

FRANCHISE DISCLOSURE DOCUMENT



Overtime Franchise LLC
(A Virginia Limited Liability Company)
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The franchisee will operate a specialty sports instruction services business designed specifically for children, offering training, programs and classes with an emphasis on both traditional sports and other movement related athletic activities, as well as offering day camps, tournaments, special event activities, and related services and products.

The total investment necessary to begin operation of an OVERTIME ATHLETICS business is from \$46,400 to \$58,500. This includes \$35,000 paid to the franchisor.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Chris Whelan, Chief Executive Officer, Overtime Franchise LLC, 11654 Plaza America Drive, #628, Reston, Virginia 20190, Phone: (720) 689-4133.

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

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

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

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How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement.

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration, or litigation only in Virginia. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with franchisor in Virginia than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum network fee payment, regardless of your sales levels. Your inability to make this payment may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted.

OVERTIME ATHLETICS®

DISCLOSURE DOCUMENT
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EXHIBITS:

- A. Franchise Agreement
- B. Financial Statements
- C. List of State Administrators and List of State Agents for Service of Process
- D. Current Form of General Release
- E. List of Franchised Locations, Former Franchisees, and Franchise Agreements but Units Not Opened
- F. Confidentiality Agreement for Review of Manual
- G. State Specific Addenda & Agreement Amendments
- H. Receipts

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Introduction. Overtime Franchise LLC, the franchisor of the OVERTIME ATHLETICS franchise, is referred to in this disclosure document as “we,” “us,” or “our” as the context requires. A franchisee is referred to in this disclosure document as “you” and “your” as the context requires, and your franchise business is referred to as the “Franchised Business”.

Our system for operating OVERTIME ATHLETICS businesses is referenced as the “System” and our current and future trade names, trademarks, service marks and trade dress used to identify OVERTIME ATHLETICS businesses and the services and products offered by OVERTIME ATHLETICS businesses, including the “OVERTIME ATHLETICS” mark and the distinctive color scheme and signage of OVERTIME ATHLETICS businesses is referred to as the “Marks”. Our “Methods of Operation” refers to our mandatory and suggested specifications, standards, operating procedures and rules that we prescribe for the operation of the Franchised Business, as communicated to you in any form.

The Franchisor, Parents and Predecessors. We are a limited liability company formed under Virginia law in June 2016. Our principal business address is 11654 Plaza America Drive, #628, Reston, Virginia 20190. Our agent or agents to receive service of process, if any, are identified in attached Exhibit “C”. We have no predecessors or parents.

We have been offering OVERTIME ATHLETICS franchises for sale since September, 2016. Overtime Franchise LLC has not in the past and does not now operate a business of the type being franchised. We have not in the past and do not now engage in other business activities. We do not now and have never in the past offered franchises in any other lines of business.

Our Affiliate. Our Affiliate, Whelan and Horich, LLC, is a limited liability company formed in Maryland in May 2003. Whelan and Horich, LLC’s shares our principal business address. Whelan and Horich, LLC does not now and has never in the past offered franchises in any line of business. Under the terms of the Franchise Agreement, Whelan and Horich, LLC may be an approved supplier of services and products to your franchise business. We have no other affiliates that must be disclosed.

The Franchise Offered. We intend to do business under our corporate name and under the OVERTIME ATHLETICS name. We sell franchises for the operation of OVERTIME ATHLETICS businesses. OVERTIME ATHLETICS businesses are specialty sports instruction services businesses designed specifically for children which offer training, programs, and classes with an emphasis on both traditional sports and other movement related activities. OVERTIME ATHLETICS businesses also offer day camps, tournaments, special event activities, and related services and products. Typically our approved classes are taught on the premises of third party locations such as public schools, private schools, parks and recreation centers, and similar locations. You are not required to acquire real estate to operate an OVERTIME ATHLETICS business. OVERTIME ATHLETICS businesses operate under our distinctive business formats, methods, procedures, designs, layouts, standards and specifications, all of which we may improve, further develop or otherwise modify periodically.

Our businesses promote sports instruction through high energy, creative, enthusiastic, and engaged teaching by our instructors following our designated curriculum and using related instruction materials and approved equipment. Our Methods of Operation incorporate multi-faceted curriculums that utilize various sports lesson plans that we have developed for our different authorized courses. We may require you during the term of the Franchise Agreement to incorporate any information, techniques, or equipment that we may specify into any authorized curriculum or lesson plan that you offer through the Franchised Business.

The Market for the Franchise Business. The children’s sports instruction services our franchises offer are recognized by consumers and are generally available from other sources, including national and local businesses with which you may compete. Day camp services may be offered or sold by affiliate entities. The market for our sports instruction services is developing. Generally, our services are sold to individuals and selling is not seasonal.

Laws and Regulations. You should consider that certain aspects of this business may be regulated by federal, state and local laws, regulations, rules and ordinances in addition to the laws, regulations, rules, and ordinances applicable to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws, and the Occupation, Health and Safety Act. Many jurisdictions may have laws which provide for specific licensing, bonding, insurance, teacher to student ratios, health provisions, instructor licensing, criminal background checks, certificates of public assembly, occupancy limits, fire code restrictions, and similar requirements which may be applicable to the Franchised Business. In some jurisdictions, the Franchised Business may be treated as a school which could require you to comply with regulations concerning teacher and curricula accreditation.

These are only examples of some, but not all, of the local, state or federal laws, regulations, rules or ordinances with which you may need to comply in the state or local area in which you will operate your OVERTIME ATHLETICS franchise. It is your responsibility to fully investigate and to comply with any such laws, regulations, rules or ordinances in your state or local area. You should fully investigate all laws, regulations, rules or ordinances applicable to operating the franchised business before you decide to purchase a franchise.

ITEM 2 BUSINESS EXPERIENCE

Chris Horich, Chief Operating Officer

Chris Horich is our Chief Operating Officer, a position he has held since June, 2016. Mr. Horich also is the Chief Operating Officer of our affiliate Whelan and Horich LLC in Reston, Virginia, a position he has held since May, 2003. Mr. Horich has also been the Chief Operating Officer of Overtime Management, LLC in Reston, Virginia since February 2016.

Chris Whelan, Chief Executive Officer

Chris Whelan is our Chief Executive Officer, a position he has held since June, 2016. Mr. Whelan also is the Chief Executive Officer of our affiliate Whelan and Horich LLC in Reston, Virginia, a position he has held since May, 2003. Mr. Whelan has also been the Chief Executive Officer of Overtime Management, LLC in Reston, Virginia since February 2016.

ITEM 3 LITIGATION

Commonwealth of Virginia, ex rel. State Corporation Commission v. Overtime Franchise, LLC, Case No. SEC-2022-00035 (State Corporation Commission of Virginia, March 14, 2023). The Division of Securities and Retail Franchising (the “Division”) of the State Corporation Commission of the Commonwealth of Virginia (the “Commission”) conducted an investigation into our franchise related activities under the authority granted under the Virginia Retail Franchising Act, § 13.1-567 *et seq.* of the Code of Virginia (the “Virginia Franchising Act). Based on the investigation, the Division concluded that grounds exist to allege that we offered and sold five unregistered franchises to be operated in Virginia in violation of the Virginia Franchising Act, and that we failed to provide these Virginia franchisees with the

required disclosure document in connection with the offer and sale of the franchises. Before the holding of a hearing in this matter, without trial or final adjudication of any issue of fact or law, and without our admitting or denying any violation of the law, the Commission and us reached an agreement to enter into a Consent Order (the “Consent Order”) providing for the following: (A) that we would make an offer of rescission to each of the five Virginia franchisees, including an offer to return the initial franchise fee paid by each franchisee; (B) that we would provide the Division with a copy of the rescission offer at least ten days before sending it to the Virginia franchisees; (C) that we would include a copy of the Consent Order with the rescission offer; (D) that we would make payment of the initial franchise fee to any of the Virginia franchisees that accepted the rescission offer within 15 days of receipt of the written acceptance; and, (E) that within 90 days of the entry of the Consent Order we would submit an affidavit to the Division which contains the date each franchisee received the rescission offer, the date of each response, and the initial franchise fee paid and the date payment was sent, if applicable. We paid the Treasurer of Virginia the amount of \$15,000 in monetary penalties and the amount of \$2,400 to defray the costs of investigation. We also represented that we will not violate the Virginia Franchising Act in the future. None of the 5 franchisees returned the rescission offers to accept payment or end the franchise agreements; however, for one franchisee who never opened in Virginia, we entered into a termination agreement and refunded an initial franchise fee paid for an agreement that was originally entered for another state.

Other than this action, no litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

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

**ITEM 5
INITIAL FEES**

You will pay us a non-refundable Initial Franchise Fee in the lump sum amount of \$35,000 when you sign your Franchise Agreement. The Initial Franchise Fee includes the cost of equipment and supplies for five instructors. The Initial Franchise Fee is fully earned when paid and is uniform for all new franchisees. We have the right to alter the Initial Franchise Fee periodically as business circumstances warrant. In the last fiscal year, we sold franchises to existing franchisees who did not pay an Initial Franchise Fees.

**ITEM 6
OTHER FEES**

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Network Fee	\$585	Monthly	No Network Fee due for the first 6 months after you sign a Franchise Agreement.
Royalty Fee	2% of Gross Revenue ² ; only due for annual Gross Revenue that exceeds \$250,000.	Quarterly	Annual Gross Revenue; currently, calculated for the period September to August.
Fee for Additional or Supplementary Training	Varies, typically a per day fee for additional training you request	As agreed	Paid to us for training additional individuals during the term of the Franchise Agreement.

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Interest	Varies	When underlying obligation is paid	Highest contract rate of interest permitted by law. Interest begins from the date any payment is due.
Auditing Costs	Actual Costs	Reimbursement of our actual auditing costs	We assess this charge only for audits needed in the event you fail to comply with the Franchise Agreement, fail to allow full access to your records, or we find that you underreported your Gross Revenue by 2% or more.
Transfer Fee	\$5,000, plus all our reasonable other fees and costs incurred in approving the transfer	Concurrently with the transfer	Paid to us if you want to transfer the Franchise to a third party.
Renewal Franchise Fee	\$5,000	Concurrently with our granting a renewal of your franchise	Paid to us if you sign a new franchise agreement upon expiration of the initial franchise agreement.
Costs and Attorneys' Fees	Actual Costs	Reimbursement of our actual costs	Paid to us by you for accounting, attorney and other professional fees if an action is brought against you for breach of the Franchise Agreement.

Notes:

- 1 Paid to us and non-refundable. Generally all fees payable to us are uniformly imposed under the terms of the Franchise Agreement. However, we are not obligated to collect uniformly all fees from all franchisees. Subject to certain unique facts or circumstances relating to our then-existing franchise relationship with a specific individual franchisee, we may elect to enforce the collection of certain amounts due to us under the terms of the Franchise Agreement or forgo the collection of certain amounts that otherwise would be due to us under the terms of the Franchise Agreement.
- 2 As used in this Franchise Disclosure Document, the term “Gross Revenue” means all revenue you derive from operating the Franchised Business, and whether from cash, check, credit or barter transactions, and including e-commerce transactions, but excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority and excluding customer refunds, adjustments, credits and allowances actually made by the Franchised Business in compliance with our Methods of Operation.

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

Your Estimated Initial Investment

Type of Expenditure	Amount (Low)	Amount (High)	Method of Payment	When Due	To Whom Paid
Initial Franchise Fee ¹	\$35,000	\$35,000	Lump sum	When you sign the Franchise Agreement	Us
Real Property ²	\$0	\$0	N/A	N/A	N/A
Equipment and Supplies ³	\$1,000	\$2,500	As Arranged	As Arranged	Approved Suppliers
Technology/ Office Equipment ⁴	\$0	\$2,000	As Arranged	As Arranged	Approved Suppliers
Start-Up Marketing ⁵	\$500	\$2,500	As Arranged According to Methods of Operation	As Arranged According to Methods of Operation	Advertisers
Insurance ⁶	\$700	\$6,000	Terms vary	Prior to opening	Insurance companies
Professional Fees ⁷	\$500	\$1,500	Terms vary	Terms vary	Accountants, lawyers, etc.
Licenses/Bonds ⁸	\$200	\$1,000	Lump sum on application	Prior to opening	Government agencies and bonding companies
Your Out-of-Pocket Expenses While Attending Training ⁹	\$500	\$1,000	Terms vary	Terms vary	Airfare, ground transportation, meals, lodging, etc.
Working Capital (Additional Funds over next 3 months) ¹⁰	\$10,000	\$25,000	Terms vary	Amount varies over the next 3 months	Prior to and during the 3 month period after beginning to operate
Total	\$46,400	\$58,500			

- 1 See Item 5 of the disclosure document for more detailed information.
- 2 You are not required to acquire real estate or to make any leasehold improvements to an office location. We have not provided an estimated amount for any real estate acquisition costs, leasehold improvements or rent deposits as you may elect to operate the Franchised Business from your home; and most franchisees do so.
- 3 As part of the Initial Franchise Fee, you receive equipment and supplies for up to five instructors. The estimated amounts include the cost of purchasing an initial supply of equipment for up to five additional instructors.
- 4 The estimated cost of the required computer, related equipment, furniture and supplies, including a printer, a copy machine, dedicated cell phone, and forms is figured into this estimate. Also, you will need to have Internet access. The low estimated amount is in the event you already have the required items needed to operate the Franchised Business.
- 5 You must promote and advertise your Franchised Business. As required by us, on a monthly basis, on a day to be determined, you must submit to us reports demonstrating the amount you have spent for local advertising and promotion of your Franchised Business.

- 6 The insurance estimate includes amounts you may be required to spend to obtain the required insurance.
- 7 Professional fees include setting up a business entity, filing the necessary forms, setting up an accounting system, etc.
- 8 The estimated cost for obtaining any required licenses or municipal bonds.
- 9 Initial training currently consists of 6 hours of online coursework, 32 hours of classroom training completed primarily in a virtual format. The estimated amounts are for your Managing Owner and could incorporate in person training at our training location in Virginia. You may incur additional travel and accommodation expenses if you elect to bring additional individuals to an in-person training program.
- 10 We have provided in the table above an estimate of the working capital you may need during an initial period before beginning to operate the Franchised Business and for 3 months after beginning to operate. This working capital estimate includes expenses such as payroll, training, and utilities, to the extent that these costs are not covered by sales revenue.

We relied upon our experience in the industry in compiling these estimates.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

The personal property listed in Item 7 must be purchased by you from us, our approved suppliers or according to our specifications. Under the terms of the Franchise Agreement, either Overtime Franchise, LLC, or our affiliate Whelan and Horich, LLC, may be an approved supplier to the Franchised Business. Currently neither we, nor Whelan and Horich, LLC is an approved supplier for any specified goods or services. Neither we nor our affiliates derived any revenue from franchisee required purchases during our fiscal year ending December 31, 2023.

As of the date of this disclosure document, none of our officers own any interest in any of our current approved suppliers.

Approved suppliers and specifications are contained in our Operations Manual. Approved suppliers and specifications are determined based on the current needs for operating the Franchised Business.

If you desire to purchase services or products from a supplier other than an approved supplier, you must submit to us a written request, together with evidence of conformity with our specifications. We may require that our representatives be permitted to inspect the supplier's facilities, or that samples from the supplier be delivered for evaluation and testing either to us or to an independent testing facility that we designate. We do not currently charge you any cost of evaluation or testing for alternative suppliers. We endeavor, within ninety (90) days after receipt of a request and completion of testing (if required by us), to notify you in writing of our approval or disapproval of the proposed supplier.

We evaluate approved suppliers based on price, service, quality, and other commercially reasonable benchmarks. We make criteria for approving suppliers available to franchisees upon request. The identity of approved suppliers and these specifications are updated periodically in writing by modifying the appropriate pages of the Operations Manual and providing written notice to you.

We may approve or disapprove any supplier, and we may approve a supplier conditionally, provided, however, that approval will not be withheld unreasonably. In evaluating any supplier you propose, we will, subject to reasonable restrictions and conditions to protect our trade secrets and confidential information, disclose to the proposed supplier applicable standards, specifications, processes, and procedures for the item in sufficient detail to enable the proposed supplier to demonstrate fully its capacity and capabilities to supply the items. Once approved, franchisees may purchase products and services from suppliers.

We may revoke our approval of particular suppliers if we determine that such suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you shall cease to purchase from any disapproved supplier. You agree that you shall use services or products purchased from approved suppliers to operate the OVERTIME ATHLETICS business

We may impose limits on the number of approved suppliers. We have the right to monitor the quality of goods or services provided by approved suppliers in a manner we deem appropriate and may disapprove any supplier who does not meet our quality standards and specifications.

We attempt to negotiate purchase agreements with approved suppliers for the benefit of our company locations and franchisees.

The total estimated proportion of all required purchases and leases from approved vendors in relation to all purchases and leases you will make in establishing the Franchised Business is 65% to 75%. The total estimated proportion of all required purchases and leases from approved vendors in relation to all purchases and leases you will make in operating the Franchised Business is less than 65% to 75%.

Insurance

You must maintain in force in the amounts we specify: (a) commercial general liability (including completed operations/product liability) insurance; and (b) any other insurance policies, such as sexual or physical abuse or molestation insurance, business interruption insurance, automobile insurance, unemployment insurance, excess umbrella insurance and worker's compensation insurance (with a broad form all-states endorsement), as we determine periodically and as required by law. All insurance policies must: (1) be issued by carriers approved by us; (2) contain the types and minimum amounts of coverage, exclusions and maximum deductibles as we prescribe periodically; (3) name us and our Affiliates as additional insureds; (4) provide for 30 days' prior written notice to us of any material modification, cancellation or expiration of such policy; and (5) include such other provisions as we require periodically.

Identified below are the standard types and minimum coverage amounts that currently we require for each OVERTIME ATHLETICS franchise business. If your state requires greater coverage amounts for the categories listed below, you must obtain and maintain coverage as required by your state. We may require you to use our designated insurer as a condition of the Franchise Agreement.

