLC; and Premier Development League, LLC, collectively the "Newcos") as wholly owned subsidiaries of USL. The Company restructured its business structure by contributing certain assets and assigning certain liabilities to the Newcos as set forth in the Operating and Contribution agreements. There is no effect on the financial statements at the group level as all operations are consolidated.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include the accounts of USL and its wholly owned subsidiary. Intercompany balances and transactions have been eliminated in consolidation.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are carried at original invoice amount less estimated allowances for doubtful accounts based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition and credit history, and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. The allowance for doubtful accounts totaled $50,800 and $10,000 as of December 31, 2017 and 2016, respectively.

Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets. Depreciation charged to operations for 2017 and 2016 was $65,056 and $48,590, respectively. The cost value of furniture and equipment and associated accumulated depreciation are as follows:

	2017	2016
Furniture and Equipment	$ 652,296	$ 641,755
Less: Accumulated Depreciation	575,474	515,536
Furniture and Equipment, Net	$ 76,822	$ 126,219

Intangible Assets

The Company determines the useful lives of intangible assets after considering the specific facts and circumstances related to each intangible asset. Factors the Company considers when determining useful lives include the contractual term of any agreement related to the asset, the historical performance of the asset, the Company's long-term strategy for using the asset, any laws or other local regulations which could impact the useful life of the asset, and other economic factors, including competition and specific market conditions. Intangible assets are recorded at cost and consist of trademarks, which have indefinite lives, franchise agreements, software and capitalized loan costs which are amortized using the straight-line method over their estimated lives.

The Company tests intangible assets determined to have indefinite useful lives for impairment annually, or more frequently if events or circumstances indicate that assets might be impaired. The Company performs these annual impairment reviews during the fourth fiscal quarter. The Company uses a variety of methodologies in conducting impairment assessments of indefinite-lived intangible assets, including, but not limited to, discounted cash flow models, which are based on assumptions that marketplace participants would use. For indefinite-lived intangible assets, other than goodwill, if the carrying amount exceeds the fair value, an impairment charge is recognized in an amount equal to that excess. The Company believes that there has been no impairment of indefinite-lived intangible assets in 2017 and 2016.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

Long-lived assets and intangible assets with finite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to their fair value, which is normally determined through analysis of the future net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount that the carrying amount of the assets exceeds the fair value of the assets. The Company believes that there has been no impairment of long-lived assets in 2017 and 2016.

Goodwill

Goodwill consists of the excess of the purchase price of the Corporate Predecessor over the fair value of the net tangible and intangible assets acquired in the purchase. Prior to 2015, Goodwill was tested for impairment annually, with the Company determining that there had been no impairment.

Effective January 1, 2015, the Company adopted a new accounting alternative available to private companies for the subsequent measurement of goodwill. Under the newly adopted policy, goodwill is amortized on a straight-line basis for 10 years and analyzed for impairment at the entity level if a triggering event occurs. Goodwill amortization began prospectively as of January 1, 2015. For the years ended December 31, 2017 and 2016, amortization expense directly related to goodwill in the amount of $101,657 was recorded.

Revenue Recognition

As a franchisor of soccer leagues, the Company recognizes initial fees from a franchise sale when it has substantially performed or satisfied all services or conditions relating to the sale. Continuing franchise fees are recognized as they are earned and become receivable from the franchisee. Other revenue consists of special events, hotel rebates, sponsorships, merchandise sales, and miscellaneous revenue. Revenue from hotel rebates is recognized when the related tournament is complete and the related teams' stays have been completed. Revenue from special events and sponsorships is recognized upon completion of the associated event. Merchandise sales are recorded when the merchandise is delivered to the customer.

Deferred revenue is recorded for transactions where accounts receivable have been recorded or cash has been received prior to the recognition of revenue. Deferred revenue included in the Consolidated Balance Sheets relates to league participation fees billed in advance, team pre-payments received in advance, and initial fees with long-term payment agreements where teams will be participating in seasons subsequent to the 2018 season.

Income Taxes

Under provisions of the Internal Revenue Code, limited liability companies that are treated as partnerships are not subject to income taxes, and any income or loss realized is taxed to the individual Members. Accordingly, no provision for income taxes is reflected in these financial statements. Taxable income is passed through to and reportable by the Members.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The Company evaluates its tax positions for uncertainty on an annual basis and believes it has no uncertain tax positions as of December 31, 2017 and 2016. With few exceptions, the Company is no longer subject to income tax examinations for years prior to 2013.

Reclassifications

Certain amounts in the 2016 financial statement have been reclassified to conform to the 2017 presentation. These reclassifications do not affect net income or equity as previously reported. Management elected to simplify the presentation of expenses by removing the cost of sales and selling, general, and administrative expenses classifications in the financial statements.

NOTE 2 CASH AND RESTRICTED CASH

As a franchisor of soccer leagues, the Company remits funds on behalf of the franchisees, including travel expenses and referee services rendered. The Company bills, collects, and maintains separate bank accounts for funds received from franchisees for such costs. At December 31, 2017 and 2016, receivables related to such costs were $217,238 and $9,657, respectively, were recorded as accounts receivable on the balance sheets. Cash maintained in the designated restricted cash accounts totaled $43,242 and $110,937 and is included in cash and restricted cash on the accompanying balance sheets as of December 31, 2017 and 2016, respectively.

The Company requires from the majority of the franchisees either a letter of credit or a cash deposit with the Company for a specified amount to cover any required future fees due from the franchisees and not paid to the Company as provided for in the franchise agreement. At December 31, 2017 and 2016, cash deposits of $1,630,443 and $1,261,734, respectively, were recorded as performance security deposits on the balance sheets. Cash maintained in the designated restricted cash accounts of $2,039,953 and $1,121,987 and is included in cash and restricted cash on the accompanying balance sheets as of December 31, 2017 and 2016, respectively. As of December 31, 2017 and 2016, the balance of cash maintained in the restricted cash accounts was in excess of the amount required to be maintained.

NOTE 3 CUSTOMER CONCENTRATIONS

For the year ended December 31, 2017, three franchisees accounted for approximately 62% of the total revenues of the Company. At December 31, 2017, three franchisees accounted for approximately 68% of the outstanding receivable balance.

For the year ended December 31, 2016, three franchisees accounted for approximately 57% of the total revenues of the Company. At December 31, 2016, three franchisees accounted for approximately 74% of the outstanding receivable balance.