<u>Policy Type:</u>	Commercial Package	
<u>Term:</u>	12 Months	
<u>Policy Limits:</u>	General Liability Aggregate Limit:	\$2,000,000
	Products/Completed Operations Aggregate Limit:	\$2,000,000
	Personal and Advertising Injury Limit	\$2,000,000
	Each Occurrence Limit	\$1,000,000

Sexual or Physical Abuse or Molestation Vicarious Liability	
Aggregate Limit	\$200,000
Each Abuse Conduct Limit	\$100,000
Medical Expense Limit (Any One Person)	\$5,000

Workers' Compensation: Statutory (with All States Broad Form)

We do not provide other material benefits to you (for example, special renewal privilege or additional franchises) based on your use of our designated or approved sources.

There are no purchasing or distribution cooperatives at this time.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/ lease	8	7, 11
b. Pre-opening purchases / leases	8, 9	6, 7
c. Site development and other pre-opening requirements	6, 8, 9, 10, 11	7, 11
d. Initial and ongoing training	10	11
e. Opening	6	11
f. Fees	2, 3, 10.2, 10.3, 13.1.8, 20.4.5, 21.2	5, 6
g. Compliance with standards and policies / Operations Manual	4, 12	11
h. Trademarks and proprietary information	12, 14, 15	13, 14
i. Restrictions on products/services offered	12	16
j. Warranty and customer service requirements	12.2.14	N/A
k. Territorial development and sales quotas	Not applicable	12
l. Ongoing product/service purchases	12, 13	8
m. Maintenance, appearance and remodeling requirements	9, 12	7, 11
n. Insurance	11.5, 12.2.13	7
o. Advertising	13, 17	6, 7, 11
p. Indemnification	24.4	N/A
q. Owner's participation/management/staffing	4.1, 5, 12.2.8	11, 15
r. Records/reports	12.2.12, 18	6

Obligation	Section in Agreement	Disclosure Document Item
s. Inspections/audits	19	6, 11
t. Transfer	20	17
u. Renewal	21	17
v. Post-termination obligations	23	17
w. Non-competition covenants	16, 23.4	17
x. Dispute resolution	25	17

ITEM 10 FINANCING

We do not offer direct financing. We do not guarantee any note, lease or other of your obligations.

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

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

Pre-Opening Obligations

Our obligations prior to commencing operation of your OVERTIME ATHLETICS Franchised Business (see Franchise Agreement Sections 1, 8, 10, 11, 12, 13) may include:

Operations Manual (Franchise Agreement Section 12.1). We offer our Operations Manual for required standards for the operation of your Franchised Business. You must follow the terms of the current version of our Operations Manual. We may update or revise the Operations Manual periodically. We will provide you with these updates. Prior to purchasing a franchise, we will provide you with the opportunity to view our Operations Manual at our main office in Virginia, after you sign the Confidentiality Agreement for Review of Manual. A copy of the Confidentiality Agreement for Review of Manual is attached to this disclosure document as Exhibit F.

Site Selection (Franchise Agreement Section 8 and Appendix B). Generally, we expect most franchisees may elect to operate the Franchised Business from their home. Our concerns regarding your choice of a principal business address for your Franchised Business include various factors, including where you prefer to operate. We must approve your proposed principal business address for the Franchised Business. Our approval of your principal business address will be based primarily on the suitability of the location for activities of the Franchised Business. We will provide our decision of the acceptability of any proposed site you submit for your Franchised Business location within 20 days of receipt of all required information concerning the proposed site. If we do not mutually agree on a site for the Franchised Business location within 90 days of the date of the Franchise Agreement, then we may terminate the Franchise Agreement and keep the Initial Franchise Fee.

Opening Materials We do not provide assistance with obtaining equipment, signs, fixtures, opening inventory, and supplies. We may identify preferred vendors or provide specifications to you for those items.

Beginning to Operate

We estimate the length of time between the signing of the Franchise Agreement or the first payment of consideration for the Franchised Business and the opening of the Franchised Business is 120 to 180 days.

Things that may affect the time period include your ability to attend initial training and/or purchase materials or supplies. You must begin operating the Franchised Business within 180 days after the Franchise Agreement is effective.

Continuing Obligations

Operating Assistance (Franchise Agreement Section 13). Our obligations to you during the operation of your OVERTIME ATHLETICS franchise include (with reference to the applicable Franchise Agreement Sections):

1. Providing you with telephone and Internet e-mail consultation during the times outlined in the Operations Manual (Section 13.1.1.);
2. Providing you with buying advisory services where we provide you with lists of sources and approved suppliers for products, equipment, computer systems, merchandise, accessories, services, fixtures, furnishings, signs, vehicles, etc. (Section 13.1.2.).
3. Providing you with wholesaling services where we may act as an approved or designated source for products, equipment, computer systems, merchandise, accessories, services fixtures, furnishings, signs, etc. (Section 13.1.3.);
4. Providing you with ongoing marketing programs (Section 13.1.4.);
5. Providing you with newsletter services where we inform you periodically about the current events in the OVERTIME ATHLETICS franchise program; (Section 13.1.5.);
6. Providing you with meetings, where we may meet with you and other OVERTIME ATHLETICS franchisees for business or social purposes (Section 13.1.6.); and/or
7. Providing you with research and development regarding our Methods of Operation (Section 13.1.7.).
8. At your request, we will furnish additional guidance, assistance and training and, in this case, we may charge a supplemental training fee (which may be a per day fee). (Section 13.1.8.).
9. We have an no obligation to assist you in establishing prices, such as setting minimum and/or maximum prices at which you sell products and services.

Advertising and Marketing

(See Franchise Agreement Section 17).

Advertising Fund. Currently, we do not have an Advertising Fund and we have not reserved the right to set up one up.

Required Advertising and Promotion By You. As required by us, on a monthly basis, on a day to be determined, you must submit to us reports demonstrating the amount you have spent for local advertising and promotion of your Franchised Business. We will provide you with start-up marketing materials and templates.

Advertising Cooperatives or Advertising Councils. Presently, we do not have advertising cooperatives or franchisee advertising councils and have not reserved the right to set these up or require you to participate.

Computer Equipment and Online Communications

(Franchise Agreement Sections 12, 17.9, 18).

The computer you must use in the day-to-day operation of your Franchised Business is a standard personal computer, that complies with all our specifications and that has Internet access. The estimated expense of obtaining a personal computer that complies with all our specifications is less than \$1,000, and can be obtained through an online vendor or a retail office supply store. The estimated cost for annual maintenance and support is \$75 to \$200. We will provide you with access to our designated file hosting service. You will be required to use software systems that we specify in writing from time to time, including our proprietary “OTA Hub” software.

You must, at your own expense, upgrade or replace your computer system whenever we require it, and we have no obligation to assist you in obtaining hardware, software or related services. You may be required, at your own expense, to maintain any service plan that we specify for any required computer system, and that incorporates any updates to any computer system that we require. There are no contractual limits on the frequency or cost of your obligation to obtain these types of upgrades.

Also, you will need a cell phone dedicated to the Franchised Business, a computer printer, and a copier, all of which must comply with our specifications. We approve suppliers for hardware and software (see Item 8 above). You are responsible, at your own expense, for upgrading all computer hardware and software, as necessary, in order to bring the franchise into compliance with our system standards. We have the right, as often as we deem appropriate, including on a daily basis, to access the computer systems that you are required to maintain in connection with the operation of the franchise and to retrieve all information relating to the operation of the franchise. (Section 18.2). We have the right to independent access to the information generated and stored in any computer system you maintain for the Franchised Business.

You must participate in the OVERTIME ATHLETICS website on the Internet or other on-line communications we may specify. You may not separately register any domain name or operate any website containing any of our Marks without our written approval. We determine the content and use of the website and have the right to establish the rules under which franchisees may or must participate in the website or separately use the Internet or other on-line communications. We retain all rights relating to the OVERTIME ATHLETICS website and may alter or terminate the website.

Training

Pre-Opening Training (Franchise Agreement Section 10.1.). Pre-opening training may consist of training at our training location, currently in Virginia and/or completing our virtual training program. Initial training will consist of completing OTA U, the online platform designed to introduce Franchisees to Overtime Athletics Best Practices. Virtual Training will consist of 32 hours of classroom training and in person training may include up to 4 days of training for your Managing Owner in addition to virtual classroom training and 1 total additional owner or employee who you elect to enroll in the training program. We may increase or decrease the amount of time for training at any time. Typically, we do not charge for additional owners or employees to attend training offered through OTA U, you will be responsible for all expenses incidental to the training, such as travel and lodging expenses.

Typically, we offer pre-opening training as needed, depending on our need to train new franchisees.

Your Managing Owner must attend and successfully complete pre-opening training to the franchisor's satisfaction within 90 days of signing your Franchise Agreement and prior to the opening of your Franchised Business. Failure of the Managing Owner to successfully complete the initial training may result in termination of our Franchise Agreement with you according to Section 22.2.2 of the Franchise Agreement. The instructional material for the initial training program may consist of our Operations Manual, electronic media, checklists, demonstrations, practice and quizzes.

Our initial training program will be provided substantially as follows:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Program Goals and Administration	2	0	Virtual/Virginia
Computer /Technology	2	0	Virtual/Virginia
Programming <ul style="list-style-type: none"> - Program Catalogue - Curriculum Format - Equipment & Gear - Safety - Special Events 	8	0	Virtual/Virginia
Sales and Retention	8	0	Virtual/Virginia
Staff Management <ul style="list-style-type: none"> - Recruitment - Interview/Hiring - Instructor Training - Staff Files - Scheduling 		0	Virtual/Virginia
Customer Service and Marketing <ul style="list-style-type: none"> - Procedures and Policies - Advertising and Marketing - Community Relations 	6	0	Virtual/Virginia

It is the nature of the OVERTIME ATHLETICS business that all subjects are integrated into the training program, and that there are no clear delineations between the subjects being learned. The minimum experience acceptable for any member of our training staff is 1 year of prior training experience in teaching any subject area for which the individual will be our lead trainer.

Chris Horich and Chris Whelan are our principal trainers. They have eight years of experience with us and 20 plus years of experience in the field.

Additional and Supplementary Training (Franchise Agreement Sections 10.2. and 10.3.). Additional training or supplementary training may be provided periodically throughout the term of the Franchise Agreement. We may require your Managing Owner or your employees to attend additional training at locations which we specify and you may need to pay our per day fee for additional or supplemental training.

ITEM 12 TERRITORY

You will be granted a territory (the “Territory”) in which to operate your Franchised Business. Your Territory will be defined as a specific geographic area identified using commonly understood municipal or postal area definitions. A typical Territory will contain at least 100 public and private schools. Subject to our reserved rights below, we will not establish or operate, or license another person to establish or operate, another OVERTIME ATHLETICS business within your Territory. Due to our reservation of rights, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Your rights in and to your Territory are not dependent upon your meeting a minimum sales quota.

The configuration of your Territory will not change except by mutual agreement of you and us. You do not obtain any additional options, rights of first refusal, or similar rights to acquire additional franchises.

Currently, we do not have any restrictions on you advertising or accepting customers from outside of your Territory, unless another franchisee has the rights to that area. You do not have the right to use other channels of distribution for the service of the OVERTIME ATHLETICS business, including the internet.

Our Reservation of Rights. (Franchise Agreement Section 7.3.). We, our affiliate, and other franchisees have the right to advertise and sell our services and products, whether or not using the Marks, inside or outside the Territory or through distribution channels other than OVERTIME ATHLETICS businesses, including, without limitation, the advertising or sale of sports instruction related services or products, that are advertised or offered in your Territory through the Internet or that are advertised or offered in published materials that may be provided to individuals and businesses that are located in your Territory. Neither we nor our affiliates are required to compensate you for advertising or selling our services and products within the Territory.

Also, we have the right to operate, directly or through an affiliate, and to grant to others the right to operate within your Territory and elsewhere businesses that we purchase (or as to which we purchase the rights as franchisor) that are part of another franchise system or chain, regardless of whether any or all of them are converted to use any or all of the Marks and/or System or continue to be operated independently.

National Accounts (Franchise Agreement Section 7.5.). Periodically we may enter into agreements with certain regional or national businesses (“National Accounts”) to provide services or products at certain National Account locations which may include National Account locations within your Territory. We will identify and designate any National Account in our Operations Manual, and during the term of the Franchise Agreement we may add or remove National Accounts. We have sole business judgment on who may provide services or products to any National Account location, including any National Account locations that may be located within your Territory. We may offer you the opportunity to accept and provide services or products at National Account locations within the Territory. In the case of a National Account agreement under which the customer will pay a fixed amount for services or products at all locations listed in the agreement, we will allocate reasonably the fixed amount among the OVERTIME ATHLETICS businesses performing the services or providing the products.



We and/or our affiliate presently do not sell the same or similar services or products through other distribution channels and have no plans to sell franchises under a different trademark within the current and next fiscal year, but day camp services may be offered or sold through affiliate entities.

The Business Location (Franchise Agreement Section 8). The Franchise Agreement grants to you the right to own and operate an OVERTIME ATHLETICS business from a specific principal business address. You may not conduct the business of your OVERTIME ATHLETICS business at any site other than the approved business location, or relocate your OVERTIME ATHLETICS business location without our prior written consent. We may approve of the relocation of your franchise business location in certain circumstances, for example where a similar location is available with more favorable lease terms or where the physical condition of the franchise location requires that you move to another location. You must pay all our reasonable expenses incurred in evaluating any proposed relocation site for the franchise business and are responsible for all expenses you incur in moving the franchise to the new location.

**ITEM 13
TRADEMARKS**

The OVERTIME ATHLETICS trademarks are the principal trademarks you will use under license from us through the Franchise Agreement. The OVERTIME ATHLETICS trademarks listed below are owned by our affiliate Whelan and Horich, LLC, and are registered with the United States Patent and Trademark Office. Since we have a Principal Register federal registration for the OVERTIME ATHLETICS trademarks, we have certain presumptive legal rights granted by a registration.

Our principal trademarks (“Marks”) are:

Trademark	Registration Number	Date of Registration
OVERTIME ATHLETICS	4481096	February 11, 2014
	4658458	December 23, 2014
	4658459	December 23, 2014

We have the right to use, and to license others to use, the Marks in the United States under a non-exclusive, renewable Intellectual Property License Agreement between us and Whelan and Horich, LLC, dated as of May 4, 2022 (“License Agreement”). Under the terms of this License Agreement, Whelan and Horich, LLC licenses us to use and sublicense the Marks. This license will remain in effect unless Whelan and Horich, LLC gives us notice of termination if we materially breach, we cease to be an affiliate, or for any other reason so long as adequate notice is provided. Upon termination, Whelan and Horich, LLC will assume the franchise agreements.

There are no currently effective material determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state, or any court. There are no pending infringements, oppositions or cancellations concerning the principal trademarks. There is no pending material litigation involving the principal trademarks. Whelan and Horich, LLC has filed and intends to file, when due, all appropriate affidavits and renewal applications for these registrations.

Except for the license agreement with our affiliated noted above, there are no agreements currently in effect that significantly limit our rights to use or license the use of the principal trademarks in a manner material to the franchise.

We have no actual knowledge of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks in the state where your franchise may be located. If it becomes advisable at any time in our business judgment for us and/or you to modify or discontinue the use of any Marks and/or use one or more additional or substitute trademarks or service marks, you are obligated to comply with our directions within a reasonable time after receiving such notice from us. You must pay all expenses associated with modifying or replacing any Mark. We are not obligated to reimburse you for any lost revenue attributable to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute Mark.

You must notify us immediately of any apparent infringement or challenge to your use of any Marks or of any claim by any person of any rights in any Marks. You may not communicate with any person other than us, our attorneys and your attorneys in connection with any infringement, challenge or claim to any of the Marks. We have sole business judgment to take any action that we deem appropriate regarding any claim against a Mark and we have the exclusive right to control any litigation, United States Patent and Trademark Office proceeding or any other administrative proceeding arising out of any infringement, challenge, or claim relating to any Mark.

We shall defend you against any third party claim, suit, or demand arising out of your use of the Marks. If we determine that you have used the Marks in accordance with the terms of the Franchise Agreement, we will pay the cost of the defense, including the cost of any judgment or settlement. If we determine that you have not used the Marks in accordance with the terms of the Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be paid by you.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

You do not receive the right to use an item covered by a federally registered patent or copyright, but you must use the proprietary information contained in our Operations Manual.

The Operations Manual and the specifics on your use of the Operations Manual are described in the Franchise Agreement. Although we haven't filed an application for copyright registration, we claim copyright protection for the Operations Manual, curriculums, instructional materials, software, advertising materials, and other materials we give you for your use or for public dissemination, other proprietary information and publications we own or have acquired under license from a third party, and everything concerning Methods of Operation. All of this is our proprietary intellectual property.

We do not own rights in, or licenses to, any patents that are material to the franchise and do not have any pending patent applications that are material to the franchise.

ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED CLINIC

You must designate one "Managing Owner", as defined in the Franchise Agreement. You will provide us with the name and necessary contact information, such as address and telephone numbers, of this person. In the event we need to contact you, we will contact the Managing Owner. This person will have all authority necessary to carry out day to day business decisions, answer any questions or requests

we have, and bind you. Your Managing Owner must personally manage and operate the franchise and you may not, without our prior written consent, delegate your Managing Owner’s authority and responsibility with respect to management and operation. There is no minimum equity ownership requirement of the Franchised Business for the Managing Owner.

The Managing Owner must have successfully completed the pre-opening training. If we consent to an “on-premises” manager distinct from your Managing Owner, the “on-premises” manager does need not have an equity share in the Franchised Business but must complete all required training. Any “on-premises” manager will need to maintain sufficient contact with the Managing Owner so that we will not need to contact the “on-premises” manager separately from our contact with the Managing Owner.

You and your employees are subject to certain confidentiality requirements. You and your owners are also subject to a covenant not to compete.

You must individually guarantee performance under the Franchise Agreement. Depending on your form of ownership of the Franchised Business (for example, corporation, limited liability company, etc.) other people may also need to sign guarantees of performance. Each of your “Owners” (as defined in the Franchise Agreement) must sign the Franchise Agreement and a personal guaranty. Each of your Owners is bound under the Franchise Agreement to its confidentiality and non-competition provisions. We may require certain managerial employees of the franchise to sign a separate confidentiality agreement with us under our Methods of Operation. We do not require spouses or children of the franchisee or its owners to sign confidentiality agreements, the Franchise Agreement, or a personal guaranty unless the individual has an ownership interest in the franchisee.

**ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must operate your OVERTIME ATHLETICS franchise in accordance with our Operations Manual and our Methods of Operation. Our Operations Manual and our Methods of Operation contain mandatory and suggested specifications, standards, operating procedures and rules that we prescribe periodically for the operation of an OVERTIME ATHLETICS business and information relating to your other obligations under the Franchise Agreement and related agreements. The Operations Manual may be modified periodically by us to reflect changes in our Methods of Operation.

You may offer and sell only those services and products that we have approved. You must offer all services and products that we designate as required for all franchisees. We have the right to add additional authorized services and products that you must offer through your franchise. There are no limits on our right to do so.

**ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

THE FRANCHISE RELATIONSHIP

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.

<i>PROVISION</i>	<i>SECTION IN FRANCHISE AGREEMENT</i>	<i>SUMMARY</i>
a. Length of the franchise term	1.2	Term is 10 years.

<i>PROVISION</i>	<i>SECTION IN FRANCHISE AGREEMENT</i>	<i>SUMMARY</i>
b. Renewal or extension of the term	21	One 10 year term may be granted if you are not in default of any provisions of the Franchise Agreement.
c. Requirements for franchisee to renew or extend	21	Renewal means continued rights to operate in the same exclusive Territory as identified in the initial Franchise Agreement. You may need to bring the franchise into compliance with our system standards, and will need to sign a new franchise agreement and a general release, and pay a renewal franchise fee. The renewal franchise agreement may contain terms or conditions that materially differ from your original Franchise Agreement.
d. Termination by franchisee	22.1	By operation of law only
e. Termination by franchisor without cause	Not applicable	We will not terminate without cause
f. Termination by franchisor with cause	22.2	Material, uncured breaches of the Franchise Agreement
g. "Cause" defined – curable defaults	22.2	You may cure certain deficiencies in the operation of the franchise (such as payment to us of overdue amounts; submission of required reports; violation of health; sanitation or safety laws; failure to file the required number of tax returns; etc.) which if uncured would result in the termination of the Franchise Agreement.
h. "Cause" defined – non-curable defaults	22.2	Certain deficiencies in the operation of the franchise (such as you or your owners conviction of a felony; your disclosure of Confidential Information; your making a material misrepresentation or omission in connection with your purchase of the franchise; etc.) are inherently incurable and will result in termination of the Franchise Agreement.
i. Franchisee's obligations on termination/non-renewal	23	Pay us what you owe us; cease using the Marks; and follow our termination procedures; transfer all telephone numbers of the Franchised Business to us; give us all copies of your customer lists; cancel fictitious business names, adhere to the covenant not to compete in the Franchise Agreement.
j. Assignment of contract by franchisor	20.1	Fully transferable by us.
k. "Transfer" by franchisee - definition	20.3	Includes any transfer of ownership.

<i>PROVISION</i>	<i>SECTION IN FRANCHISE AGREEMENT</i>	<i>SUMMARY</i>
l. Franchisor approval of transfer by franchisee	20.2	Our approval of any transfer is required prior to your transferring the Franchise to a third party. However, will not unreasonably withhold our approval where the proposed transferee meets all our conditions for approval.
m. Conditions for franchisor approval of transfer	20.4	You must pay our transfer fee and all other expenses we incur in approving the transfer and sign a general release. The proposed transferee must meet our standards as to character, financial resources, and willingness to assume the existing obligations under the Franchise Agreement, sign our then-current form of franchise agreement, and complete training.
n. Franchisor's right of first refusal to acquire franchisee's business	20.8	We can match any offer for your franchise upon a proposed transfer.
o. Franchisor's option to purchase franchisee's business	Not applicable	
p. Death or disability of franchisee	5.1	A replacement Managing Owner must be trained.
q. Non-competition covenants during the term of the franchise	16.1	No direct or indirect interest in a Competitive Business.
r. Non-competition covenants after the franchise is terminated or expires	23.4	After termination or expiration of the Franchise Agreement, you may not operate a similar type of business for a period of 24 months operating at the Franchise Location, within the Territory, within 100 miles from any point on the perimeter of your Territory, or within the territory of any other then-existing OVERTIME ATHLETICS business or within 100 miles of any other then-existing OVERTIME ATHLETICS business.
s. Modification of the agreement	25.16	Must be in writing
t. Integration/merger clause	25.18	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. Notwithstanding the foregoing, no provision in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.

<i>PROVISION</i>	<i>SECTION IN FRANCHISE AGREEMENT</i>	<i>SUMMARY</i>
u. Dispute resolution by arbitration or mediation	25.12	All disputes resolved by mediation or arbitration except for actions for declaratory or equitable relief, actions in ejectment or for possession of any interest in real or personal property, or actions which by applicable law can't be arbitrated. This provision is subject to state law.
v. Choice of forum	25.14	Virginia, unless superseded by state law.
w. Choice of law	25.13	Virginia, except superseded by state law.

**ITEM 18
PUBLIC FIGURES**

There are no public figures involved in the sale of this franchise.

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

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 Chris Whelan, Chief Executive Officer, Overtime Franchise LLC, 11654 Plaza America Drive, #628, Reston, Virginia 20190, (720) 689-4133, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE REPRESENTATIONS**

**Table No. 1
Systemwide Outlet Summary
For Years 2021 to 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	20	25	+5
	2022	25	27	+2
	2023	27	41	+14
Company-Owned	2021	3	3	0
	2022	3	3	0
	2023	3	0	-3
Total Outlets	2021	23	28	+5
	2022	28	30	+2
	2023	30	41	+11

**Table No. 2
Transfers From Franchisees to New Owners
(Other than the Franchisor) For Year 2021 to 2023**

State	Year	Number of Transfers
Connecticut	2021	1
	2022	0
	2023	0
Totals	2021	1
	2022	0
	2023	0

**Table No. 3
Status of Franchised Outlets For Years 2021 to 2023**

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
Arizona	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1

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
California	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
Colorado	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	2	0	0	0	0	4
Connecticut	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Delaware	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Florida	2021	2	0	0	0	0	2	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Georgia	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	2	1
	2023	1	0	0	0	0	0	1
Illinois	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Indiana	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Louisiana	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1

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
Maryland	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	2	0	0	0	1	3
Missouri	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Nebraska	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New Jersey	2021	1	3	0	0	0	1	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
New York	2021	2	0	0	0	0	2	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
New Mexico	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
North Carolina	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	1	0
	2023	0	3	0	0	0	1	2
Ohio	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Oregon	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1

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
Pennsylvania	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
South Carolina	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Texas	2021	1	2	0	0	0	1	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	1	2
Virginia	2021	3	2	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	1	0	0	0	1	5
Washington	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Washington DC	2021	1	1	0	0	0	1	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Totals	2021	20	13	0	0	0	8	25
	2022	25	5	0	0	0	3	27
	2023	27	18	0	0	0	4	41

Table No. 4
Status of Company-Owned Outlets For Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Connecticut	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	1	0	0
New York	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	1	0	0
Virginia	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	1	0	0
Totals	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	0	0	3	0	0

Table No. 5
Projected Openings as of December 31, 2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the 2024 Fiscal Year	Projected New Company-Owned Outlets in 2024 Fiscal Year
Pennsylvania	1	0	0
Tennessee	1	0	0
Total	2	0	0

A list of our current franchise locations is provided in Exhibit “E” to this Franchise Disclosure Document. Exhibit “E” also identifies all franchisees that had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year ending December 31, 2023.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. We do not have any trademark specific franchisee associations. During the last three years, no franchisee signed any confidentiality clauses which restricted the franchisee from freely communicating with prospective franchisees concerning the franchisee’s experience with the franchise system.

ITEM 21
FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit “B” are our audited financial statements, as of December 31, 2023, December 31, 2022 and December 31, 2021.

ITEM 22 CONTRACTS

Attached to this disclosure document as Exhibit “A” is our Franchise Agreement with Appendices (A) Franchise Ownership and Management; (B) Location and Territory; (C) Guaranty and Assumption of Obligations; and Acknowledgment Addendum to OVERTIME ATHLETICS Franchise Agreement.

Attached to this disclosure document as Exhibit “D” is a sample copy of the current general release form that we use as a condition of renewal or assignment/transfer. Attached to this disclosure document as Exhibit “F” is a sample copy of the current Confidentiality Agreement that we require prospective franchisees to sign prior to reviewing a copy of our Operations Manual.

ITEM 23 RECEIPTS

The Receipts to be signed by all prospective franchisees are attached in duplicate at the very end of this Franchise Disclosure Document (identified as Exhibit “H”). You will sign and date one copy and give it to us at the time we present it to you. Your copy of the receipt is attached at the end of this Franchise Disclosure Document.

The Receipts identify all our current Franchise Sellers.

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

OVERTIME ATHLETICS®
EXHIBIT “A”
TO THE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

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- Appendix A – Franchise Ownership and Management
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**OVERTIME ATHLETICS®
FRANCHISE AGREEMENT**

This **FRANCHISE AGREEMENT** (“Agreement”) is made and entered into this _____ day of _____, 20_____, by and between Overtime Franchise LLC, a limited liability company formed under Virginia law, with its principal business address at 11654 Plaza America Drive, Suite 628, Reston, Virginia 20190 (referred to in this Agreement as “Franchisor,” “we,” “us” or “our”), and _____, a [STATE/TYPE OF ENTITY] with its principal business address at _____ (referred to in this Agreement as “Franchisee,” “you,” “your” or “Owner”).

DEFINITIONS. Words and phrases used frequently in this Agreement will have the meaning indicated:

“Affiliated Companies” or “Affiliate(s)” means any person or company that, directly or indirectly, controls, is controlled by, or is under common control with, the referenced party.

“Agreement” or “Franchise Agreement” means this document, all its attachments, exhibits, stipulations, and schedules and written modifications whenever made.

“Competitive Business” means any sports instruction services business designed specifically for children that offers instruction, classes, or any services or products that are the same or similar to those offered by OVERTIME ATHLETICS businesses, or any business that offers franchises or licenses to others to operate any sports instruction services business designed specifically for children that offers instruction, classes, or any services or products that are the same or similar to those offered by OVERTIME ATHLETICS businesses.

“Control” or “Controlling Interest” means the possession, directly or indirectly, of the power to direct or cause the direction, of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

“Corporation or Partnership” includes, if applicable, reference to your formation as a limited liability company, limited liability partnership, or any other type of limited liability entity.

“Designated Bank Account” means the bank account from which we shall be authorized by you to withdraw in any manner which we prescribe, which may include electronic funds transfer (“EFT”) or wire transfer, any amounts due to us or any Affiliate(s) from you under this Agreement, including Network Fees, Royalty, and any other amounts due to you from us under this Agreement.

“Effective Date” means the date this Agreement becomes effective as designated on the Signature Page of this Agreement.

“Electronic Media” means any electronic document, application, or media that is connected to and/or in a network of computers, servers and/or other devices linked by communications software, part of the world wide web (including, but not limited to websites), linked by the Internet or part of a web based application, software application, smart phone based application or social media platform including, but not limited to social media platforms and applications, and world wide web and Internet based directories and local directories that refers, references, identifies, reviews, promotes, and/or relates in any way to OVERTIME ATHLETICS businesses, the Franchised Business, the Marks, the System and/or the Franchisor. Electronic Media further includes the OVERTIME ATHLETICS website, web pages, and website subdomains (including those related to, associated with and/or a part of the OVERTIME

ATHLETICS website) associated with and/or related to the Franchised Business and all web pages, blog posts, videos, articles, social media accounts and pages, website directory pages, information, subdomains and all other media, and/or publications relating to the System, that is displayed and/or transmitted electronically.

“Franchise” means the right to operate an OVERTIME ATHLETICS business.

“Franchisee” and **“You”, “your” or “yours”** means means the individual or entity granted a Franchise under the terms of this Agreement, as identified in the initial paragraph of the Agreement.

“Franchised Business” means your OVERTIME ATHLETICS business operated under the terms of this Agreement.

“Franchisor” and **“We”, “us” or “our”** means Overtime Franchise LLC.

“Gross Revenue” means the total revenue and other consideration from the Franchised Business, and whether from cash, check, credit, or barter transactions, and including e-commerce transactions, but excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority and excluding customer refunds, adjustments, credits and allowances actually made by the Franchised Business.

“Guarantor” means any person who signs the Guaranty and Assumption of Obligations found in Appendix C to the Agreement.

“Internet” means modes of communications between computers and between computers and television, telephone, facsimile and similar communications devices, including the World Wide Web, proprietary online services, e-mail, social media, news groups and electronic bulletin boards.

“Location(s)” means your principal place of business and any other places where we authorize you to operate the Franchised Business, as identified in Appendix B to the Franchise Agreement.

“Managing Owner” means the Owner of the Franchised Business that has all the authority necessary to carry out day to day business decisions, answer any questions or requests we have, and bind you.

“Marks” means the current and future trade names, trademarks, service marks and trade dress used to identify OVERTIME ATHLETICS businesses and the services and products offered by OVERTIME ATHLETICS businesses, including the “OVERTIME ATHLETICS” mark and the distinctive color scheme and signage of OVERTIME ATHLETICS businesses.

“Methods of Operation” means the mandatory and suggested specifications, standards, operating procedures and rules that we prescribe for the operation of the Franchised Business.

“National Accounts” means regional or national businesses with which we’ve agreed to provide services to customers at certain National Account locations, which may include National Account locations within your Territory.

“Operations Manual” means our confidential OVERTIME ATHLETICS Operations Manual which contains the required policies and procedures for the operation of the Franchised Business, and includes all specifications we may use, and all supplemental bulletins, memoranda, revisions and replacements.

“OVERTIME ATHLETICS business” means a specialty sports instruction services business designed for children operating under the Marks and using the System that we, or any of our Affiliates, own and operate or license any other person or entity to own or operate.

“Owner” means any person holding a direct or indirect, legal or beneficial ownership interest or voting rights in you (or a transferee of this Agreement and the Franchised Business or an interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise or the Franchised Business and any person who has any other legal or equitable interest, or the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets thereof.

“Person” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative or other legal or functional entity.

“Professional Organization Fees” means the fees you pay to belong to any industry professional organization that we require you to belong during the Term of the Agreement.

“Royalty” means the required fee payable from you to us for the license to use our Marks and System.

“Standards” means our required standards specified to you for operating the Franchised Business including, without limitation, those for required services and products, customer service, hours, and employee training.

“System” means the plan and system as updated and revised from time to time for providing our approved services or products using our software, accounting methods, merchandising, vehicles, equipment selection, advertising, promotional techniques, personnel training and quality standards that feature the Marks and includes all proprietary materials, our Standards and our Marks.

“Territory” means the area listed on Appendix B to the Franchise Agreement in which you may operate the Franchised Business.

“Term” means the ten (10) year period under which the Agreement is effective, unless otherwise terminated.

1. GRANT OF FRANCHISE AND TERM OF THE AGREEMENT.

1.1. **Grant of Franchise.** We operate a specialty sports instruction services business designed specifically for children, offering training, programs and classes with an emphasis on both traditional sports and other movement related athletic activities, as well as offering day camps, tournaments, special event activities, and related services and products. We grant franchises to persons who meet our qualifications and are willing to undertake the investment and effort required to own and operate an OVERTIME ATHLETICS business using our designated business system, procedures, policies and standards. You have indicated to us by your actions and statements that you desire to own and operate an OVERTIME ATHLETICS business. Subject to the terms of and upon the conditions contained in this Agreement, we hereby grant you a franchise (the “Franchise”) to operate an OVERTIME ATHLETICS Franchised Business.

1.2. **Term of the Agreement.** The Franchise and license to use the Marks and the System in the operation thereof shall be effective for a term (the “Term”) commencing on the Effective Date of this Agreement and expiring on the tenth (10th) anniversary of that date, unless sooner terminated in accordance with this Agreement.

2. **INITIAL FRANCHISE FEE AND PAYMENT RELATED TERMS.**

- 2.1. **Initial Franchise Fee.** You agree to pay us a one time, non-refundable initial franchise fee in the amount of Thirty Five Thousand Dollars (\$35,000), which will be due upon your execution of this Agreement. The fee will be fully earned by us upon the execution of this Agreement.
- 2.2. **Interest on Late Payments.** All amounts which you owe us and do not pay us when due will bear interest from their due date at the highest contract rate of interest permitted by law. You acknowledge that this Section does not constitute our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Franchised Business. Your failure to pay all amounts then due constitutes grounds for termination of this Agreement.
- 2.3. **Application of Payments.** Regardless of any designation you might make, we have sole discretion to apply any of your payments to any of your past due indebtedness to us. You acknowledge and agree that we have the right to set off any amounts you owe us against any amounts we might owe you.
- 2.4. **Designated Bank Account.** If we require, prior to the opening of the Franchised Business, and as a condition thereof, you shall establish a designated bank account (“Designated Bank Account”) from which we shall be authorized by you to withdraw in any manner which we prescribe, which may include EFT or wire transfer, any amounts due to us or any Affiliate(s) from you under this Agreement, including Royalty fees due, and to which we shall deposit, which may include EFT or wire transfer, any amounts due to you from us under this Agreement. All costs and expenses of establishing and maintaining such designated account, including transaction fees and wire transfer fees, shall be paid by you. You agree to execute any documents as we may require relating to the Designated Bank Account and you agree to maintain at all times sufficient funds in such Designated Bank Account for any allowable withdrawals by us.