NOTE 4 LONG-TERM RECEIVABLES

Long-term receivables consists of initial franchise fees with extended terms due to USL. There are initial franchise fees with extended payment terms with an interest rate of 0% and has been discounted at 4.58%. At December 31, 2017, the discounted balance of the note receivable was $6,800,500. The Organization has evaluated long term receivables and determined no allowance in relation to these balances are necessary.

,
The table below summarizes the expected payments based on the franchise agreements:

Year Ending December 31,	Amount
2019	$ 1,527,500
2020	23,000
2021	-
2022	5,000,000
2023	250,000
Total	$ 6,800,500

NOTE 5 COMMITMENTS AND CONTINGENCIES

The Company leases office space and certain equipment. During the year ended December 31, 2017, the Company entered into a modification of their lease agreement to include additional floor space in their current location as well as provide for an extension of their existing lease through September 2023. The new lease agreement provides for annual rental increases and for the payment of taxes, insurance, utilities, repairs and maintenance expenses. As rent is recorded on the straight line basis, the Organization had $178,588 and $179,867 in deferred rent for the years ended December 31, 2017 and 2016, respectively, which is included in Accrued Liabilities on the Consolidated Balance Sheets.

The future minimum lease payments under all operating leases are as follows:

Year Ending December 31,	Amount
2018	$ 352,297
2019	377,861
2020	388,288
2021	411,228
2022	461,612
Thereafter	275,922
Total	$ 2,267,208

Rent expense totaled $261,639 and $228,448 for the years ended December 31, 2017 and 2016, respectively.

NOTE 6 INTANGIBLE ASSETS AND GOODWILL

Intangible assets are comprised of the following:

	Estimated Life	December 31, 2017	December 31, 2016
Franchise Rights	20 Years	$ 215,000	$ 215,000
Software Licenses	5 Years	32,728	32,728
Less: Accumulated Amortization		(118,728)	(107,978)
Definite-Lived Intangibles, Net		129,000	139,750
Trademarks	Indefinite	1,188,317	1,188,317
Total		$ 1,317,317	$ 1,328,067

The Company also has goodwill that arose from for the 2009 acquisition of $1,016,572. As previously noted, effective January 1, 2015, the Company began amortizing goodwill over a 10-year period. As of December 31, 2017 and 2016, the Company had goodwill with a net book value of $711,601 and $813,258, respectively.

Amortization expense related to the intangibles and goodwill totaled approximately $112,000 for the years ended December 31, 2017 and 2016.

Estimated future amortization expense related to intangible assets and goodwill is as follows:

Year Ending December 31,	Amount
2018	$ 112,407
2019	112,407
2020	112,407
2021	112,407
2022	112,407
Thereafter	278,566
Total	$ 840,601

NOTE 7 EMPLOYEE BENEFIT PLAN

The Company sponsors a Section 401(k) Profit Sharing Plan. The Profit Sharing Plan is available for employees who have completed 6 months of service and have attained age 20½. The Company made contributions to the Plan totaling $68,586 and $102,391 during the years ended December 31, 2017 and 2016, respectively.

NOTE 8 NOTES PAYABLE

In connection with the acquisition of the Company in December 2009, the Members obtained a note payable in the amount of $2,000,000. This note payable was pushed down to the Company, as this note was obtained to finance acquisition costs related to the Corporate Predecessor. The note bore interest at the prime rate plus 1.5% but not less than 7%, was payable in eleven monthly interest only payments and seventy-two monthly principal and interest payments thereafter. The note was paid in full during 2016. The Company capitalized $42,793 of loan costs which were amortized over the life of the note which were written off in full once the debt was paid. The note was secured by the accounts receivable, general intangibles, licenses, the assignment of life insurance, and personal guarantee of Robert Hoskins.

Interest expense totaled $19,148 for the years ended December 31, 2016.

NOTE 9 NOTES PAYABLE – RELATED PARTY

On January 1, 2017, USL and Subsidiaries executed a secured promissory note payable to NuRock. The note with a face amount of $5,809,221 arose in connection with the members' desire to distribute ownership capital plus a preferred return from the Company. The note bears interest at the greater of the current 10 year treasury rate plus one hundred thirty basis points, adjusted biannually, or 15% per annum. Interest is payable on or before the first day of each month. Principal payments can be made at the Company's discretion with any outstanding principal and interest balance due on January 1, 2047. USL has reduced the member capital contribution and recorded the note payable associated with this promissory note. Outstanding principal balance at December 31, 2017, was $5,737,503 which is included in Notes Payable – Related Party on the Consolidated Balance Sheets.

In 2017, interest expense totaled $792,462 and had accrued interest of $24,015 outstanding as of December 31, 2017.

NOTE 10 CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of accounts receivable. During the normal course of business, the Company extends credit to customers located primarily in the United States and Canada. The financial position, payment history and amount of performance security deposits of each customer have been considered in determining the allowance for doubtful accounts.

The Company maintains its cash in bank accounts which, at times, may exceed federally insured limits; however, the Company has not experienced any losses in such accounts.

NOTE 11 FRANCHISE AGREEMENTS

Information relating to franchise agreements and changes in the number of franchises follows:

	2017	2016
Franchises in Operation at the Beginning of the Year	90	94
Franchise Agreements Signed, Operations Commenced	22	11
Franchise Agreements Terminated	12	15
Franchises in Operation at the End of the Year	100	90

As of December 31, 2017, there was three franchisee that executed an agreement but did not intend to start operations until the 2019 season, at earliest.

NOTE 12 RELATED PARTY TRANSACTIONS

The Company is a party to a management and consulting agreement with NuRock Soccer Holdings, LLC which has a ten year term that initially expires in October 2019 and provides for automatic five-year renewals. The agreement calls for a fee based on 3.5% of annual revenues. The fee is only owed and payable in years in which the Company achieves positive net income. In 2017, the Company recorded fees under this agreement of $514,000 and had a payable of $514,000 outstanding as of December 31, 2017, which is included in due to related parties on the accompanying balance sheet. The Company executed a secured promissory note payable to NuRock and has an accrued interest payable of $24,015 at December 31, 2017 which is included in the due to related parties on the accompanying balance sheet. In 2016, the Company recorded fees under this agreement of $347,581 and had a payable of $347,581 outstanding as of December 31, 2016, which was paid off as of December 31, 2017.

NOTE 13 CONTINGENCIES

The Company is a party to litigation in the normal course of operations. Management does not believe that the impact of any outstanding legal matters will have a material adverse impact on the Company's results of operations or financial position.

NOTE 14 SUBSEQUENT EVENTS

In February 2018, the Company amended and restated their operating agreement, effective January 1, 2018. The amended agreement grants a 49.00% percent profit interest in United Soccer Leagues, LLC to the Chief Executive Officer along with other certain privileges such as the ability to appoint managers. The grant is intended to be issued as defined by applicable revenue procedures issued under the Internal Revenue Code in connection with profit interests. In addition, the Note Payable – Related Party receives preferred returns, and shall be repaid prior to any distributions to the members.

The Company has evaluated subsequent events through March 15, 2018, the date which the financial statements were issued.

UNITED SOCCER LEAGUES, LLC AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

UNITED SOCCER LEAGUES, LLC AND SUBSIDIARY
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YEARS ENDED DECEMBER 31, 2016 AND 2015

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
United Soccer Leagues, LLC
Tampa, Florida

We have audited the accompanying consolidated financial statements of United Soccer Leagues, LLC and Subsidiary (the Company), which comprise the consolidated balance sheets as of December 31, 2016 and 2015, and the related consolidated statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

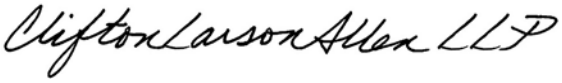
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements,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

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

Board of Directors
United Soccer Leagues, LLC

Opinion

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



CliftonLarsonAllen LLP

Tampa, Florida
March 6, 2017

UNITED SOCCER LEAGUES, LLC AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and Restricted Cash	$ 2,890,198	$ 1,362,187
Accounts Receivable, Net	3,787,070	2,679,344
Prepaid Expenses	36,250	25,000
Total Current Assets	6,713,518	4,066,531
Long-Term Accounts Receivable	1,454,000	-
Furniture and Equipment, Net	126,219	73,338
Intangible Assets, Net	1,328,067	1,338,817
Goodwill	813,258	914,915
Other Noncurrent Assets	20,539	36,120
Total Assets	$ 10,455,601	$ 6,429,721
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 449,616	$ 259,412
Performance Security Deposits	1,261,734	1,165,493
Deferred Revenue	5,709,191	2,851,648
Accrued Liabilities	429,659	266,893
Current Portion of Notes Payable	-	548,776
Total Current Liabilities	7,850,200	5,092,222
MEMBERS' EQUITY	2,605,401	1,337,499
Total Liabilities and Members' Equity	$ 10,455,601	$ 6,429,721

See accompanying Notes to Consolidated Financial Statements.

UNITED SOCCER LEAGUES, LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
REVENUE		
Continuing Franchising Fees	$ 2,930,060	$ 2,213,403
Sales of Initial Franchises	5,887,000	2,177,000
Special Events	308,959	492,644
Hotel Rebates	183,974	193,436
Sponsorships	167,025	148,500
Other	453,856	281,465
Total Revenue	9,930,874	5,506,448
COST OF SALES		
Broadcast Production	978,585	26,985
Travel and Entertainment	242,747	196,284
Events and Meetings	344,091	427,488
Operating Expenses	445,326	652,813
Total Cost of Sales	2,010,749	1,303,570
GROSS PROFIT	7,920,125	4,202,878
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES		
Depreciation and Amortization	160,997	151,105
Software/SAAS	286,619	77,895
Legal and Professional Fees	1,452,113	422,458
Rent	225,733	239,395
Payroll	3,093,956	2,461,933
General and Administrative	322,265	273,600
Total Selling, General, and Administrative Expenses	5,541,683	3,626,386
INCOME FROM OPERATIONS	2,378,442	576,492
OTHER INCOME (EXPENSE)	47,840	44,215
NET INCOME	$ 2,426,282	$ 620,707

See accompanying Notes to Consolidated Financial Statements.

UNITED SOCCER LEAGUES, LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
YEARS ENDED DECEMBER 31, 2016 AND 2015

BALANCE - DECEMBER 31, 2014	$ 830,542
Member Distributions	(113,750)
Net Income	620,707
BALANCE - DECEMBER 31, 2015	1,337,499
Member Distributions	(1,158,380)
Net Income	2,426,282
BALANCE - DECEMBER 31, 2016	$ 2,605,401

See accompanying Notes to Consolidated Financial Statements.

UNITED SOCCER LEAGUES, LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 2,426,282	$ 620,707
Adjustments to Reconcile Net Income to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization	160,997	151,105
Bad Debt Expense	-	15,276
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(2,561,726)	(1,872,270)
Other Assets	4,331	(28,753)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	190,204	(46,939)
Accrued Liabilities	162,766	10,535
Performance Security Deposits	96,241	59,316
Deferred Revenue	2,857,543	1,807,909
Net Cash Provided by Operating Activities	3,336,638	716,886
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Furniture and Equipment	(101,471)	(81,534)
CASH FLOWS FROM FINANCING ACTIVITIES		
Member Distributions	(1,158,380)	(113,750)
Principal Payments on Notes Payable	(548,776)	(328,343)
Net Cash Used by Financing Activities	(1,707,156)	(442,093)
NET INCREASE IN CASH	1,528,011	193,259
Cash and Restricted Cash - Beginning of Year	1,362,187	1,168,928
CASH AND RESTRICTED CASH - END OF YEAR	$ 2,890,198	$ 1,362,187
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	$ 21,343	$ 48,197

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background and Description of Business

USISL, Inc., (the Corporate Predecessor) was incorporated on April 1, 1996. On August 27, 2009, NuRock Soccer Holdings, LLC, which owns 99%, and Robert Hoskins, who owns 1%, (the Members) purchased all of the outstanding stock of the Corporate Predecessor and subsequently converted the Corporate Predecessor to United Soccer Leagues, LLC, (USL), a limited-liability company. USL operates soccer leagues collectively known as United Soccer Leagues. USL sells and grants franchises to owners of soccer teams throughout the United States and Canada and manages league activities. USL is sanctioned by the United States Soccer Federation (the Federation) and has been a member of the Federation for over twenty five years.

The liability of the Members is limited to the amount of their invested capital and Members have no obligation to make additional capital contributions to the USL. Net profits and losses are allocated among the Members based on the Members' respective percentage of ownership interest.