3. **NETWORK FEE, ROYALTY AND OTHER FEES.**

- 3.1. **Network Fee.** You agree to pay us a non-refundable network fee (“Network Fee”) in the amount of \$585 per month on the date we designate. No Network Fee is due for the first 6 months after the Effective Date.
- 3.2. **Royalty.** You agree to pay us a non-refundable royalty (“Royalty”) in the amount of two percent (2%) of Gross Revenue; provided that the Royalty Fee is not due until the annual Gross Revenue of the Franchised Business exceeds \$250,000. Annual Gross Revenue is calculated for the period September to August each year. Royalty is due quarterly on the date we specify
- 3.2. **Payment Method.** All fees due to us must be paid by EFT or by any other method that we may specify, in our sole business judgment.
- 3.3. **Gross Revenue Reporting.** You must deliver to us as and when we require a statement of Gross Revenue for any period we require which may be weekly, monthly, quarterly or annually. We define annual Gross Revenue as the revenue for the Franchised Business between September and August of each year.
- 3.4. **Professional Organization Fees.** You acknowledge and agree that during the Term of the Agreement, you must join and belong, in good standing, to such industry professional organizations which we may designate, in our sole business judgment. You acknowledge and

agree that you are responsible solely for paying any initial and ongoing professional organization fees (“Professional Organization Fees”) that any such professional organization may charge in order to belong to such organization.

4. PERFORMANCE REQUIREMENTS.

- 4.1. **Performance Standards.** You agree that you will at all times faithfully, honestly and diligently perform your obligations hereunder, continuously exert your best efforts to promote and enhance the Franchised Business and not engage in any other business or activity that conflicts with your obligations to operate the Franchised Business in compliance with this Agreement.
- 4.2. **Days of Operation.** You acknowledge and agree that, as required by our Methods of Operation, the Franchised Business must operate the entire calendar year, unless otherwise approved in writing by us, and must be managed at all times by your Managing Owner or an Owner or employee approved in writing by us.

5. OWNERSHIP AND MANAGEMENT.

You acknowledge and agree that your Managing Owner must personally manage and operate the Franchised Business as a primary occupation and you may not, without our prior written consent, delegate your Managing Owner’s authority and responsibility with respect to management and operation.

- 5.1. **Managing Owner.** You acknowledge and agree that your Owners and you will grant to one individual (the “Managing Owner”), the authority to legally bind you in any dealings with us, or our Affiliates, and to direct any action necessary to ensure compliance with this Agreement and any other agreements relating to the Franchised Business. The Managing Owner, at all times during the Term of the Agreement, shall maintain management Control of the Franchised Business, or shall have like authority, ownership, managerial control and voting power in any limited liability company, partnership, or other form of entity, unless otherwise agreed upon in writing by us. You will notify us thirty (30) days in advance of any change in the identity of the Managing Owner. Where such change results from the death or incapacity of the Managing Owner, you shall immediately notify us of such death or incapacity and you will appoint a new Managing Owner within sixty (60) days after such death or incapacity. We reserve the right to review and disapprove of any newly appointed Managing Owner within ten (10) days of notice. We reserve the right to review and approve the authority of the Managing Owner with respect to your Articles of Organization, Limited Liability Company Operating Agreement, Partnership Agreement, Shareholders Agreement, or similar documents. Neither you nor your Owners will, directly or indirectly, take any action to avoid or restrict the authority requirement for the Managing Owner.
- 5.2. **Business Entity Franchisee.** If you are at any time a corporation, limited liability company, partnership, or other business entity, you agree and represent that, as is applicable to your form of business entity:
 - 5.2.1. Your charter, certificate of formation, or partnership agreement will at all times provide that your activities are confined exclusively to operating the Franchised Business. You will furnish to us copies of your governing documents, as we request. You will notify us within five (5) days if there is a change in your corporate status or whenever you receive service of process for any reason;

- 5.2.2. Your organizational documents or partnership agreement will recite that the issuance and transfer of any ownership interests in you are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement;
- 5.2.3. Appendix A to this Agreement will completely and accurately describe all of your Owners and their interests in you; and
- 5.2.4. Each of your Owners, at any time during the Term of this Agreement, will execute an agreement in the form that we prescribe (see Appendix C to this Agreement) undertaking to be bound jointly and severally by all provisions of this Agreement and any ancillary agreements between you and us that bind you. You and your Owners agree to execute and deliver to us such revised copies of Appendix A as may be necessary to reflect any changes in the information contained therein and to furnish such other information about your organization or information as we may request within five (5) days of change.

6. **START OF BUSINESS.**

- 6.1. **Opening.** You agree to begin operating the Franchised Business within your Territory within one hundred eighty (180) days after the Effective Date. If you fail to begin operating the Franchised Business within one hundred eighty (180) days after the Effective Date, then we may terminate the Agreement and you will forfeit the Initial Franchise Fee.
- 6.2. **Training.** You must successfully complete our training program for the Franchised Business to our satisfaction prior to beginning to operate the Franchised Business.

7. **TERRITORY.**

- 7.1. **Your Territory.** The geographical location where you may locate the Franchised Business is referred to as your “Territory” and is described in Appendix B attached to this Agreement. You may not operate the Franchised Business from any principal business address other than the approved location (the “Location”) identified in Appendix B to this Agreement, without our prior written consent. Your Location must be located within your designated Territory. Except as otherwise provided in this Section 7, during the Term of this Agreement and for so long as you are not in default under this Agreement, we shall not locate, or license any other person to locate or operate another OVERTIME ATHLETICS business within the Territory. We shall take such reasonable steps as we consider necessary to prevent any other person from establishing or operating an OVERTIME ATHLETICS business within the Territory upon our becoming aware of such activity.
- 7.2. **Other Territories.** You agree that we have the right to establish and grant to other franchisees the right to establish OVERTIME ATHLETICS business locations anywhere outside your Territory on such terms and conditions as we deem appropriate. You agree not to do anything that would unreasonably interfere with the ability of any other OVERTIME ATHLETICS business to conduct their operations or provide services or products to any customers.
- 7.3. **Other Distribution Channels.** You agree that we, our Affiliate, and other franchisees have the right to advertise and sell our services and products, whether or not using the Marks, inside or outside the Territory or through distribution channels other than OVERTIME ATHLETICS businesses, including, without limitation, the advertising or sale of sports instruction related

services or products, that are advertised or offered in your Territory through the Internet or Electronic Media, or that are advertised or offered in published materials that may be distributed to individuals or businesses that are located in your Territory.

- 7.4. **Affiliate and Acquisition Distribution.** You agree that we have the right to operate, directly or through an Affiliate, and to grant to others the right to operate, within your Territory and elsewhere businesses that we purchase (or as to which we purchase the rights as franchisor) that are part of another franchise system or chain, regardless of whether any or all of them are converted to use any or all of the Marks and/or System or continue to be operated independently.
- 7.5. **National Accounts.** You acknowledge that from time to time we may enter into agreements with certain regional or national businesses (“National Accounts”) to provide services or products at certain National Account locations which may include National Account locations within your Territory. We shall identify and designate any such National Accounts in our Operations Manual, and you acknowledge and agree that from time to time during the Term of the Agreement we may add or remove National Accounts, in our sole business judgment. You acknowledge and agree that we have sole business judgment on who may provide services or products to any National Account location, including any such National Account locations that may be located within your Territory. You acknowledge and agree that we may, in our sole business judgment, offer you the opportunity to accept and provide services or products under the terms of any such National Account agreement (including, without limitation, any central invoicing or fixed fee terms) for National Account locations within the Territory. In the case of a National Account agreement under which the customer will pay a fixed amount for services or products at all locations listed in such agreement, we shall allocate reasonably such fixed amount among the OVERTIME ATHLETICS businesses providing such services or products.

8. **YOUR BUSINESS LOCATION AND LOCATIONS AT WHICH YOU OPERATE.**

It is your responsibility to find a Location within your Territory to operate the Franchised Business. You must submit to us, according to our procedures, a proposed Location for your Franchised Business for our approval.

- 8.1. **Business Location.** You must locate a site for operating the Franchised Business and have the Location approved by us.
- 8.2. **Business Location Approval.** We will make reasonable efforts to make a determination on whether we accept a proposed site for your business Location within twenty (20) days after our receipt of any information or materials relating to the proposed site which we have requested from you. We will furnish you with our standard site selection criteria and assistance for the Franchised Business, as we may establish from time to time.
- 8.3. **Qualifying Factors.** Factors used by us in deciding whether to accept or reject a proposed site may include, but is not limited to, the general location and neighborhood, demographic information, traffic patterns, zoning, access, visibility, location of other similar businesses or related establishments (including other OVERTIME ATHLETICS businesses) and size, condition, configuration, appearance and other physical characteristics of the site.
- 8.4. **Approved Locations at Which You Provide Services or Products.** You acknowledge and agree that for any location that we have not previously approved at which you intend to offer or to provide instructional services or products for the Franchised Business, you must notify us in writing of any such proposed location. We must provide you with our prior written approval of

any such location before you may offer or provide our approved services or products at the location. We may disapprove of any proposed location, in our sole business judgment. We will make reasonable efforts to make a determination on whether we accept a proposed location under this Section within fourteen (14) calendar days after our receipt of any information or materials relating to the proposed location which we have requested from you. We will furnish you with our standard location approval criteria under our Methods of Operation, as we may establish periodically during the Term of the Franchise Agreement.

9. BUSINESS DEVELOPMENT.

You are responsible for developing the Franchised Business. We will furnish you with mandatory specifications and standards for an OVERTIME ATHLETICS business, including requirements for design, image, equipment, signs, color scheme and other suggestions.

9.1. Business Development. You agree, at your own expense, to do the following with respect to developing the Franchised Business:

- 9.1.1. Secure all financing required to develop and operate the Franchised Business;
- 9.1.2. Obtain all permits and licenses required to operate the Franchised Business;
- 9.1.3. Purchase or lease and install all equipment, fixtures, furniture, furnishings, and signs required for the Franchised Business;
- 9.1.4. Purchase an initial inventory of authorized and approved products, materials and supplies; and,
- 9.1.5. Ensure that the Franchised Business will be built and operated in compliance with all local, state and federal laws, ordinances, rules and regulations.

9.2. Equipment, Fixtures, Furniture, Computer Systems, Signs, and Vehicles. You agree to use in developing and operating the Franchised Business only the equipment, fixtures, furniture, computer hardware and software (“Computer Systems”), signs, and vehicles that we have approved for OVERTIME ATHLETICS businesses as meeting our specifications and standards for quality, design, appearance, function and performance. You agree to place or display only such signs, emblems, lettering, logos and display materials that we approve from time to time. You agree to purchase or lease approved brands, types or models of equipment, fixtures, furniture, Computer Systems, signs, and vehicles only from suppliers we have designated or approved which may include us and/or our Affiliates.

10. TRAINING.

10.1. Initial Training. Before the Franchised Business begins operation we will provide you with initial training on the operation and management of an OVERTIME ATHLETICS business pursuant to our initial training program. Before you begin operation of the Franchised Business you are required to successfully complete the initial training to our satisfaction. We reserve the right to change or modify the training, as we deem necessary. If we determine that your Managing Owner is unable to complete initial training to our satisfaction, we have the right to terminate this Agreement.

- 10.1.1. **Owner or Employee Training.** We agree to provide initial training to your Managing Owner and one additional Owner or employee who you elect to enroll in the training program.
- 10.1.2. **Schedule, Location and Costs.** Initial training consists of 32 hours of online coursework and in person training. The training will be conducted virtually or at a location that we designate. You will be responsible for all travel and living expenses, which your Managing Owner and any additional individual incur in connection with training if they attend the initial training in an in-person format.
- 10.2. **Additional Ongoing Required Training.** We may require your Managing Owner and/or previously trained and experienced Owners or employees to attend or complete additional required training courses at such times and locations that we designate, and we may charge a per day fees for such courses.
- 10.3. **Supplementary Training.** After the commencement of your Franchised Business' operations, if you have additional employees that require training from us we may charge you a per day fee for this training.
- 10.4. **Training Assistance.** We may ask you to provide training or assistance to other OVERTIME ATHLETICS franchisees. You agree to give us reasonable assistance with such training. We agree to reimburse you for your reasonable costs and expenses in providing such assistance.

11. **PRE – OPENING REQUIREMENTS.**

Prior to opening the Franchised Business you must comply with all pre-opening requirements we specify to you. You agree not to open the Franchised Business until:

- 11.1. **Location Approval.** We approve the Location as developed in accordance with our specifications and standards;
- 11.2. **Initial Training.** Your Managing Owner and any other Owners or employees have completed initial training to our satisfaction;
- 11.3. **Initial Fees Paid.** The initial franchise fee and all other amounts then due to us have been paid;
- 11.4. **Required Documentation.** We have been furnished with copies of all agreements and insurance policies required by this Agreement, or such other evidence of insurance coverage and payment of premiums as we request or accept; and
- 11.5. **Compliance with Laws.** You have obtained all required permits, licenses, and certifications for operating the Franchised Business and the Franchised Business is in compliance with all laws, rules and regulations.

12. **OPERATION REQUIREMENTS.**

After you have satisfied our initial training requirements and all other pre-opening requirements we specify to you and you have received our written approval you may begin operation of the Franchised Business. You must maintain and operate the Franchised Business in accordance with this Agreement and the terms and standards contained in the Operations Manual.

- 12.1. **Operations Manual.** For the operation of your Franchised Business we will loan you one (1) copy of or provide electronic access to our Operations Manual. The Operations Manual contains the mandatory and suggested specifications, standards, operating procedures and rules that we prescribe for the operation of the Franchised Business. The Operations Manual also contains business and information relating to other obligations under this Agreement and related agreements. The Operations Manual and other specifications, standards, and operating procedures communicated in any form from us to you (collectively, our “Methods of Operation”) shall be deemed a part of this Agreement.
- 12.1.1. **Modification.** We may modify, edit, delete, update, change and enhance the Operations Manual from time to time to reflect changes in the Methods of Operation.
- 12.1.2. **Safeguard.** You agree to keep your copy of the Operations Manual current and in a secure location at the Franchised Business.
- 12.1.3. **Disputes.** In the event of a dispute relating to its contents, the master copy of the Operations Manual we maintain at our principal office will be controlling.
- 12.1.4. **Duplication.** You may not at any time copy, duplicate, record or otherwise reproduce any part of the Operations Manual.
- 12.1.5. **Confidentiality.** You acknowledge and agree that the Operations Manual is our proprietary property and contains Confidential Information.
- 12.2. **Compliance with Methods of Operation.** You agree to operate and maintain the Franchised Business in accordance with Methods of Operation, as we periodically modify and supplement them during the Term of this Agreement.
- 12.2.1. **Facilities.** Our Methods of Operation may regulate the design, layout, decor, appearance and lighting; periodic maintenance, cleaning and sanitation; periodic remodeling; replacement of obsolete or worn out leasehold improvements, fixtures, furnishings, equipment and signs; periodic painting; and use of interior and exterior signs, emblems, lettering and logos and the illumination thereof.
- 12.2.2. **Types.** Our Methods of Operation may regulate the types, models and/or brands of equipment, fixtures, furnishings, Computer Systems, signs, products, required vehicles, materials and supplies.
- 12.2.3. **Services and Products.** Our Methods of Operation may regulate the required or authorized services, products, curriculums, instructional materials, training videos, and ancillary product categories (the sale of any merchandise other than OVERTIME ATHLETICS merchandise, without our express written approval, is a material breach of the terms of the Agreement).
- 12.2.4. **Suppliers.** Our Methods of Operation may regulate the designated or approved suppliers (which may be limited to or include us) of equipment, fixtures, furnishings, Computer Systems, signs, products, vehicles, materials and supplies (the use of suppliers other than us, our subsidiaries or Affiliates, or our other approved suppliers, without our express written approval, is a material breach of the terms of this Agreement).

- 12.2.5. **Terms and Conditions.** Our Methods of Operation may regulate the terms and conditions of the sale and delivery of, including, without limitation, credit terms and letter of credit amounts, and terms and methods of payment for, and security deposits, for products, materials, supplies and services including direct labor, which you obtain from us, our Affiliates or others.
- 12.2.6. **Advertising and Marketing.** Our Methods of Operation may regulate the sales, marketing, advertising and promotional programs and materials and media used in such programs.
- 12.2.7. **Marks.** Our Methods of Operation may regulate the use and display of the Marks.
- 12.2.8. **Staffing.** Our Methods of Operation may regulate matters relating to managing the Franchised Business; communication to us of the identities of the Franchised Business' personnel; and qualifications, training, dress and appearance of employees, including the requirement that the Franchised Business is all times under the direct management and supervision of your Managing Owner or a trained and qualified general manager approved by us who has attended all required training courses we may require, in our sole business judgment.
- 12.2.9. **Hours of Operation and Locations.** Our Methods of Operation may regulate the days and hours of operation of the Franchised Business and the authorized locations at which you may operate the Franchised Business.
- 12.2.10. **Program Participation.** Our Methods of Operation may regulate your participation in market research and testing and service and product development programs.
- 12.2.11. **Payment Methods.** Our Methods of Operation may regulate the acceptance of credit cards, other payment systems and check verification services.
- 12.2.12. **Records.** Our Methods of Operation may regulate the bookkeeping, accounting, data processing and record keeping systems and forms; methods, formats, content and frequency of reports to us of sales, revenue, financial performance and condition; and furnishing tax returns and other operating and financial information to us.
- 12.2.13. **Insurance.** Our Methods of Operation may regulate the types, amounts, terms and conditions of insurance coverage required to be carried for the Franchised Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under such policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage for the Franchised Business at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims.
- 12.2.14. **Laws and Standards.** Our Methods of Operation may regulate compliance with applicable laws; obtaining required licenses and permits; adhering to good business practices; observing high standards of honesty, integrity, fair dealing and ethical business conduct in all dealings with customers, suppliers and us; and notifying us if any action, suit or proceeding is commenced against you or the Franchised Business.