On December 30, 2015, USL created a wholly owned subsidiary named RRFC Acquisition, LLC, (RRFC, and collectively with USL the Company) for the purpose of maintaining the operations of a soccer team. This soccer team was sold to a new owner in March 2016, and there has been no other activity in the current year.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include the accounts of USL and its wholly owned subsidiary. Intercompany balances and transactions have been eliminated in consolidation.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable are carried at original invoice amount less estimated allowances for doubtful accounts based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition and credit history, and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. The allowance for doubtful accounts totaled $10,000 as of December 31, 2016 and 2015.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets. Depreciation charged to operations for 2016 and 2015 was $48,590 and $32,733, respectively. The cost value of furniture and equipment and associated accumulated depreciation was $641,755 and $515,536 for 2016 and was $540,285 and $466,947 for 2015, respectively.

Intangible Assets

The Company determines the useful lives of intangible assets after considering the specific facts and circumstances related to each intangible asset. Factors the Company considers when determining useful lives include the contractual term of any agreement related to the asset, the historical performance of the asset, the Company's long-term strategy for using the asset, any laws or other local regulations which could impact the useful life of the asset, and other economic factors, including competition and specific market conditions. Intangible assets are recorded at cost and consist of trademarks, which have indefinite lives, franchise agreements, software and capitalized loan costs which are amortized using the straight-line method over their estimated lives.

The Company tests intangible assets determined to have indefinite useful lives for impairment annually, or more frequently if events or circumstances indicate that assets might be impaired. The Company performs these annual impairment reviews during the fourth fiscal quarter. The Company uses a variety of methodologies in conducting impairment assessments of indefinite-lived intangible assets, including, but not limited to, discounted cash flow models, which are based on assumptions that marketplace participants would use. For indefinite-lived intangible assets, other than goodwill, if the carrying amount exceeds the fair value, an impairment charge is recognized in an amount equal to that excess. The Company believes that there has been no impairment of indefinite-lived intangible assets in 2016 and 2015.

Impairment of Long-Lived Assets

Long-lived assets and intangible assets with finite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to their fair value, which is normally determined through analysis of the future net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount that the carrying amount of the assets exceeds the fair value of the assets. The Company believes that there has been no impairment of long-lived assets in 2016 and 2015.

Goodwill

Goodwill consists of the excess of the purchase price of the Corporate Predecessor over the fair value of the net tangible and intangible assets acquired in the purchase. Prior to 2015, Goodwill was tested for impairment annually, with the Company determining that there had been no impairment.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill (Continued)

Effective January 1, 2015, the Company adopted a new accounting alternative available to private companies for the subsequent measurement of goodwill. Under the newly adopted policy, goodwill is amortized on a straight-line basis for 10 years and analyzed for impairment at the entity level if a triggering event occurs. Goodwill amortization began prospectively as of January 1, 2015. For the years ended December 31, 2016 and 2015, amortization expense directly related to goodwill in the amount of $101,657 was recorded.

Revenue Recognition

As a franchisor of soccer leagues, the Company recognizes revenue from initial fees from a franchise sale when it has substantially performed or satisfied all services or conditions relating to the sale. Continuing franchise fees are recognized as they are earned and become receivable from the franchisee. Revenue from hotel rebates is recognized when the related tournament is complete and the related teams' stays have been completed. Revenue from special events and sponsorships is recognized upon completion of the associated event. Merchandise sales, which is included in Other Revenue in the accompanying statements of operations, are recorded when the merchandise is delivered to the customer.

Deferred revenue relates to league participation fees and initial fees received from franchisees before they have been earned by the Company.

Income Taxes

Under provisions of the Internal Revenue Code, limited liability companies that are treated as partnerships are not subject to income taxes, and any income or loss realized is taxed to the individual Members. Accordingly, no provision for income taxes is reflected in these financial statements. Taxable income is passed through to and reportable by the Members.

The Company evaluates its tax positions for uncertainty on an annual basis and believes it has no uncertain tax positions as of December 31, 2016 and 2015. With few exceptions, the Company is no longer subject to income tax examinations for years prior to 2012.

Reclassifications

Certain amounts in the 2015 financial statement have been reclassified to conform to the 2016 presentation. These reclassifications do not affect net income or equity as previously reported.

NOTE 2 RESTRICTED CASH AND PERFORMANCE SECURITY DEPOSITS

The Company requires from the majority of the franchisees either a letter of credit or a cash deposit with the Company for a specified amount to cover any required future fees due from the franchisees and not paid to the Company as provided for in the franchise agreement. At December 31, 2016 and 2015, cash deposits of $1,261,734 and $1,165,493, respectively, were recorded as performance security deposits on the balance sheets.

NOTE 2 RESTRICTED CASH AND PERFORMANCE SECURITY DEPOSITS (CONTINUED)

For franchise agreements entered into prior to 2014, certain performance security deposits are contractually required to be maintained in cash by the Company. Cash maintained in a designated restricted cash account of $1,121,987 and $959,124 is included in cash and restricted cash on the accompanying balance sheets as of December 31, 2016 and 2015, respectively. As of December 31, 2016 and 2015, the balance of cash maintained in the restricted cash account was in excess of the amount required to be maintained.

NOTE 3 CUSTOMER CONCENTRATIONS

For the year ended December 31, 2016, three franchisees accounted for approximately 57% of the total revenues of the Company. At December 31, 2016, three franchisees accounted for approximately 74% of the outstanding accounts receivable balance.

For the year ended December 31, 2015. two franchisees account for approximately 33% of the total revenues of the Company. At December 31, 2015, two franchisees accounted for approximately 60% of the outstanding accounts receivable balance.

NOTE 4 LONG-TERM ACCOUNTS RECEIVABLE

Long-term accounts receivable consists of initial franchise fees with extended terms due to USL. The table below summarizes the expected payments based on the franchise agreements:

Year Ending December 31,	Amount
2018	$ 732,000
2019	722,000
Total	$ 1,454,000

NOTE 5 COMMITMENTS AND CONTINGENCIES

The Company leases office space and certain equipment. During the year ended December 31, 2014, the Company entered into a modification of their lease agreement to include additional floor space in their current location as well as provide for an extension of their existing lease thru September 2021. The new lease agreement provides for annual rental increases and for the payment of taxes, insurance, utilities, repairs and maintenance expenses. In February 2016, the Company entered into an operating lease for the rental of a Company vehicle. Future minimum lease payments under all operating leases are as follows:

NOTE 5 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Year Ending December 31,	Amount
2017	$ 269,313
2018	277,062
2019	275,278
2020	282,627
2021	216,948
Total	$ 1,321,228

Rent expense totaled $220,549 and $233,478 for the years ended December 31, 2016 and 2015, respectively.

NOTE 6 INTANGIBLE ASSETS AND GOODWILL

Intangible assets are comprised of the following:

	Estimated Life	December 31, 2016	December 31, 2015
Franchise Rights	20 Years	$ 215,000	$ 215,000
Software Licenses	5 Years	32,728	32,728
Loan Acquisition Costs	6 Years	42,793	42,793
Less: Accumulated Amortization		(150,771)	(140,021)
Definite-Lived Intangibles, Net		139,750	150,500
Trademarks	Indefinite	1,188,317	1,188,317
Total		$ 1,328,067	$ 1,338,817

The Company also has goodwill that arose from for the 2009 acquisition of $1,016,572. As previously noted, effective January 1, 2015, the Company began amortizing goodwill over a 10-year period. As of December 31, 2016 and 2015, the Company had goodwill with a net book value of $813,258 and $914,915, respectively.

Amortization expense related to the intangibles and goodwill totaled approximately $112,000 and $118,000 for the years ended December 31, 2016 and 2015, respectively.

Estimated future amortization expense related to intangible assets and goodwill is as follows:

Year Ending December 31,	Amount
2017	$ 112,407
2018	112,407
2019	112,407
2020	112,407
2021	112,407
Thereafter	390,973
Total	$ 953,008

NOTE 7 NOTES PAYABLE

In connection with the acquisition of the Company in December 2009, the Members obtained a note payable in the amount of $2,000,000. This note payable was pushed down to the Company, as this note was obtained to finance acquisition costs related to the Corporate Predecessor. The note bore interest at the prime rate plus 1.5% but not less than 7%, was payable in eleven monthly interest only payments and seventy-two monthly principal and interest payments thereafter. The note was paid in full during 2016. The Company capitalized $42,793 of loan costs which were amortized over the life of the note which were written off in full once the debt was paid. The note was secured by the accounts receivable, general intangibles, licenses, the assignment of life insurance, and personal guarantee of Robert Hoskins.

Interest expense totaled $19,148 and $52,774 for the years ended December 31, 2016 and 2015, respectively.

NOTE 8 EMPLOYEE BENEFIT PLAN

The Company sponsors a Section 401(k) Profit Sharing Plan. The Profit Sharing Plan is available for employees who have completed 6 months of service and have attained age 20 ½. The Company made contributions to the Plan totaling $102,391 and $85,561 during the years ended December 31, 2016 and 2015, respectively.

NOTE 9 CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of accounts receivable. During the normal course of business, the Company extends credit to customers located primarily in the United States and Canada. The financial position, payment history and amount of performance security deposits of each customer have been considered in determining the allowance for doubtful accounts.

The Company maintains its cash in bank accounts which, at times, may exceed federally insured limits; however, the Company has not experienced any losses in such accounts.

NOTE 10 FRANCHISE AGREEMENTS

Information relating to franchise agreements and changes in the number of franchises follows:

	2016	2015
Franchises in Operation at the Beginning of the Year	94	104
Franchise Agreements Signed, Operations Commenced	11	18
Franchise Agreements Terminated	15	28
Franchises in Operation at the End of the Year	90	94

NOTE 10 FRANCHISE AGREEMENTS (CONTINUED)

As of December 31, 2016, there was one franchisee that executed an agreement but did not intend to start operations until the 2018 season.

NOTE 11 RELATED PARTY TRANSACTIONS

The Company is a party to a management and consulting agreement with an affiliate of its majority member which has a ten year term that initially expires in October 2019 and provides for automatic five-year renewals. The agreement calls for a fee based on 3.5% of annual revenues. The fee is only owed and payable in years in which the Company achieves positive net income. In 2016, the Company recorded fees under this agreement of $347,581 and had a payable of $347,581 outstanding as of December 31, 2016, which is included in accounts payable on the accompanying balance sheet. In 2015, the Company recorded fees under this agreement of $181,148 and had a payable of $181,148 outstanding as of December 31, 2015, which was paid off as of December 31, 2016.

NOTE 12 CONTINGENCIES

The Company is a party to litigation in the normal course of operations. Management does not believe that the impact of any outstanding legal matters will have a material adverse impact on the Company's results of operations or financial position.

NOTE 13 SUBSEQUENT EVENTS

The Company created five Florida limited liability companies (USL Pro, LLC; USL Pro-2, LLC; USL Productions, LLC; Super Y League, LLC; and Premier Development League, LLC, collectively the "Newcos") as wholly owned subsidiaries of USL. During January 1, 2017, the Company restructured its business structure by contributing certain assets and assigning certain liabilities to the Newcos as set forth in the Operating and Contribution agreements. There will be no effect on the financial statements at the group level as all operations will be consolidated.

On January 1, 2017, USL and Subsidiaries executed a secured promissory note payable to NuRock Soccer Holdings, LLC ("NuRock"). The note with a face amount of $5,809,221 arose in connection with the members' desire to distribute ownership capital plus a preferred return from the Company. The note bears interest at the greater of the current 10 year treasury rate plus one hundred thirty basis points, adjusted biannually, or 15% per annum. Interest is payable on or before the first day of each month. Principal payments can be made at the Company's discretion with any outstanding principal and interest balance due on January 1, 2047. USL has reduced the member capital contribution and recorded the note payable associated with this promissory note.

NOTE 13 SUBSEQUENT EVENTS (CONTINUED)

Additionally, on January 6, 2017, the USL League was granted Division 2 status by the U.S. Soccer Federation Board of Directors, beginning with the 2017 season.

The Company has evaluated subsequent events through March 6, 2017, the date which the financial statements were issued.

EXHIBIT F-2 – GUARANTY

[See attachment]

GUARANTEE OF PERFORMANCE

FOR VALUE RECEIVED, United Soccer Leagues, LLC, a Florida limited liability company ("Guarantor"), located at 1715 N. Westshore Blvd., Suite 825, Tampa, Florida 33607, absolutely and unconditionally guarantees the performance by USL Pro-2, LLC, a Florida limited liability company ("Franchisor"), located at 1715 N. Westshore Blvd., Suite 825, Tampa, Florida 33607, of all of the obligations of Franchisor (i) under all state franchise registration laws to which it is subject and (ii) to all of the franchisees under Franchisor's Franchise Agreements. This guarantee ("Guarantee") continues until all obligations of Franchisor under such state franchise registration laws and to the franchisees under Franchisor's Franchise Agreements are satisfied.