- 12.2.15. **Other.** Our Methods of Operation may regulate other aspects of the operation and maintenance of the Franchised Business that we determine from time to time to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and OVERTIME ATHLETICS businesses.
- 12.3. **Provisions of this Agreement.** You agree that the Methods of Operation prescribed from time to time in the Operations Manual, or otherwise communicated to you in writing or other tangible form, constitute provisions of this Agreement as if fully set forth herein. All references to this Agreement include all Methods of Operation as periodically modified.
- 12.4. **Modification of Methods of Operation.** We may periodically modify Methods of Operation, which may accommodate regional or local variations as we determine, and you acknowledge and agree any such modifications may obligate you to invest additional capital in the Franchised Business and/or incur higher operating costs.
- 12.5. **Operation Upon the Death or Disability of the Managing Owner.** If, upon the death or permanent disability of the Managing Owner, the Franchised Business is not being managed by an individual trained by us, you or such Managing Owner's executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed sixty (60) days from the date of death or permanent disability of the Managing Owner, appoint a manager to operate the Franchised Business, subject to our written approval. Such manager must successfully complete our required initial training at your expense within thirty (30) days of being appointed to operate the Franchised Business.
- 12.6. **Alternative Approved Suppliers.** If you desire to purchase services or products from a party other than an approved supplier, you shall submit to us a written request to approve the proposed supplier, together with such evidence of conformity with our specifications as we may reasonably require. We shall have the right to require that our representatives be permitted to inspect the supplier's facilities, or that samples from the supplier be delivered for evaluation and testing either to us or to an independent testing facility that we designate. We shall use our best efforts, within ninety (90) days after our receipt of such completed request and completion of such evaluation and testing (if required by us), to notify you in writing of our approval or disapproval of the proposed supplier. We may from time to time revoke our approval of particular suppliers when we determine, in our sole business judgment, that such suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you shall cease to purchase from any disapproved supplier. You agree that you shall use services or products purchased from approved suppliers solely for the purpose of operating the OVERTIME ATHLETICS Franchised Business and not for any other purpose, including, without limitation, resale. Nothing in the foregoing shall be construed to require us to make available to prospective suppliers any standards or specifications that we deem confidential, in our sole business judgment.

13. **GENERAL GUIDANCE.**

- 13.1. Once you commence operation of the Franchised Business you will be required to submit to us reports, records and other financial statements regarding the performance of the Franchised Business. Also, we may conduct on-site inspections. Based on the information that we receive and review we may provide you with further direction and guidance by providing you with additional written materials, telephone consultations, training or on-site consultations. General guidance as to the operation of the Franchised Business will be found primarily in the Operations Manual or given to you through other written materials or bulletins from us. Guidance may be provided to you in any of the following ways:

- 13.1.1. Telephone and Internet e-mail consultation during such times as are outlined in the Operations Manual;
- 13.1.2. Buying advisory services whereby we may provide you with lists of sources and approved suppliers for products, equipment, Computer Systems, merchandise, accessories, services, fixtures, furnishings, signs, vehicles, etc.;
- 13.1.3. Wholesaling services whereby we may ourselves act as an approved or designated source for products, equipment, Computer Systems, merchandise, accessories, services, fixtures, furnishings, signs, etc.;
- 13.1.4. Ongoing marketing programs;
- 13.1.5. Newsletter services whereby we may inform you periodically about the current events in the OVERTIME ATHLETICS franchise program;
- 13.1.6. Meetings, whereby we may convene with you and other OVERTIME ATHLETICS franchisees for business or social purposes;
- 13.1.7. Research and development regarding Methods of Operation; and/or
- 13.1.8. At your request, we will furnish additional guidance and assistance and, in such a case, may charge the per diem fees and charges we establish from time to time. If you request, or if we require, additional or special training for your employees, you must pay us for all of the costs incurred in connection with such training, including our per diem charges and travel and living expenses for our personnel.

14. MARKS.

All provisions of this Agreement applicable to the Marks apply to any additional proprietary trademarks and service marks and commercial symbols that we authorize you to use.

- 14.1. **Ownership of Marks.** You do not have an ownership interest in the Marks used with the Franchised Business. It is our right or license to use, license or sublicense the Marks. Your right to use the Marks is derived solely from this Agreement and limited to your operation of the Franchised Business pursuant to and in compliance with this Agreement and Methods of Operation, which we prescribe from time to time during its Term. Your unauthorized use of the Marks is a breach of this Agreement and an infringement of our rights in and to the Marks.
- 14.2. **Use of Marks.** You agree to use the Marks as the sole identification of the Franchised Business, except that you agree to identify yourself as the independent owner thereof in the manner we prescribe.
- 14.3. **Goodwill of Marks.** This Agreement does not confer any goodwill or other interests in the Marks to you. Any goodwill established by use of the Marks will be exclusively for our benefit. You will not represent in any manner that you have any ownership in the Marks or the right to use the Marks except as provided in this Agreement and the Operations Manual. At the termination of this Agreement you will not receive any compensation for goodwill.

- 14.4. **Display of Marks.** You agree to display the Marks prominently in the manner we prescribe at the Franchised Business, on supplies or materials we designate and in connection with forms and advertising and marketing materials.
- 14.5. **Limitations on Use of Marks.** You may not use any Marks as part of any corporate or legal business name or Internet domain name or Internet e-mail address or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you hereunder), or in any modified form, nor may you use any Marks in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing. No Marks may be used in any advertising concerning the transfer, sale or other disposition of the Franchised Business or an ownership interest in you. You agree to give such notices of trademark and service marks registrations, e.g., “®”, “™”, as we specify and to obtain any fictitious or assumed name registrations required under applicable law. You agree to withdraw any fictitious or assumed name registrations immediately upon termination or expiration of this Franchise Agreement.
- 14.6. **Modification or Replacement of Marks.** You agree to modify or replace any Marks when notified by us. You agree to comply with our directions within a reasonable time after receiving notice. You are responsible for all expenses associated with modifying or replacing the Marks. We will not be obligated to reimburse you for any lost revenue attributable to any modified or discontinued Marks or for any expenditure you make to promote a modified or substitute Mark.
- 14.7. **Discontinuance of Marks.** You must discontinue the use of the Marks immediately upon termination or expiration of this Agreement.
- 14.8. **Infringement and Claims of Marks.** You agree to notify us immediately of any apparent infringement or challenge to your use of any Marks or of any claim by any person of any rights in any Marks. You agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have sole business judgment to take such action as we deem appropriate and the right to control exclusively any litigation, United States Patent and Trademark Office (“USPTO”) proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Marks. We shall defend you against any third party claim, suit, or demand arising out of your use of the Marks. If we, in our sole business judgment, determine that you have used the Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by us. If we, in our sole business judgment, determine that you have not used the Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by you. In the event of any litigation relating to your use of the Marks, you shall execute any and all documents and do such acts as may, in our opinion, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Marks in a manner inconsistent with the terms of this Agreement, we agree to reimburse you for your out-of-pocket costs in doing such acts.
- 14.9. **Additional Restrictions on Your Use of the Marks.** You shall not attempt to register or otherwise obtain any interest in any Internet domain name or Uniform Resource Locator (“URL”) containing any of the Marks, or any portion thereof, or any other word, name, symbol or device which is likely to cause confusion with any of the Marks, and; You shall not develop, create, generate, own, license, lease or otherwise utilize any computer media and/or Electronic Media (including but not limited to the Internet, world wide web, bulletin boards, news group and/or social media) which may be used, or in any manner uses, displays or utilizes the Marks, or other

commercial symbols or offers to sell or sells any of the services or products which are or may at a later date be offered for sale by OVERTIME ATHLETICS businesses. If you desire to utilize any computerized or Electronic Media in conjunction with the operation of your OVERTIME ATHLETICS Franchised Business, you must obtain our prior written approval of such usage, and we may in our sole and absolute business judgment approve or not approve such usage. If we grant approval, we or our Affiliates will be the owners of and/or control the approved computerized or electronic content and media.

15. **CONFIDENTIAL INFORMATION.**

15.1. **Determination of Confidential Information.** We possess and will continue to develop and acquire certain confidential information (“Confidential Information”) relating to the development and operation of OVERTIME ATHLETICS businesses. Confidential Information is proprietary to us. Confidential Information may be disclosed to you that may include, but is not limited to:

15.1.1. **Locations.** Our location selection criteria;

15.1.2. **Business Practices.** Our trade secrets, methods, formats, specifications, standards, systems, procedures, the Operations Manual, any other proprietary materials, and knowledge of and experience in developing and operating OVERTIME ATHLETICS businesses;

15.1.3. **Marketing and Advertising.** Our marketing and advertising programs for OVERTIME ATHLETICS businesses and the sales and marketing techniques used;

15.1.4. **Specifications and Suppliers.** Knowledge of our specifications for and suppliers of certain products, supplies, materials, equipment, Computer Systems, fixtures, furnishings, and services; and

15.1.5. **Reports and Records.** Knowledge of the operating results and financial performance of OVERTIME ATHLETICS businesses other than your Franchised Business.

15.2. **Business Purposes Only.** You will not acquire any interest in Confidential Information, other than the right to utilize Confidential Information disclosed to you in operating the Franchised Business during the Term of this Agreement. Use or duplication of any Confidential Information in any other business will constitute an unfair method of competition and a violation of this Agreement. Confidential Information is disclosed to you solely on the condition that you agree that you:

15.2.1. **Business Only.** You will not use Confidential Information in any other business or capacity.

15.2.2. **Term.** You will maintain the absolute confidentiality of Confidential Information during and after the Term of this Agreement.

15.2.3. **Copies.** You will not make unauthorized copies of any portion of Confidential Information disclosed to you in any format.

15.2.4. **Safeguards.** You will adopt and implement all reasonable safeguard procedures, including those that we prescribe from time to time to prevent unauthorized use or

disclosure of Confidential Information, including, without limitation, restrictions on disclosure to the Franchised Business' personnel and others.

- 15.3. **Ideas, Concepts, Techniques or Materials.** All ideas, concepts, techniques or materials relating to an OVERTIME ATHLETICS business, whether or not constituting protected intellectual property, and whether created by or on behalf of you or your Owners, will be promptly disclosed to us, deemed to be our sole and exclusive property and part of the System and deemed to be works made for hire for us. You and your Owners agree to sign whatever assignment or other documents we may request from time to time to evidence our ownership or to assist us in securing intellectual property rights in such ideas, concepts, techniques or materials.

16. EXCLUSIVE RELATIONSHIP.

- 16.1. **Exclusive Dealings.** We have granted the Franchise to you in consideration of and reliance upon your agreement to deal exclusively with us and not to be involved with a Competitive Business. You agree that during the Term of this Agreement neither you nor any of your Owners including any of your or your Owners' spouses, children or other first degree relatives by blood or marriage will:

16.1.1. **Interest or Involvement.** You will not have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business, wherever located.

16.1.2. **Performance.** You will not perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located.

17. MARKETING.

- 17.1. **Required Advertising and Promotion By You.** You acknowledge and agree that each consecutive three hundred sixty five (365) days period during the Term of the Agreement that you must spend not less than Two Thousand Five Hundred (\$2,500) for local advertising and promotion of your Franchised Business, in compliance with our standards.

- 17.2. **Proof of Expenditure.** As required by us, you must submit to us reports demonstrating the amount you have spent for local advertising and promotion of your Franchised Business, in compliance with our standards. We may periodically review your books and records to verify your expenditures for advertising and promotion as required by this Agreement. Proof of expenditures is your burden.

- 17.3. **Advertising Approval.** You may not use any advertising or promotional materials unless we have approved it. Samples of all advertising, promotional and marketing materials, which we have not prepared or previously approved, must be submitted to us for approval before you use them. We own the copyrights to anything so submitted, whether approved by us or not. If you do not receive written approval within fifteen (15) days after our receipt of such materials, we will be deemed to have NOT given the required approval.

- 17.4. **Truthful Advertising, Marketing and Promotion.** You agree that any advertising, promotion and marketing conducted will be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the promotion policies which we prescribe.

- 17.5. **Participation in OVERTIME ATHLETICS Website or Other Electronic Media.** You must have Internet access and an e-mail address. You must, at your own expense, participate in the OVERTIME ATHLETICS website (the “OVERTIME ATHLETICS Website”) on the Internet or in other Electronic Media we may specify. You may not separately register any domain name or operate any website containing any of the Marks without our prior written approval. We determine the content and use of the OVERTIME ATHLETICS Website and have the right to establish the rules under which franchisees may or must participate in the OVERTIME ATHLETICS Website or separately use the Internet, Electronic Media, or other on-line communications. We retain all rights relating to the OVERTIME ATHLETICS Website and may alter or terminate the OVERTIME ATHLETICS Website. Your general conduct on the OVERTIME ATHLETICS Website or on Electronic Media or other on-line or electronic communications and specifically your use of the Marks or any advertising on the OVERTIME ATHLETICS Website or other on-line or electronic communications (including any domain name and any other Marks we may develop as a result of participation in the Website or other on-line communications) is subject to the provisions of this Agreement. You acknowledge that certain information obtained through your participation in the OVERTIME ATHLETICS Website may be considered Confidential Information, including access codes and identification codes. All your rights to participate in the OVERTIME ATHLETICS Website, or in other online or electronic systems we may develop, or otherwise to use the Marks or System on the Internet or other Electronic Media or electronic communications, terminate when this Agreement expires or terminates.
- 17.6. **Electronic Media.** You acknowledge the significance of Electronic Media to the System and necessity for our control over Electronic Media. We are the absolute owner of the Electronic Media and nothing contained in this Agreement grants to you any ownership interest in or to the Electronic Media. You shall not utilize, access, or open accounts regarding or related to Electronic Media unless expressly approved by us in writing which approval we may withhold or limit, as determined by us in our sole business judgment. If we grant any such approval, it shall be limited to the marketing and promotion of the Franchised Business in accordance with our Methods of Operation. Upon expiration or termination of this Agreement for any reason, any prior authorization by us as to your right to utilize the Electronic Media and/or otherwise as to any other rights in or to the Electronic Media shall be automatically terminated and, at our election, the right to any and all accounts and/or sites (if any) associated with Electronic Media utilized by you shall be transferred to us. Under no circumstance shall you utilize the Electronic Media for purposes of or with the effect of libeling or disparaging another nor shall you violate any copyrights, and as to any such actions as between you and any third party, you are exclusively responsible for disparagement, libel and/or copyright infringement if you published and/or caused such content be published. You agree that Electronic Media, if permitted by us, must be approved by us prior to publication or use in any form. Electronic Media that is approved by us or that otherwise is acceptable to us as meeting our standards shall be owned by us. Any and all interest and right in or to the Electronic Media shall, at all times, be and is our exclusive property both during the Term of this Agreement and upon the expiration or termination of this Agreement. You acknowledge and agree that the OVERTIME ATHLETICS Website and all improvements and modifications made to the OVERTIME ATHLETICS Website and Electronic Media is and shall be our exclusive property. During the Term of this Agreement and subject to your compliance with the terms and conditions of this Agreement, the OVERTIME ATHLETICS Website shall include information related to the Franchised Business as shall be determined and designated by us in our business judgment.

18. RECORDS, REPORTS AND FINANCIAL STATEMENTS.

- 18.1. **Bookkeeping.** You agree to establish and maintain at your own expense a bookkeeping, accounting and record keeping system conforming to the requirements and formats we prescribe. You agree to produce records, reports and financial statements upon our request that adequately represent your financial position and that of the Guarantors. We may require you to use approved computer hardware and software in order to maintain the Franchised Business' records and reports. Records and reports must be furnished to us in the form and frequency as specified in this Agreement and the Operations Manual. You acknowledge and agree that we may require you to provide any of the following information:
- 18.1.1. **Financial Statements.** You agree to provide us, by the fifteenth (15th) day after the end of each month or other period, a profit and loss statement for the Franchised Business for the preceding month, a year-to-date balance sheet, a detailed HUB Report by session on total revenue from the preceding month, and an Online Registration Session Report for the preceding month.
- 18.1.2. **Annual Financial Statements.** You agree to provide us, within ninety (90) days after the end of the Franchised Business' fiscal year, reviewed annual profit and loss and source and use of funds statements and a reviewed balance sheet for the Franchised Business as of the end of such fiscal year signed by you or your principal operating officer or operating partner.
- 18.1.3. **Tax Returns.** You agree to provide us, within ten (10) days after our request, exact copies of federal and state income and other tax returns and such other forms, records, books and other related information.
- 18.1.4. **Credit Reports.** You agree to allow us to obtain credits reports as deemed necessary during the period of this Agreement.
- 18.1.5. **Maintenance of Records.** You are required to maintain reports, records and financial statements as prescribed in the Operations Manual for your Franchised Business.
- 18.2. **Verification.** You agree to verify and sign each report and financial statement in the manner we prescribe. We have the right to disclose data derived from such reports without identifying you or the location of the Franchised Business. Moreover, we have the right, as often as we deem appropriate, including on a daily basis, to access the computer systems that you are required to maintain in connection with the operation of the Franchised Business and to retrieve all information relating to the Franchised Business' operations.

19. INSPECTIONS AND AUDITS.

- 19.1. **Right to Audit.** Our designated agents and we have the right to, at any time during your regular business hours and without prior notice to you, to inspect and/or audit, or cause to be inspected and/or audited, all records relating to the Franchised Business and operation practices of the Franchised Business in order to verify that you are complying with this Agreement, collateral agreements, the Methods of Operation and that you are maintaining the uniformity and quality of the services associated with the Marks. We have the right to observe, photograph and videotape the operations of the Franchised Business for such consecutive or intermittent periods, as we deem necessary. We have the right to interview personnel and customers of the Franchised

Business. We have the right to inspect and copy any books, records and documents relating to your operation of the Franchised Business. You agree to cooperate with any such inspection.

- 19.2. **Audit Expense.** In the event such inspection and/or audit is made necessary by your failure to furnish reports, supporting records or other information as herein required, or to furnish such items on a timely basis, you agree to reimburse us for the reasonable cost of such inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees.
- 19.3. **Cure.** In the event an inspection or audit reveals that any payments have been understated in any report to us, then you must immediately pay to us the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the highest contract rate of interest permitted by law. If an inspection or audit discloses an understatement in any report of two (2%) percent or more, you shall, in addition to repayment of monies owed with interest, reimburse us for any and all costs and expenses connected with the inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees. The foregoing remedies are in addition to our other remedies and rights under this Agreement and applicable law.