This Guarantee does not extend to the duties, obligations and liabilities that Franchisor may have to any third parties, including without limitation to the customers, employees, suppliers and landlords of the franchisees of Franchisor. Before seeking redress from Guarantor under this Guarantee, each claiming franchisee shall prosecute its action against Franchisor until it receives a nonappealable final judgment by a judge in its favor or a final ruling by an arbitrator in its favor, and Franchisor is unable to comply with such judgment or ruling.

Guarantor is not discharged from liability if a claim by a franchisee against Franchisor remains outstanding. Guarantor shall have the right to assert any and all defenses that Franchisor may assert in the event of a claim by a franchisee or any other party. Notice of acceptance is waived. Notice of default on the part of Franchisor is not waived. Upon the default of Franchisor under Franchisor's Franchise Agreement, the claiming franchisee shall deliver written notice to Guarantor of such default and provide Guarantor with the right, but not the obligation, to cure the default. Guarantor does not waive any rights to subrogation. This Guarantee is binding on Guarantor and its successors and assignees. Guarantor hereby executes this Guarantee at 1715 N. Westshore Blvd., Suite 825, Tampa, Florida 33607, effective as of the ____ day of _____, 2018.

UNITED SOCCER LEAGUES, LLC

By: _____

Name: _____

Title: _____

EXHIBIT G – STATE ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

STATE ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

Exhibit G.1	California
Exhibit G.2	Illinois
Exhibit G.3	Minnesota
Exhibit G.4	New York
Exhibit G.5	North Dakota
Exhibit G.6	Rhode Island
Exhibit G.7	Washington

EXHIBIT G.1
ADDENDUM TO USL PRO-2, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law, California Corporations Code §§ 31000 - 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 - 20043, the Franchise Disclosure Document for USL Pro-2, LLC in connection with the offer and sale of franchises for use in the State of California shall be amended to include the following:

1. California Corporations Code § 31125 requires USL Pro-2, LLC to give you a disclosure document, in a form containing the information that the Commissioner of Corporations of the California Department of Corporations may by rule or order require, prior to a solicitation or a proposed material modification of an existing franchise.

2. The California Franchise Investment Law requires a copy of all proposed agreements relating to the franchise to be delivered together with the Franchise Disclosure Document.

3. Item 3, "Litigation," shall be amended by the addition of the following language:

> Neither USL Pro-2, LLC, 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 Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in this association or exchange.

4. Item 5, "Initial Fees," shall be amended by the addition of the following language:

> All payment of expansion fees shall be deferred until the franchise opens.

5. Item 17, "Renewal, Termination, Transfer, and Dispute Resolution," shall be amended by the addition of the following language:

> The regulations of the California Department of Corporations require that the following information concerning provisions of the franchise agreement be disclosed to you:
>
> The California Franchise Relations Act provides rights to you concerning termination or non-renewal of a franchise. If the franchise agreement is inconsistent with California law, California 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. §§ 101, *et seq.*
>
> The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
>
> The franchise agreement contains a covenant not to compete which extends beyond the term of the franchise agreement. This provision may not be enforceable under California law.
>
> The franchise agreement requires the application of the laws of Florida. This provision

may be unenforceable under California law.

The franchise agreement requires binding arbitration. The arbitration will occur in Tampa, Florida. This provision may not be enforceable under California law.

The franchise agreement requires you to sign a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code § 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. California Corporations Code § 31512 voids a waiver of your rights under the California Franchise Investment Law. California Business and Professions Code § 20010 voids a waiver of your rights under the California Franchise Relations Act.

6. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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

EXHIBIT G.2
ADDENDUM TO USL PRO-2, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, 815 Illinois Compiled Statutes §§ 705/1 - 705/44, the Franchise Disclosure Document for USL Pro-2, LLC in connection with the offer and sale of franchises for use in the State of Illinois shall be amended to include the following:

1. The "Summary" section of Item 17(v), entitled "Choice of forum," shall be amended by the addition of the following language:

> However, any provision in the franchise agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void under Section 4 of the current Illinois Franchise Disclosure Act of 1987 (as amended), although the franchise agreement may provide for arbitration in a forum outside of the State of Illinois.

2. The "Summary" section of Item 17(w), entitled "Choice of law," shall be amended by the addition of the following language:

> However, except for federal law, Illinois law applies if the jurisdiction requirements of the Illinois Franchise Disclosure Act of 1987 (as amended) are met.

3. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

EXHIBIT G.3
ADDENDUM TO USL PRO-2, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Franchise Act, Minnesota Statutes §§ 80C.01 - 80C.30, and of the Franchise Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minnesota Rules §§ 2860.0100 - 2860.9930, the Franchise Disclosure Document for USL Pro-2, LLC in connection with the offer and sale of franchises for use in the State of Minnesota shall be amended to include the following:

1. The Risk Factors set forth on the State Cover Page shall be amended by the addition of the following paragraph:

> MINNESOTA STATUTES § 80C.21 AND MINNESOTA RULES § 2860.4400J PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE OF THE STATE OF MINNESOTA. IN ADDITION, NOTHING IN THE FRANCHISE DISCLOSURE DOCUMENT OR FRANCHISE AGREEMENT CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED FOR IN THE MINNESOTA FRANCHISE ACT, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION.
>
> MINNESOTA RULES § 2860.4400J PROHIBITS US FROM REQUIRING YOU TO CONSENT TO LIQUIDATED DAMAGES.

2. Item 5, "Initial Fees," shall be amended by the addition of the following language:

> All payment of expansion fees shall be deferred until the franchise opens.

3. Item 6, "Other Fees," shall be amended by the addition of the following language:

> Minnesota Rules § 2860.4400J prohibits us from requiring you to consent to liquidated damages.

4. Item 7, "Estimated Initial Investment," shall be amended by the addition of the following language:

> All payment of expansion fees shall be deferred until the franchise opens.

5. Item 13, "Trademarks," shall be amended by the addition of the following language:

> We will protect the franchisee's right to use our trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

6. Item 17, "Renewal, Termination, Transfer, and Dispute Resolution," shall be amended by the addition of the following paragraphs:

> With respect to franchisees governed by Minnesota law, we will comply with Minnesota Statutes § 80C.14, Subsections 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the franchise agreement, and that consent to the transfer of the franchise not be

unreasonably withheld.

Pursuant to Minnesota Rules § 2860.4400D, any general release of claims that you or a transferor may have against us and our subsidiaries and affiliates, and our respective officers, directors, agents and employees, including without limitation, claims arising under federal, state, and local laws and regulations shall exclude claims you or a transferor may have under the Minnesota Franchise Act, and the Franchise Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

Minnesota Statutes § 80C.21 and Minnesota Rules § 2860.4400J prohibit us from requiring litigation to be conducted outside of the State of Minnesota. In addition, nothing in the Franchise Disclosure Document or franchise agreement can abrogate or reduce any of your rights as provided for in the Minnesota Franchise Act, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

7. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act or the Franchise Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

IN WITNESS WHEREOF, the undersigned acknowledges receipt of the foregoing Addendum to USL Pro-2, LLC Franchise Disclosure Document for the State of Minnesota.

FRANCHISEE:

_____
(Name of Entity)

By:_____
Signature

_____
Name

_____
Title

_____
Date

EXHIBIT G.4
ADDENDUM TO USL PRO-2, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK

In recognition of the requirements of Article 33 of the General Business Law of the State of New York, §§ 680 - 695, the Franchise Disclosure Document for USL Pro-2, LLC in connection with the offer and sale of franchises for use in the State of New York shall be amended to include the following:

1. The Risk Factors set forth on the State Cover Page shall be amended by the addition of the following paragraphs:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT B OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY.

THIS FRANCHISE DISCLOSURE DOCUMENT IS PROVIDED FOR YOUR OWN PROTECTION AND CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THIS FRANCHISE DISCLOSURE DOCUMENT AND ALL CONTRACTS OR AGREEMENTS SHOULD BE READ CAREFULLY IN THEIR ENTIRETY FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ALTHOUGH THESE FRANCHISES HAVE BEEN ACCEPTED FOR FILING, SUCH FILING UNDER ARTICLE 33 OF THE GENERAL BUSINESS LAW OF THE STATE OF NEW YORK DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE NEW YORK STATE DEPARTMENT OF LAW THAT THE INFORMATION PROVIDED HEREIN IS TRUE. THE DEPARTMENT'S REVIEW DID NOT INCLUDE A DETAILED EXAMINATION OF THE MATERIALS SUBMITTED. A FALSE, INCOMPLETE, INACCURATE OR MISLEADING STATEMENT MAY CONSTITUTE A VIOLATION OF BOTH FEDERAL AND STATE LAW, AND SHOULD BE REPORTED TO BOTH THE FEDERAL TRADE COMMISSION, WASHINGTON D.C. 20580 AND THE NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, NEW YORK, NEW YORK 10271.

WE MAY NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON YOU TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. Item 3, "Litigation," shall be amended by the addition of the following language:

Neither USL Pro-2, LLC, its predecessor, a person identified in Item 2, nor any affiliate offering franchises under USL Pro-2, LLC'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, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or 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.

3. Item 4, "Bankruptcy," is deleted in its entirety and replaced with the following:

Neither USL Pro-2, LLC, its affiliates, its predecessor, officers or general partner, during the 10-year period immediately before the date of the Franchise Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of USL Pro-2, LLC held this position in the company or partnership.

4. Item 7, "Estimated Initial Investment," shall be amended by the addition of the following language:

THERE ARE NO OTHER DIRECT OR INDIRECT PAYMENTS TO USL PRO-2, LLC IN CONJUNCTION WITH THE PURCHASE OF THE FRANCHISE.

5. The "Summary" section of Item 17(d), entitled "Termination by franchisee," shall be amended by the addition of the following language:

You may terminate your franchise agreement on any grounds available by law.

6. The "Summary" section of Item 17(j), entitled "Assignment of contract by franchisor," shall be amended by the addition of the following language:

However, no assignment will be granted except to an assignee who in our good faith judgment is willing and able to assume our obligations.

7. The "Summary" sections of Item 17(c), entitled "Requirements for franchisee to renew or extend" Item 17(m), entitled "Conditions for franchisor approval of transfer," shall each be amended by the addition of the following language:

The transferor must execute a general release, in a form prescribed by us, of any and all claims against USL Pro-2, LLC and our subsidiaries and affiliates, and our respective officers, directors, agents and employees; provided, however, that all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force, it being the intent of this provision that the non-waiver provisions of §§ 687.4 and 687.5 of Article 33 of the General Business Law of the State of New York be satisfied.

8. The "Summary" section of Item 17(w), entitled "Choice of law," shall be amended by the addition of the following language:

The foregoing choice of law should not be considered a waiver of any right conferred upon us or you by Article 33 of the General Business Law of the State of New York.

9. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Article 33 of the General Business Law of the State of New York are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

10. USL PRO-2, LLC REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

EXHIBIT G.5
ADDENDUM TO USL PRO-2, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH DAKOTA

In recognition of the requirements of the North Dakota Century Code and ND Franchise Investment Law Chapter 51-19, the Franchise Disclosure Document for USL Pro-2, LLC in connection with the offer and sale of franchises for use in the State of North Dakota shall be amended to include the following:

1. Item 17(c) of the Franchise Disclosure Document and Section 3 of the Franchise Agreement requires the franchisee to sign a general release upon renewal of the franchise agreement. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Delete this provision each place it appears in the agreement.

2. Item 17(i) of the Franchise Disclosure Document and Section 12.8 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. . Delete this provision each place it appears in the agreement.

3. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

4. Item 17(r) of the Franchise Disclosure Document and Section 12.22 of the Franchise Agreement discloses the existence of certain covenants restricting competition to which franchises must agree. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

5. Item 17(u) of the Franchise Disclosure Document and Section 13 of the Franchise Agreement provides that the franchisee must agree to the arbitration or mediation of disputes, such arbitration or mediation to be held in Florida. The Commissioner has determined that franchise agreements, which provide that parties agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business, are unfair, unjust, or inequitable within the intent of Section 51-19-09 if the North Dakota Investment Law. . Delete this provision each place it appears in the agreement. Any litigation, arbitration or mediation under the agreement shall be conducted in North Dakota.

6. Item 17(v) of the Franchise Disclosure Document and Section 13.2 of the Franchise Agreement provides that franchisees must consent to the jurisdiction of courts in Florida. The Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. North Dakota law will govern this agreement. Delete this provision each place it appears in the agreement. Any litigation, arbitration or mediation under the agreement shall be conducted in North Dakota.

7. Item 17(w) of the Franchise Disclosure Document and Section 13.1 of the Franchise Agreement provides that the agreement shall be construed according to the laws of the State of Florida. 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, and is unfair to franchise investors to require them to waive their rights under North Dakota Law.