20. TRANSFER AND ASSIGNMENT.

- 20.1. **Assignment by Us.** This Agreement is fully transferable by us and will inure to the benefit of any transferee or other legal successor to our interests herein.
- 20.2. **Assignment by You.** This Agreement and the Franchise are granted personally to you. You may only assign or transfer any interest or ownership that you may have in the Franchised Business with our prior written approval. Any transfer without such approval constitutes a breach of this Agreement and is void. Our approval is conditioned on the prospective transferee agreeing to sign a franchise agreement with us and meeting our qualifying conditions and requirements. We will not unreasonably withhold the approval of a prospective franchisee.
- 20.3. **Assignments.** An assignment, transfer, sale, gift or other disposition includes the following events:
- 20.3.1. transfer of ownership of capital stock, partnership interest, or other equity interest in you;
 - 20.3.2. merger or consolidation or issuance of additional securities or interests representing an ownership interest in you;
 - 20.3.3. any issuance or sale of your stock or any security convertible to your stock to any person or entity other than an existing Owner;
 - 20.3.4. transfer of an interest in you, this Agreement or the Franchised Business in a divorce, insolvency or corporate or partnership dissolution proceeding or otherwise by operation of law;
 - 20.3.5. transfer of an interest in you, this Agreement or the Franchised Business, in the event of your death or the death of one of your Owners, by will, declaration of or transfer in trust or under the laws of intestate succession; or

- 20.3.6. pledge of this Agreement (to someone other than us) or of an ownership interest in you as security, foreclosure upon the Franchised Business or your transfer, surrender or loss of possession, Control or management of the Franchised Business.
- 20.4. **Conditions for Approval of Transfer.** If you and all Owners are in full compliance with this Agreement, we will approve a transfer that meets all of our applicable requirements and otherwise meets our applicable standards for OVERTIME ATHLETICS business franchisees. A transfer of ownership, possession or Control of the Franchised Business may be made only in conjunction with a transfer of this Agreement. If the transfer is of this Agreement or a Controlling Interest in you, or is one of a series of transfers which in the aggregate constitute the transfer of this Agreement or a Controlling Interest in you, all of the following conditions must be met prior to or concurrently with the effective date of the transfer:
- 20.4.1. **Abilities.** The transferee and its direct and indirect owners have the moral character, skill, aptitude, attitude, experience, references, credentials, acumen and financial capacity to operate the Franchised Business.
- 20.4.2. **Current Accounts.** You have paid all Network Fees, Royalty fees, amounts owed for purchases from us, and all other amounts owed to us or to third party creditors and have submitted all required reports and statements.
- 20.4.3. **Training.** The transferee's Managing Owner has agreed to complete training to our satisfaction and does complete training to our satisfaction prior to closing.
- 20.4.4. **Franchise Agreement.** The transferee has agreed to be bound by all of the terms and conditions of this Agreement for the remainder of its Term or, at our option, must execute our then current standard form of franchise agreement and related documents used in the state in which your Franchised Business is located (which may provide for different fees, duration and other rights and obligations than those provided in this Agreement).
- 20.4.5. **Transfer Fee.** You pay us a transfer fee in the amount of Five Thousand Dollars (\$5,000). In addition to the transfer fee, you agree to pay us our reasonable legal fees and administrative costs incurred, and our reasonable out-of-pocket expenses, including, without limitation, travel, meals, lodging and other investigative expenses involved in meeting with or qualifying the transferee. If the proposed transfer is among your Owners, the transfer fee will be waived, although you are required to reimburse us for any reasonable legal and administrative costs we incur in connection with the transfer.
- 20.4.6. **General Release.** You (and your transferring Owners) have executed a general release, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees and agents.
- 20.4.7. **Approval.** We have approved the material terms and conditions of such transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the Franchised Business.
- 20.4.8. **Priority.** If you or your Owners finance any part of the sale price of the transferred interest, you and/or your Owners have agreed that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests that you or your

Owners have reserved in the Franchised Business are subordinate to the transferee's obligation to pay Network Fees, Royalties, and other amounts due to us and otherwise to comply with this Agreement.

- 20.4.9. **Collateral Agreement.** You and your transferring Owners have executed an agreement in favor of us agreeing to be bound, commencing on the effective date of the transfer, by the restrictions contained in this Agreement pertaining to the Marks (Section 14), Confidential Information (Section 15) and a Covenant not to Compete (Section 23.4).
- 20.4.10. **Representation.** You and your transferring Owners have agreed that you and they will not directly or indirectly at any time or in any manner (except with respect to other OVERTIME ATHLETICS businesses you own and operate) identify or represent yourself or themselves or any business as a current or former OVERTIME ATHLETICS business, or as one of our licensees or franchisees, use any Marks, any colorable imitation thereof or other indicia of an OVERTIME ATHLETICS business in any manner or for any purpose or utilize for any purpose any trade name, trademark or service mark or other commercial symbol that suggests or indicates a connection or association with us.
- 20.5. **Transfer to a Wholly Owned Corporation.** If you are in full compliance with this Agreement, you may transfer this Agreement to a wholly-owned corporation which conducts only OVERTIME ATHLETICS Franchised Business. You agree to maintain management Control and own and control one hundred (100%) percent of the equity and voting power of all issued and outstanding capital stock. All assets and operations of the Franchised Business are to be owned and controlled by a single corporation. Transfers of shares in such corporation will be subject to the provisions of this Agreement. You agree to remain personally liable under this Agreement as if the transfer to such corporation had not occurred.
- 20.6. **Effect of Consent to Transfer.** Our consent to a transfer of this Agreement and the Franchised Business or any interest in you does not constitute a representation on our behalf as to the fairness of the terms of any contract between you and the transferee, a guarantee of the prospects of success of the Franchised Business or transferee or a waiver of any claims we may have against you (or your Owners) or of our right to demand the transferee's exact compliance with any of the terms or conditions of this Agreement.
- 20.7. **Bona Fide Offers.** If you (or any of your Owners) at any time determine to sell, assign or transfer for consideration an interest in this Agreement and the Franchised Business or an ownership interest in you, you agree to obtain a bona fide, executed written offer and earnest money deposit (in the amount of five (5%) percent or more of the offering price) and a completed franchise application from a fully disclosed offeror (including lists of the owners of record and beneficial owners of any corporate or limited liability company, or all general and limited partners of any partnership, or, in the case of a publicly held corporation or limited partnership, copies of the most current annual and quarterly reports and Form 10K) and immediately submit to us a true and complete copy of such offer, which includes details of the payment terms of the proposed sale. To be a valid, bona fide offer, the proposed purchase price must be denominated in a dollar amount. The offer must apply only to an interest in you or in this Agreement and the Franchised Business and may not include an offer to purchase any of your (or your Owners') other property or rights. However, if the offeror proposes to buy any other property or rights from you (or your Owners) under a separate, contemporaneous offer, such separate, contemporaneous offer must be disclosed to us, and the price and terms of purchase offered to you (or your

Owners) for the interest in you or in this Agreement and the Franchised Business must reflect the bona fide price offered therefor and not reflect any value for any other property or rights.

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

20.8.1. we may substitute cash for any form of payment or non-cash consideration proposed in such offer;

20.8.2. our credit will be deemed equal to the credit of any proposed purchaser;

20.8.3. we will have not less than sixty (60) days after giving notice of our election to purchase to prepare for closing; and

20.8.4. we are entitled to receive, and you and your Owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the capital stock of an incorporated business, as applicable, including, without limitation, representations and warranties as to:

20.8.4.1. ownership and condition of and title to stock or other forms of ownership interest and/or assets;

20.8.4.2. liens and encumbrances relating to the stock or other ownership interest and/or assets; and

20.8.4.3. validity of contracts and the liabilities, contingent or otherwise, of the corporation whose stock is being purchased.

20.9. **Exercise.** If we exercise our right of first refusal, you and your selling Owner(s) agree that, for a period of twenty four (24) months commencing on the date of the closing, you and they will be bound by the non-competition covenant contained in Section 23.4. You and your selling Owner(s) further agree that you and they will, during this same time period, abide by the restrictions of Section 23 of this Agreement.

20.10. **Non-Exercises.** If we do not exercise our right of first refusal, you or your Owners may complete the sale to such purchaser pursuant to and on the exact terms of such bona fide offer, subject to our approval of the transfer as provided in Section 20.4. If the sale is not completed within one hundred twenty (120) days after delivery of such bona fide offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), the sale will be treated as a new sale subject to our right of first refusal as provided in Section 20.8.

21. **EXPIRATION OF THIS AGREEMENT.**

21.1. **Expiration and Renewal.** Upon the expiration of the Term of this Agreement you may renew the franchise for the Franchised Business if you and each of your Owners have substantially complied with this Agreement during its Term. You will have the right to renew your franchise, under the terms and conditions of the Franchise Agreement we are using at that time, provided that you agree to add or replace improvements, equipment, signs, and vehicles, and otherwise

modify the Franchised Business as we require to bring it into compliance with specifications and standards then applicable for OVERTIME ATHLETICS businesses.

- 21.2. **Renewal Fee.** If you are eligible and elect to renew your franchise the renewal franchise fee is Five Thousand Dollars (\$5,000).
- 21.3. **Notice.** You agree to give us written notice of your election to renew your franchise during the last year of the Term of this Agreement but not less than six (6) months prior to the date of expiration of this Agreement. We agree to give you written notice (“Our Notice”), not more than ninety (90) days after we receive your notice, of our decision.
- 21.3.1. **Grant.** Our Notice may grant to you a ten (10) year renewal franchise;
- 21.3.2. **Conditional Grant.** Our Notice may be a conditional grant to you a renewal of the franchise on the condition that deficiencies of the Franchised Business, or in your operation of the Franchised Business, are corrected within a specified time frame; or,
- 21.3.3. **No Grant.** If we elect not to grant a renewal franchise, Our Notice will describe the reasons for our decision.
- 21.4. **Agreements / Releases.** If you satisfy all of the other conditions to the grant of a renewal franchise, you and your Owners agree to execute the form of franchise agreement and any ancillary agreements we are then customarily using in connection with the grant of renewal franchises for OVERTIME ATHLETICS businesses. You and your Owners further agree to execute general releases, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns. Failure by you or your Owners to sign these agreements and releases and deliver them to us for acceptance and execution within sixty (60) days after their delivery to you will be deemed an election not to acquire a renewal franchise.

22. **DEFAULT AND TERMINATION.**

- 22.1. **Automatic Termination.** You shall be deemed to be in default under this Agreement, and all rights granted to you herein shall automatically terminate without notice to you or opportunity to cure, if: You become insolvent or make a general assignment for the benefit of creditors; a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; you are adjudicated bankrupt or insolvent; a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any state or federal law should be instituted by or against you; a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); you are dissolved; execution is levied against your business or property; suit to foreclose any lien or mortgage against the Location or equipment is instituted against you and not dismissed within thirty (30) days; or the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.
- 22.2. **Notice Without Opportunity to Cure.** In addition to the foregoing, upon the occurrence of any of the following events of default, we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon the provision of notice to you (in the manner provided under Section 26

hereon:

- 22.2.1. If you fail to open and operate the OVERTIME ATHLETICS Franchised Business within the time limits provided in Section 6.1 hereof;
- 22.2.2. If your Managing Owner or the other individuals identified in Section 10.1 fail to complete the Initial Training Program to our satisfaction, or fail to attend additional training as described in Section 10.3 hereof;
- 22.2.3. If you at any time cease to operate or otherwise abandon the Franchised Business for seven (7) or more consecutive business days without our prior written approval, or otherwise forfeit the right to do or transact business in the jurisdiction where the Franchised Business is located;
- 22.2.4. If you, or any of your Owners, officers, or directors, are convicted of a felony, a crime involving moral turpitude, or any other crime or offense that in our sole business judgment we believe is likely to have an adverse effect on the System, the Marks, the goodwill associated therewith or our interest therein; or if you or any of your Owners, officers, or directors, commit any acts or engage in any behavior that we believe is likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or our interest therein, including but not limited to conduct that is fraudulent, unfair, unethical, or deceptive;
- 22.2.5. If a threat or danger to public health or safety results from operation of the Franchised Business;
- 22.2.6. If any purported assignment or transfer of any direct or indirect interest in this Agreement, in you, or in all or substantially all of the assets of the Franchised Business is made to any third party without our prior written consent, or otherwise contrary to the terms of Section 20 hereof;
- 22.2.7. If you fail to comply with the covenants in Section 16 hereof;
- 22.2.8. If, contrary to the terms of Section 15 hereof, you disclose or divulge the contents of the Operations Manual or other Confidential Information provided to you by us;
- 22.2.9. If you intentionally under-report Gross Revenue;
- 22.2.10. If you knowingly maintain false books or records or submit any false reports or other documentation (including your application for this franchise) to us;
- 22.2.11. If you misuse or make any unauthorized or improper use of the Marks or any other identifying characteristics of the System, or otherwise materially impair the goodwill associated therewith or our rights therein; or if you fail to utilize the Marks solely in the manner and for the purposes directed by us;
- 22.2.12. If you refuse to permit us to inspect the Franchised Business, or the books, records or accounts of you upon demand as provided for herein;
- 22.2.13. If you, after curing any default pursuant to Section 22.3 hereof, commit the same

- default again, whether or not cured after notice;
- 22.2.14. If you sell products not previously approved by us, or purchase any product or service from a supplier not previously approved by us;
- 22.2.15. If you (or any of your owners) have made any material misrepresentation to us or omission in connection with your purchase of the Franchised Business; or
- 22.2.16. If we cure any default by you pursuant to Section 22.4 hereof.
- 22.3. **Notice With Opportunity to Cure.** Except as otherwise provided in Sections 22.1 and 22.2 of this Agreement, upon any other default by you, we shall give you written notice of such default and an opportunity to cure such default within thirty (30) days (or such shorter period specified below) of your receipt of such notice. We shall have the right to terminate this Agreement immediately upon notice to you if you fail to cure any default to our satisfaction, and provide proof thereof, within the thirty (30) days period (or such shorter period specified below). If applicable law requires a longer cure period, such period shall apply to our notice. Defaults which are susceptible of cure hereunder include the following illustrative events:
- 22.3.1. If you fail to substantially comply with any of the requirements imposed by this Agreement, as it may from time to time be supplemented by the Operations Manual, or fail to carry out the terms of this Agreement in good faith;
- 22.3.2. If you fail, refuse or neglect promptly to pay any monies owing to us or our Affiliates when due, or to submit the financial or other information required by us under this Agreement (You shall have seven (7) days from your receipt of written notice to cure such default);
- 22.3.3. If you fail to maintain or observe any of the standards or procedures prescribed by us in the Operations Manual, or otherwise in writing;
- 22.3.4. Except as provided in Section 22.2.6 hereof, if you fail, refuse or neglect to obtain our prior written approval or consent as required by this Agreement;
- 22.3.5. If, upon inspection by us or by a government inspector, your OVERTIME ATHLETICS Franchised Business is in violation of the health, safety, or sanitation standards prescribed by us in this Agreement, the Operations Manual, or otherwise in writing, or is in violation of any health or safety law, codes, or regulation as specified by any such government inspector, and you fail to cure any such default within the required timeframe designated by us or by such government inspector;
- 22.3.6. If you engage in any business or market any service or product under a name or mark which, in our opinion, is confusingly similar to the Marks (You shall have seven (7) days from your receipt of written notice to cure such default); or
- 22.3.7. If you fail to comply with all applicable laws, rules and regulations related to the operation of the OVERTIME ATHLETICS Franchised Business (including, without limitation, the applicable provisions regarding the operation of the OVERTIME ATHLETICS Franchised Business).

- 22.4. **Limitation of Services or Benefits.** If you receive a notice of default issued pursuant to either Section 22.2 or Section 22.3 and fail to cure such default within the time period permitted in such notice, we shall have the right, in our sole business judgment, to temporarily or permanently limit, curtail, or remove certain services or benefits provided or required to be provided to you hereunder in lieu of exercising our right to terminate this Agreement pursuant to its terms, including, without limitation:
- 22.4.1. To restrict you or any of your staff attendance at any initial training, continuing training, meetings, workshops, or conventions;
 - 22.4.2. To refuse or permit any Affiliate to sell or furnish to you any equipment, supplies, products, or advertising and promotional materials, including, but not limited to, withholding shipment of equipment or other products used in the Franchised Business;
 - 22.4.3. To refuse to provide you with ongoing advice about the operation of the OVERTIME ATHLETICS Franchised Business;
 - 22.4.4. To refuse any request by you to approve a new supplier; and
 - 22.4.5. To refuse any request by you to approve the use of any advertising or promotional materials.

You agree to hold us harmless with respect to any action taken by us pursuant to this Section 22.4; and you further agree that we shall not be liable for any loss, expense, or damage incurred by you or the OVERTIME ATHLETICS Franchised Business because of any action we take pursuant to this Section 22.4. Nothing in this Section 22.4 constitutes a waiver of any of our rights or remedies under this Agreement or any other agreement between the parties, including, without limitation, the right to terminate this Agreement under Sections 22.1, 22.2, and 22.3 hereof. You acknowledge and agree that our exercise of our rights pursuant to this Section 22.4 shall not be deemed a constructive termination of this Agreement or of any other agreement between the parties, and shall not be deemed a breach of any provision of this Agreement by us. Any services or benefits removed, curtailed, or limited pursuant to this Section 22.4 may be reinstated at any time by us in our sole business judgment and you hereby agree to accept immediately any such reinstatement of services or benefits so removed, curtailed, or limited. You acknowledge and agree that, if we limit any services or benefits under this Section 22.4, you shall continue to pay timely all fees and payments required under this Agreement and any other agreement between you and us, including, without limitation, any fees associated with services or benefits limited by us. You shall have no right to a refund of any fees paid in advance for such services or benefits.