The Commissioner has held that franchise agreements, which specify that they are to be governed by the laws of a state other than North Dakota, are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. If the agreement requires a state law other that North Dakota, the requirement is void. North Dakota law will govern the agreement.

8. Section 13.7 of the Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. . Delete this provision each place it appears in the agreement.

9. Section 13.4 of the Franchise Agreement requires the franchisee to consent to a waiver of exemplary and punitive damages. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Delete this provision each place it appears in the agreement.

10. Section 13 of the Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Limitations of claims will be governed by North Dakota Law.

11. It is the policy of the USL Pro-2, LLC to hold all franchise fees received in an account named Franchise Deposit Liability Account, and to recognize fees held in the account as revenue only when the franchisee commences operations. Also, administrative fees paid by said franchisees are posted in a deferred revenue account until such time as the revenue is earned.

Franchisor: USL Pro-2, LLC

_____	_____	_____
Signature of authorized officer	Title of authorized officer	Date

Franchisee:

_____	_____	_____
Authorized signatory	Name of Franchisee	Date

EXHIBIT G.6
ADDENDUM TO USL PRO-2, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, Rhode Island Code §§ 19-28.1-1 - 19-28.1-34, the Franchise Disclosure Document for USL Pro-2, LLC in connection with the offer and sale of franchises for use in the State of Rhode Island shall be amended to include the following:

1. Item 17, "Renewal, Termination, Transfer, and Dispute Resolution," shall be amended by the addition of the following language:

> § 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

EXHIBIT G.7
ADDENDUM TO USL PRO-2, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON

The State of Washington has an act, the Washington Franchise Investment Protection Act, Revised Code of Washington §§ 19.100.010 – 19.100.940, which may supersede the franchise agreement in your relationship with us 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 us including the areas of termination and renewal of your franchise.

In recognition of the requirements of the Washington Franchise Investment Protection Act, the Franchise Disclosure Document for USL Pro-2, LLC in connection with the offer and sale of franchises for use in the State of Washington shall be amended to include the following:

1. Item 17, "Renewal, Termination, Transfer, and Dispute Resolution," shall be amended by the addition of the following paragraphs:

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

If any of the provisions in the Franchise Disclosure Document or franchise agreement are inconsistent with the relationship provisions of Revised Code of Washington § 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Washington Franchise Investment Protection Act will prevail over the inconsistent provisions of the Franchise Disclosure Document and franchise agreement with regard to any franchise sold in Washington.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act shall prevail.

Any release or waiver of rights executed by you will not include rights under the Washington Franchise Investment Protection Act except if you execute the release or waiver as part of a negotiated settlement after your franchise agreement is in effect and where we are both represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act and/or rights or remedies under the Washington Franchise Investment Protection Act, such as a right to a jury trial, may not be enforceable.

We may collect the transfer fees if they reflect our reasonable estimated or actual costs in effecting your transfer.

2. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

EXHIBIT H – OPERATIONS MANUAL (TABLES OF CONTENTS)

[see attachment]

This 2019 USL D3 Operations Manual denotes all operations rules and procedures that must be followed by clubs participating in USL D3 during the 2019 USL D3 Season.

Compliance with these rules and procedures is paramount to the successful operation of USL D3 and its clubs. Failure to comply with the rules and procedures set forth in the Operations Manual will result in the application of discipline from the League. Please note that all fines and suspensions listed henceforth are minimums. The League has absolute discretion to render any disciplinary actions beyond those minimums upon review of the case-by-case circumstances.

For ease of use, the Operations Manual has been divided into six main sections:

I.	Membership	Page 4
II.	Discipline & Conduct	Page 12
III.	Team Operations	Page 22
IV.	Game Day Operations	Page 31
V.	Registration	Page 54
VI.	Forms	Page 64

The Operations Manual is a confidential document and is intended for the solely for the internal use of USL D3 and its clubs. Under no circumstances should the Operations Manual be shared externally.

STAFF DIRECTORY – USL D3 OPERATIONS

Brett Luy
Vice President, League Operations
O: 813-269-1351
M: Redacted
brett.luy@uslsoccer.com

Dan Lohrs
Director, League Operations
O: 813-849-0582
M: Redacted
dan.lohrs@uslsoccer.com

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EXHIBIT I – ACKNOWLEDGMENT OF RECEIPT

[See attachment]

RECEIPT

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 USL PRO-2, LLC offers you a franchise, it must provide this disclosure document to you:

(a) 14 calendar-days before you sign a binding agreement with, or make a payment to, USL PRO-2, LLC or an affiliate in connection with the proposed franchise sale, or

(b) Under New York and Rhode Island law, if applicable, 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, or

(c) Under Michigan, Oregon and Washington 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 USL PRO-2, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit B.

The franchisor is USL PRO-2, LLC, located at 1715 N. Westshore Blvd. Suite 825 Tampa, FL 33607. Its telephone number is (813) 963-3909.

Issuance date: May 22, 2018.

The franchise seller is (check one): □ Jake Edwards □ Garrison Mason □ Alec Papadakis
□ Justin Papadakis □ Steven Short

He/she is located at 1715 N. Westshore Blvd. Suite 825 Tampa, FL 33607. His/her telephone number is (813) 963-3909.

USL PRO-2, LLC authorizes the respective state agencies identified on Exhibit C to receive service of process for it in the particular state.

I have received a Franchise Disclosure Document dated May 22, 2018 (the effective date in certain states is listed in the State Effective Date page) that included the following Exhibits:

A.	Franchise Agreement	F.	Financial Statements
B.	Director of State Administrators & Agencies	G.	State Addenda to Franchise Disclosure Document
C.	Agent for Service of Process	H.	Operations Manuals
D.	List of Current Franchisees	I.	Receipt
E.	List of Franchisees Who Have Left the System		

_____
Date

_____
Prospective Franchisee

_____
Name of Signor and Title
(if a corporation or limited liability company)

Address:_____
_____

Please sign this copy of the receipt, date your signature and keep for your records.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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Date

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Prospective Franchisee

_____
Name of Signor and Title
(if a corporation or limited liability company)

Address:_____
_____

You may return the signed receipt either by signing, dating, and mailing it to USL PRO-2, LLC, 1715 N. Westshore Blvd. Suite 825 Tampa, FL 33607, or by scanning and emailing a copy of the signed and dated receipt to garrison.mason@uslsoccer.com.