23. TERMINATION OR EXPIRATION OF THE AGREEMENT.

- 23.1. **Payment of Amounts Owed to Us and Assignment of Customer Accounts.** Any amounts which you owe us as of the termination or expiration date of this Agreement shall be paid to us by you within fifteen (15) days of the effective date of the termination or expiration. You agree that all customer accounts shall be assigned immediately by you to us upon termination or expiration of this Agreement and you agree to execute any and all documents and do such acts as we may request to carry out such assignment of your customer accounts, in our sole business judgment.

- 23.2. **Marks.** Upon the termination, for any reason, or expiration of this Agreement:
- 23.2.1. you may not directly or indirectly at any time or in any manner (except with respect to other OVERTIME ATHLETICS businesses you own and operate) identify yourself or any business as a current or former OVERTIME ATHLETICS business, or as one of our licensees or franchisees, use any Marks, any colorable imitation thereof or other indicia of an OVERTIME ATHLETICS business in any manner or for any purpose or utilize for any purpose any trade name, trademark or service mark or other commercial symbol that indicates or suggests a connection or association with us;
 - 23.2.2. you agree to take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any Marks;
 - 23.2.3. you agree to deliver to us within thirty (30) days after the Notification Date (as defined in Section 23.6.1.) all signs, sign-faces, sign-cabinets, marketing materials, forms, packaging and other materials containing any Marks or otherwise identifying or relating to an OVERTIME ATHLETICS business and allow us, without liability to you or third parties, to remove all such items from the Franchised Business;
 - 23.2.4. you agree that, after the Notification Date, you will promptly and at your own expense make such alterations as we may specify to distinguish the Franchised Business clearly from its former appearance and from other OVERTIME ATHLETICS businesses so as to prevent confusion therewith by the public;
 - 23.2.5. you agree that, after the Notification Date, you will notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, facsimile or other numbers and any regular, classified or other telephone directory listings associated with any Marks, authorize the transfer of such numbers and directory listings to us or at our direction and/or instruct the telephone company to forward all calls made to your telephone numbers to numbers we specify; and
 - 23.2.6. you agree to furnish us, within thirty (30) days after the Notification Date, with evidence satisfactory to us of your compliance with the foregoing obligations.
- 23.3. **Confidential Information.** You agree that, upon termination, for any reason, or expiration of this Agreement, you will immediately cease to use any of our Confidential Information in any business or otherwise and return to us all copies of the Operations Manual and any other confidential materials, including, without limitation, computer software and any mechanisms (electronic key) used to access the software, that we have allowed you to use.
- 23.4. **Covenant Not to Compete.** Upon the termination or expiration of this Agreement in accordance with its terms and conditions, including the transfer or assignment of this Agreement or any interest in the Franchised Business, you agree that, for a period of twenty four (24) months commencing on the effective date of termination or expiration neither you nor any of your Owners will have any direct or indirect interest as a disclosed or beneficial owner, investor, partner, director, officer, employee in a management or sales capacity, consultant, representative or agent or in any other capacity in any Competitive Business operating at the Location, providing services or goods within the Territory, providing services or goods within one hundred (100) miles from any point on the perimeter of your Territory, providing services or goods within the Territory of any other then-existing OVERTIME ATHLETICS business, or providing

services or goods within one hundred (100) miles from the business office of any other then-existing OVERTIME ATHLETICS business.

23.5. **Commencement by Order.** If it becomes necessary to enforce the Covenant Not to Compete by court order, we will seek to enjoin competition for two years from the date of issuance of the order. You and your Owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living.

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

24. **RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION.**

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

24.2. **No Liability For Acts of Other Party.** You agree not to employ any of the Marks in signing any contract or applying for any license or permit, or in a manner that may result in our liability for any of your indebtedness or obligations, and that you will not use the Marks in any way we have not expressly authorized. Neither we nor you will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other, represent that our respective relationship is other than Franchisor and Franchisee or be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized in writing. We will not be obligated for any damages of any nature whatsoever to any person or property directly or indirectly arising out of the Franchised Business' operation or the business you conduct pursuant to this Agreement.

24.3. **Taxes.** We will have no liability for any sales, use, service, occupation, excise, employment related, gross receipts, income, property or other taxes, whether levied upon you or the Franchised Business, in connection with the business you conduct (except any taxes we are required by law to collect from you with respect to purchases from us). Payment of all such taxes is your responsibility.

24.4. **Indemnification.** You, and each of the Guarantors identified in Appendix C, agree that you shall, at all times, indemnify us, our successor, assigns, affiliates and the respective officers, directors, shareholders, agents, representatives, independent contractors, servants, and employees of each of them (collectively the "Indemnified Parties"), to the fullest extent permitted by law, from all losses and expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation, or inquiry (formal or informal), or any settlement thereof, which arises out of or is based upon any of the following: the infringement, alleged infringement or any other

violation by you, your Guarantors or principals of any patent, mark, copyright, or other proprietary right owned or controlled by third parties; the violation, breach, or asserted violation or breach by you, your Guarantors or principals of any federal, state, or local law, regulation, ruling or industry standard; libel, slander, or any other form of defamation by you or your Guarantors or principals; the violation or breach by you or by your Guarantors or principals of any warranty, representation, agreement, or obligation of this Agreement or in any other agreement between you and us or our Affiliates; acts, errors, omissions of you, any of your Affiliates, any of your principals, officers, directors, shareholders, agents, representatives, independent contractors, and employees of you and your Affiliates in connection with the establishment and operation of the Franchised Business, including, but not limited to, any acts, errors, or omissions of any of the foregoing in the operation of any motor vehicle or in the establishment or implementation of security for the Franchised Business. For purposes of this indemnification, "claims" includes all obligations, damages (actual, consequential or otherwise) and costs incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. We have the right to defend any such claim against us at your expense. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

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

25. **ENFORCEMENT AND MISCELLANEOUS MATTERS.**

25.1. **Severability and Substitution of Valid Provisions.** Except as expressly provided to the contrary herein, each provision of this Agreement, and any portion thereof, will be considered severable, and if, for any reason, any such provision is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling will not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which will continue to be given full force and effect and bind the parties hereto, although any portion held to be invalid will be deemed not to be a part of this Agreement from the date the time for appeal expires, if you are a party thereto, otherwise upon your receipt from us of a notice of non-enforcement thereof.

25.2. **Lesser Covenant Enforceable.** If any covenant herein is unenforceable because it is too broad, but would be enforceable by reducing it in scope, time or other manner you and we agree that such covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law is applicable to the validity of such covenant.

25.3. **Greater Notice.** If any applicable and binding law or rule of any jurisdiction requires a greater prior notice than is required herein, this Agreement is deemed modified to comply with the applicable law.

25.4. **Waiver of Obligations.** We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver. Any

waiver we grant will be without prejudice to any other rights we may have, will be subject to our continuing review and may be revoked, in our sole business judgment, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice.

- 25.5. **Non-Waiver.** We and you will not be deemed to have waived or impaired any right, power or option reserved by this Agreement.
- 25.6. **Force Majeure.** Neither we nor you will be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our or your obligations is not our or your fault and results from:
- 25.6.1. unforeseeable transportation shortages, inadequate supply of equipment, products, merchandise, supplies, labor, material or energy or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof;
- 25.6.2. acts of nature;
- 25.6.3. pandemic, epidemic, fires, strikes, embargoes, war or riot; or
- 25.6.4. any other similar event or cause.
- 25.7. **Extend Performance.** Any delay resulting from any force majeure causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed.
- 25.8. **Discontinued Programs/Promotions.** We are not liable to you for any loss or damage, or deemed to be in breach of this Agreement, if we discontinue any programs or promotions and they are no longer a part of our Methods of Operation or if we cannot deliver, or cause to be delivered, or if our Affiliates or designated sources or approved suppliers cannot deliver, all of your orders for products, merchandise, equipment, supplies, etc., where such things are out-of-stock or discontinued.
- 25.9. **Costs and Attorneys' Fees.** If we incur expenses in connection with your failure to pay when due amounts owed to us, to submit when due any reports, information or supporting records or otherwise to comply with this Agreement, you agree to reimburse us for any of the costs and expenses which we incur, including, without limitation, reasonable accounting, attorneys', arbitrators' and related fees.
- 25.10. **You May Not Withhold Payments Due to Us.** You agree that you will not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations hereunder. You agree that all such claims will, if not otherwise resolved by us, be submitted to arbitration as provided in Section 25.12.
- 25.11. **Rights of Parties are Cumulative.** Our and your rights hereunder are cumulative, and no exercise or enforcement by us or you of any right or remedy hereunder will preclude our or your exercise or enforcement of any other right or remedy hereunder which we or you are entitled by law to enforce.

25.12. **DISPUTE RESOLUTION.**

25.12.1. **Mediation.** Except as provided in Section 25.12.3., prior to filing any demand for arbitration, the parties agree to mediate any dispute, controversy or claim between the parties and any of our or your affiliates, officers, directors, shareholders, members, guarantors, employees or Owners arising under, out of, in connection with or in relation to this Agreement, any lease or sublease for your Franchised Business, any loan or other finance arrangement between us or our Affiliates and you, the parties' relationship, your Franchised Business, or any Methods of Operation, our System or any Standard, in accordance with the following procedures:

25.12.1.1. The party seeking mediation must commence mediation by sending the other party, in accordance with Section 26, a written notice of its request for mediation headed "Notification of Dispute". The Notification of Dispute will specify, to the fullest extent possible, the party's version of the facts surrounding the dispute, the amount of damages and the nature of any injunctive or other relief such party claims. The party (or parties as the case may be) receiving a Notification of Dispute will respond within twenty (20) days after receipt thereof, in accordance with Section 26, stating its version of the facts, and, if applicable, its position as to damages sought by the party initiating the dispute procedure; provided, however, that if the dispute has been the subject of a default notice given under Section 22 of this Agreement, the other party will respond within ten (10) business days.

25.12.1.2. Upon receipt of a Notification of Dispute and response under Section 25.12.1, the parties will endeavor, in good faith, to resolve the dispute outlined in the Notification of Dispute and response. If the parties have been unable to resolve a dispute outlined in a Notification of Dispute or a response thereto within twenty (20) days after receipt of the response, either party may initiate a mediation procedure in accordance with the American Arbitration Association ("AAA"), pursuant to its Commercial Mediation Procedures, and unless otherwise agreed by the parties will take place in the city of our then-current corporate headquarters. The parties must select a mediator jointly.

25.12.1.3. All mediation sessions will occur at a mutually agreed location in the city where our principal business headquarters is located at the time of the dispute and must be attended by Managing Owner (and any other persons with authority to settle the dispute on your behalf) and our representatives(s) who is/are authorized to settle the dispute. The parties may be represented by counsel at the mediation. The parties agree to participate in the mediation proceedings in good faith and with the intention of resolving the dispute if at all possible within thirty (30) days of the notice from the party seeking to initiate the mediation procedures. If the dispute is not resolved within thirty (30) days, the parties are free to pursue arbitration. In addition, if the party receiving notice of mediation has not responded within five (5) days of delivery of the notice or a party fails to participate in the mediation, this Section 25.12.1. will no longer be applicable and the other party can pursue arbitration. The parties agree that the costs of the mediator will be split equally between

the parties. Each party must pay its own fees and expenses incurred in connection with the mediation. The mediation proceeding and any negotiations and results thereof will be treated as a compromise settlement negotiation and the entire process is confidential. At least five (5) days prior to the initial mediation session, each party must deliver a written statement of positions.

25.12.2. Arbitration. Except as provided in Section 25.12.3, any dispute, controversy or claim between you and us and any of our or your affiliates, officers, directors, shareholders, members, guarantors, employees or Owners arising under, out of, in connection with or in relation to this Agreement, any lease of sublease for your Franchised Business, any loan or other financial arrangement between us or our Affiliates and you, the parties' relationship, your Franchised Business, or any System Standard or the scope or validity of the arbitration obligation under this Section not resolved by mediation must be submitted to binding arbitration in accordance with the Federal Arbitration Act. The arbitration will be administered by the AAA pursuant to its Commercial Arbitration Rules then in effect by one arbitrator.

25.12.2.1. In connection with any arbitration proceeding, each party will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such a proceeding will be barred.

25.12.2.2. Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any claim or any other proceeding involving third parties. If a court or arbitrator determines that this limitation or joinder of or class action certification of claims is unenforceable, then the agreement to arbitrate the dispute will be null and void and the parties must submit all claims to the jurisdiction of the courts, in accordance with Section 25.14.

25.12.2.3. The arbitration must take place in the city closest to where our principal business headquarters is located at the time of the dispute.

25.12.2.4. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least five (5) years of significant experience in commercial law. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us. The arbitrator may not under any circumstances (a) stay the effectiveness of any pending termination of this Agreement, (b) assess punitive or exemplary damages, (c) certify a class or a consolidated action, or (d) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set. The arbitrator will have the right to make a determination as to any procedural matters as would a court of competent jurisdiction be permitted to make in the state in which the main office of Franchisor is located. The arbitrator will also decide any factual, procedural, or legal questions relating in any way to the dispute between

the parties, including, but not limited to: any decision as to whether Section 25.14 is applicable and enforceable as against the parties, subject matter, timeliness, scope, remedies, unconscionability, and any alleged fraud in the inducement.

- 25.12.2.5. The arbitrator can issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, etc. by any court having jurisdiction.
 - 25.12.2.6. The arbitrator will have subpoena powers limited only by the laws of the state in which the main office of the Franchisor is located.
 - 25.12.2.7. The parties to the dispute will have the same discovery rights as are available in civil actions under the laws of the state in which the main office of Franchisor is then located.
 - 25.12.2.8. All other procedural matters will be determined by applying statutory, common laws, and rules of procedure that control a court of competent jurisdiction in which the main office of Franchisor is then located.
 - 25.12.2.9. Other than as may be required by law, the entire arbitration proceedings (including, but not limited to, any rulings, decisions or orders of the arbitrator) will remain confidential and will not be disclosed to anyone other than the parties to this Agreement.
 - 25.12.2.10. The judgment of the arbitrator on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction.
 - 25.12.2.11. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek recovery of those costs in accordance with Section 25.9 or 25.12.4.
- 25.12.3. Exceptions to Arbitration. Notwithstanding Articles 25.12.1 and 25.12.2, the parties agree that the following claims will not be subject to arbitration or mediation.
- 25.12.3.1. any action for equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, declaratory relief, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceeding initiated hereunder,
 - 25.12.3.2. any action in ejectment or for possession of any interest in real or personal property;

- 25.12.3.3. any action which by applicable law cannot be arbitrated; or
- 25.12.3.4. our decision in the first instance to issue a notice of default and/or notice of termination, or undertake any other conduct with respect to the franchise relationship that might later result in a dispute or controversy between us.
- 25.12.4. Costs and Attorneys' Fees. The prevailing party in any action or proceedings arising under, out of, in connection with, or in relation to this Agreement will be entitled to recover its reasonable costs and expenses (including attorneys' fees, arbitrator's fees and expert witness fees, costs of investigation and proof of facts, court costs, and other arbitration or litigation expenses) incurred in connection with the claims on which it prevailed.
- 25.12.5. Survival. The provisions of this Section 25.12 are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.
- 25.12.6. Tolling of the Statute of Limitations. All applicable statutes of limitations and defenses based on the passage of time are tolled while the dispute resolution procedures in this Section 25.12 are pending. The parties will take such action, if any, required to effectuate tolling.
- 25.12.7. Performance to Continue. Each party must continue to perform its obligations under this Agreement pending final resolution of any dispute pursuant to this Section 25.12, unless to do so would be impossible or impracticable under the circumstances.
- 25.13. Governing Law. All matters relating to arbitration will be governed by the FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 *et. seq.*). Except to the extent governed by the Federal Arbitration Act as required hereby, the UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §§ 1051 *et seq.*) or other federal law, this Agreement, the Franchise and all claims arising from the relationship between us and you will be governed by the laws of the State of Virginia, without regard to its conflict of laws principles, except that any law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless jurisdictional requirements are met independently without reference to this Section.
- 25.14. Consent to Jurisdiction. Subject to Section 25.12, you and your Owners agree that we may institute any action against you or your Owners in any state or federal court of general jurisdiction in the State of Virginia, and you (and each Owner) irrevocably submit to the jurisdiction of such courts and waive any objection you (or he or she) may have to either the jurisdiction of or venue in such courts.
- 25.15. Waiver of Punitive Damages and Jury Trial. Except with respect to your obligation to indemnify us pursuant to Article 24 hereof and claims we bring against you for your unauthorized use of the Marks or unauthorized use or disclosure of any Confidential Information, we and you and your respective owners waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. We and you irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either party.

- 25.16. **Binding Effect.** This agreement is binding upon us and you and our respective executors, administrators, heirs, beneficiaries, assigns and successors in interest and may not be modified except by written agreement signed by you and us.
- 25.17. **Limitations of Claims.** Except for claims arising from your nonpayment or underpayment of amounts you owe us pursuant to this Agreement or claims related to your unauthorized use of the Marks, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial or arbitration proceeding is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims.
- 25.18. **Construction.** The preambles and exhibits are a part of this Agreement which, together with the Operations Manual and our other written policies, constitute our and your entire agreement except as provided below, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement, except that you acknowledge that we justifiably have relied on your representations made prior to the execution of this Agreement. Except as contemplated by the arbitration provisions of Section 25.12, nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any person or legal entity not a party hereto. Nothing in the Agreement or in any related agreement is intended to disclaim our representations made in the Franchise Disclosure Document.
- 25.19. **Withhold Approval.** Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed or effected actions that require our approval.
- 25.20. **Headings.** The headings of the Articles are for convenience only and do not define, limit or construe the contents of the Articles.
- 25.21. **Joint and Several Owners' Liability.** If two or more persons are at any time the Owner of the Franchised Business, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several.
- 25.22. **Multiple Copies.** This Agreement may be executed in multiple copies, each of which will be deemed an original.

26. NOTICES AND PAYMENTS.

- 26.1. **Notices.** All written notices and reports permitted or required to be delivered by the provisions of this Agreement or the Operations Manual will be deemed so delivered: at the time delivered by hand; one (1) business day after transmission by approved electronic system, provided there is evidence of delivery; one (1) business day after being placed in the hands of a commercial courier service for next business day delivery, provided there is evidence of delivery; or five (5) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; and must be addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days prior thereto) will be deemed delinquent.
- 26.2. **Payments.** All payments required to be delivered by the provisions of this Agreement or the Operations Manual will be deemed so delivered as provided in Section 2 above and will be

deemed delivered by bank-wire transfer upon telephone or electronic confirmation with the receiving bank.

27. ACKNOWLEDGMENTS.

27.1. Your Independence. You acknowledge and agree that:

27.1.1. you are the only party that employs your employees or independent contractors (even though we may provide you with advice, guidance, and training);

27.1.2. we are not the employer of any of your employees or independent contractors, and we will not play any role in decisions regarding their employment (including but not limited to matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal);

27.1.3. the guidance that we provide and requirements under which you will operate are intended to promote and protect the value of the OVERTIME ATHLETICS brand and the Marks;

27.1.4. when forming and in operating your business, you had to adopt standards to operate that business, and that instead of developing and implementing your own standards (or those of another party), you chose to adopt and implement our standards for your business (including but not limited to our System and the requirements under this Agreement); and

27.1.5. you have made (and will remain responsible at all times for) all of the organizational and basic decisions about establishing and forming your entity, operating your business (including but not limited to adopting our standards as your standards), hiring employees and/or independent contractors, and employment matters (including but not limited to matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal), engaging professional advisors, and all other facets of your operation.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement on the date stated on the first page hereof.

Overtime Franchise LLC

By: _____
Title: _____
Date: _____

EFFECTIVE DATE: _____

[FRANCHISEE ENTITY NAME]

By: _____
Title: _____
Date: _____

[AS INDIVIDUALS]

Print Name: _____
Date: _____

Print Name: _____
Date: _____

Print Name: _____
Date: _____

APPENDIX A
FRANCHISE OWNERSHIP AND MANAGEMENT

1. **MANAGING OWNER.** The name, home address, and social security number of the Managing Owner is: _____

2. **FORM OF OWNER.**

Business Entity. What is the form of your business entity? _____

Date of Formation of Entity (Date of Incorporation, if applicable): _____

Federal Identification Number of Entity: _____

The following is a list of your directors, if applicable, and officers as of the effective date of Appendix A shown above:

Name of Each Director/Officer/Partner

Position(s) Held

_____	_____
_____	_____
_____	_____

3. **OWNERS.** The following list includes the full name and mailing address of each person who is one of your Owners (as defined in the Franchise Agreement) and fully describes the nature of each Owner's interest.

Owner's Name and Address

Description of Interest
(Must total 100%)

_____	_____
_____	_____

APPENDIX B
LOCATION AND TERRITORY

1. **LOCATION.**

The approved location (“Location”) of the Franchised Business is:

_____.

If no location is approved at the time this Agreement is executed, this Exhibit B will be updated when a location has been designated by you and duly approved by us.

2. **TERRITORY DEFINITION.** The Territory referred to in the Franchise Agreement shall be as follows:

_____.

If the Territory is identified by counties or other political subdivisions, the Territory will be fixed by the political boundaries as they exist today. Any later changes to political boundaries shall not change the boundaries of the Territory.

APPENDIX C
GUARANTY AND ASSUMPTION OF OBLIGATIONS.

1. **GUARANTORS.** THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS (the “Guaranty”) is given this _____ day of _____, 20_____, by

2. **GUARANTEES.** In consideration of, and as an inducement to, the execution of the Franchise Agreement (the “Agreement”) dated today between _____ (“Franchisee”) and Overtime Franchise LLC (“us” “we” or “our”), each of the undersigned guarantors (the “Guarantor”) hereby personally and unconditionally:
 - 2.1. guarantees to us and our successors and assigns, for the Term of the Agreement and thereafter as provided in the Agreement, that

_____ will punctually pay, perform and satisfy each and every obligation, undertaking, agreement and covenant of Franchisee set forth in the Agreement; and
 - 2.2. agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities; and
 - 2.3. agrees to pay reasonable attorney’s fees and all costs incurred by us in collecting, or attempting to collect, any sums owed by Franchisee under the Agreement, or otherwise enforcing, or attempting to enforce, any provision of the Agreement, or owed by the Guarantor as a result of, or in connection with this Guaranty. Each Guarantor’s liabilities and obligations hereunder are primary and direct and are independent of Franchisee’s obligations, and separate actions may be brought and prosecuted against the Guarantor. This is a Guaranty of payment and performance and not of collection.

3. **CONSENT AND AGREEMENT.** Each Guarantor consents and agrees that:
 - 3.1. his direct and immediate liability under this Guaranty will be joint and several;
 - 3.2. he will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses, for any reason, punctually to do so;
 - 3.3. such liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; and
 - 3.4. such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the Term of the Agreement and thereafter.

- 3.5. This Guaranty shall be binding on each Guarantor and his respective successors and assigns, and shall inure to our benefit and the benefit our successors and assigns. The Guarantor may not assign his obligations hereunder without our prior written consent.

The obligations of Franchisee and Guarantor, as described herein and in the Agreement, shall not be considered fully paid, performed and discharged unless and until all payments by Franchisee to us are no longer subject to any right on the part of any person to set aside such payments or to seek to recoup the amount of such payments. The foregoing shall include, by way of example and not by way of limitation, all rights to recover preferences voidable under Title 11 of the United States Code. If any such payments by Franchisee to us are set aside in whole or in part after being made, or are settled without litigation, to the extent of such settlement, all of which is in our business judgment, the Guarantor shall be liable, jointly and severally for the full amount of our costs, interest, attorney's fees and any and all expenses which we pay or incur in connection therewith.

4. **WAIVERS.** Each Guarantor waives all rights to payments and claims for reimbursement or subrogation which any of the Guarantors may have against Franchisee arising as a result of the Guarantor's execution of and performance under this Guaranty.

IN WITNESS WHEREOF, each of the undersigned Guarantors has affixed his signature on the same day and year as the Agreement was executed.

GUARANTOR(S)

OVERTIME ATHLETICS®
EXHIBIT “B”
TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

OVERTIME FRANCHISE, LLC

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

December 31, 2023
With Comparative Totals for 2022

OVERTIME FRANCHISE, LLC
FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT

Year Ended December 31, 2023
With Comparative Totals for 2022

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Overtime Franchise, LLC
Balance Sheets
as of December 31, 2023 and December 31, 2022

	2023	2022
<u>ASSETS</u>		
Current Assets		
Checking/Savings		
BB&T Checking	\$82,322.35	\$75,810.70
Uncategorized Asset	\$229.18	-\$28.32
Accounts Receivable	-\$300.00	-\$924.00
Total Current Assets	\$82,251.53	\$74,858.38
Other Assets		
Franchise Purchase Cost	\$80,000.00	\$80,000.00
Accumulated Amortization	-\$37,333.33	-\$32,000.00
Undeposited Funds	\$2,717.80	\$0.00
Total Other Assets	\$45,384.47	\$48,000.00
TOTAL ASSETS	\$127,636.00	\$122,858.38
<u>NET LIABILITIES AND EQUITY</u>		
Liabilities		
Current Liabilities		
SBA Loan	\$0.00	\$0.00
BB&T Credit Card	\$4,416.45	\$1.99
Chase	\$1,729.10	\$839.27
Due to OTA	\$16,231.73	\$16,231.73
Total Current Liabilities	\$22,377.28	\$17,072.99
Long Term Liabilities		
Notes Payable	\$20,000.00	\$0.00
Total Long Term Liabilities	\$20,000.00	\$0.00
Total Liabilities	\$42,377.28	\$17,072.99
Equity		
Chris Horich–Equity	\$15,000.00	\$15,000.00
Chris Whelan–Equity	\$15,000.00	\$15,000.00
Retained Earnings	\$55,258.72	\$75,785.39
Total Equity	\$85,258.72	\$105,785.39
TOTAL LIABILITIES & EQUITY	\$127,636.00	\$122,858.38

Overtime Franchise, LLC
Statements of Operations
as of December 31, 2023 and December 31, 2022

	<u>2023</u>	<u>2022</u>
Revenues		
ADP Referrals	\$128.00	\$143.00
Franchise Fee	\$580,181.64	\$371,390.00
Product Sales	\$0.00	\$1,351.10
Technology Fee	\$26,700.00	\$23,000.00
Royalty Fee	\$53,820.57	\$32,210.75
Services Income	\$4,074.00	\$150.00
Unapplied Cash Payment	-\$44,232.20	\$99,098.00
Total Revenue	<u>\$620,672.01</u>	<u>\$527,342.85</u>
Gross Profit	\$620,672.01	\$527,342.85
Expenses		
401K	\$0.00	\$36,120.00
Advertising & Promotion	\$1,075.00	\$2,100.00
Amortization Expense	\$5,333.33	\$5,333.33
Bank Service Charges	\$1,581.75	\$1,269.16
Automobile Expense	\$16,075.91	\$14,704.77
Credit Card	-\$1,597.85	
Computer and Internet Expense	\$16,711.39	\$15,232.99
Contributions	\$0.00	\$206.28
Equipment	\$253.90	\$1,138.73
Federal Unemployment Taxes	\$840.00	\$840.00
Franchise Sales Commission	\$23,131.64	\$0.00
Franchise Sales Support	\$19,833.65	\$0.00
Franchise Expense	\$74,061.79	\$69,197.52
Insurance Expense	\$15,245.00	\$3,566.64
Lead Generation	\$43,238.45	\$27,111.00
Meals and Entertainment	\$32,995.78	\$30,056.57
Office Supplies	\$5,245.19	\$3,042.24
OTA Mailbox	\$0.00	\$618.36
Payroll Fees	\$5,663.02	\$3,928.86
Payroll Taxes	\$18,054.00	\$81,131.82
Professional Fees	\$72,759.19	\$53,826.75
Salaries	\$243,410.00	\$181,410.18
Quickbooks Payments Fees	\$6,860.19	\$2,808.16
Shipping & Handling	\$3,182.24	\$2,037.80
Social Media	\$990.00	\$588.00
State Filing Fee	\$75.00	\$100.00
Storage Unit	\$0.00	\$1,694.50
Taxes and Licenses	\$816.89	\$2,056.44
Telephone	\$5,575.06	\$6,670.43
Unapplied Cash Bill Payment Exp	\$12,012.00	\$0.00
Travel Expense	\$17,826.16	\$10,244.40
Total Expenses	<u>\$641,248.68</u>	<u>\$557,034.93</u>
Net Ordinary Income	-\$20,576.67	-\$29,692.08
Other Income/Expenses		
Other Income		
Miscellaneous Income	<u>\$50.00</u>	<u>\$0.00</u>
Total Other Income	<u>\$50.00</u>	<u>\$0.00</u>
Net Other Income	<u>\$50.00</u>	<u>\$0.00</u>
Net Income	<u><u>-\$20,526.67</u></u>	<u><u>-\$29,692.08</u></u>

Overtime Franchise, LLC
Statements of Stockholders' Equity
as of December 31, 2023 Through December 31, 2022

	<u>Member</u> <u>Contributions</u>	<u>Retained</u> <u>Earnings</u>	<u>Members'</u> <u>Equity</u>
Balances, January 1, 2023	30,000.00	75,785.39	105,785.39
2023 Net Income	\$0.00	-\$20,526.67	-\$20,526.67
Stockholder Contributions	\$0.00	\$0.00	\$0.00
Stockholder Draws	\$0.00	\$0.00	\$0.00
Balances, December 31, 2023	<u>\$30,000.00</u>	<u>\$55,258.72</u>	<u>\$85,258.72</u>
Balances, January 1, 2022	\$30,000.00	\$0.00	\$30,000.00
2022 Net Income	\$0.00	-\$29,692.08	-\$29,692.08
Stockholder Contributions	\$0.00	\$0.00	\$0.00
Stockholder Draws	\$0.00	\$0.00	\$0.00
Balances, December 31, 2022	<u>\$30,000.00</u>	<u>\$75,785.39</u>	<u>\$105,785.39</u>

**Overtime Franchise, LLC
Statements Of Cash Flows
as of December 31, 2023**

	2023
OPERATING ACTIVITIES	
Net Income/Loss	-20,526.67
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-624.00
BB&T Credit Card	5,304.29
Notes Payable	20,000.00
Undeposited Funds	-2,975.30
Due to OTA	<u>\$0.00</u>
Net cash provided by Operating Activities	\$1,178.32
INVESTING ACTIVITIES	
Franchise Purchase Cost	\$0.00
Accumulated Amortization	<u>\$5,333.33</u>
Net cash provided by Investing Activities	\$5,333.33
FINANCING ACTIVITIES	
Retained Earnings	<u>\$0.00</u>
Net cash provided by Financing Activities	<u>\$0.00</u>
Net cash increase for period	<u>\$6,511.65</u>
Cash at beginning of period	<u>\$75,810.70</u>
Cash at end of period	<u><u>\$82,322.35</u></u>

**Overtime Franchise, LLC
General Journal
as of December 31, 2023**

	2023	
1 Amortization Expense	\$5,333.34	
Accumulated Amortization		\$5,333.34
2 Salaries	\$70,794.97	
Payroll Taxes		\$58,034.97
401K		\$23,040.00
Employer 401K Match	\$9,440.00	
FUTA	\$840.00	
	86,408.31	86,408.31

OVERTIME FRANCHISE, LLC

NOTES TO FINANCIAL STATEMENT

Note 1 – Summary of Significant Accounting Policies

Nature of Business:

The company is engaged in the business of selling franchises to franchisees to operate youth athletic programming businesses. The core of the business and programming model is basic – running affordable, safe and fun youth programs that include: After School Programs, Summer Camps, Birthday Parties, Leagues and Clinics.

SBA Loan

An original loan was obtained from the Small Business Administration (SBA) on May 22, 2020 in the amount of \$39,881. at an annual rate of 3.75%. Payment on this loan was to begin 24 months after the date of the loan, over a 30 year period. A modification to such loan was made on March 21, 2021 in the amount of \$69,780 at an interest rate of 3.75%. Monthly payments of \$504.00 on the total amount of \$109,661 started on May 22, 2022.

Subsequent to December 31, 2021, the company increased the loan to \$199,400 at the same rate of 3.75%. Monthly payments will be \$1,001 beginning 24 months after the date of the original loan.

On December 31, 2023 the SBA Loan Balance was \$195,047

Basis of Accounting:

The accompanying financial statements have been prepared on the cash basis of accounting.

Use of 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.

Taxes on Income:

The Company has elected to be taxed as a partnership under applicable provisions of the Internal Revenue Code. Under those provisions, the Company does not pay income tax on its taxable income. Instead, the owners include their pro rata share of the Company's taxable income or loss on their individual income tax returns. Typically, the Company's income tax returns are subject to U.S. federal income tax examination for three years after filing and subject to state examination for four years after filing.

Franchise Purchase Cost:

Franchise Purchase Costs were incurred to enable the Company to market and sell franchises. The organizational costs are being amortized over 180 months using the straight-line method.

Sale of Northern Virginia region

On August 21, 2021, the company sold its northern Virginia operating region to D&S Athletics for \$1,125,000. The amount to be paid over the next 5 years, in semi-monthly payments of \$9,375. The balance at December 31, 2023 is \$ 659,151

OVERTIME FRANCHISE, LLC

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

December 31, 2022
With Comparative Totals for 2021

OVERTIME FRANCHISE, LLC
FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT

Year Ended December 31, 2022
With Comparative Totals for 2021

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Ronald M. Katzen, CPA
10 Tamworth Road
Baltimore, MD 21210

Independent Auditor's Report

To the Board of Directors and Shareholders of **Overtime Franchise LLC**

Report on the Financial Statements

I have audited the company Balance Sheets, Statements of Operations and Statements of Cash Flow of Overtime Franchise LLC Company as of December 31, 2022 and December 31, 2021

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the Balance Sheets, Statements of Operations and Statements of Cash Flow referred to previously present fairly, in all material respects, the financial position of Overtime Franchise LLC as of December 31, 2022 and December 31, 2021, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Ronald Katzen CPA

Ronald M. Katzen, CPA

March 31, 2023

Overtime Franchise, LLC
Balance Sheets
as of December 31, 2022 and December 31, 2021

	2022	2021
<u>ASSETS</u>		
Current Assets		
Checking/Savings		
BB&T Checking	\$75,810.70	\$101,455.19
Accounts Receivable	\$846,651.00	\$3,221.80
Total Current Assets	\$922,461.70	\$104,676.99
Other Assets		
Franchise Purchase Cost	\$80,000.00	\$80,000.00
Accumulated Amortization	-\$32,000.00	-\$26,666.66
Total Other Assets	\$48,000.00	\$53,333.34
TOTAL ASSETS	\$970,461.70	\$158,010.33
<u>NET LIABILITIES AND EQUITY</u>		
Liabilities		
Current Liabilities		
SBA Loan	\$207,059.00	\$109,661.00
BB&T Credit Card	\$841.26	\$3,496.52
Due to OTA	\$16,231.73	\$16,231.73
Total Current Liabilities	\$224,131.99	\$129,389.25
Total Liabilities	\$224,131.99	\$129,389.25
Equity		
Chris Horich–Equity	\$15,000.00	\$15,000.00
Chris Whelan–Equity	\$15,000.00	\$15,000.00
Retained Earnings	\$716,329.71	-\$1,378.92
Total Equity	\$746,329.71	\$28,621.08
TOTAL LIABILITIES & EQUITY	\$970,461.70	\$158,010.33

Overtime Franchise, LLC
 Statements of Operations
 as of December 31, 2022 and December 31, 2021

	<u>2022</u>	<u>2021</u>
<u>Revenues</u>		
Franchise Fee	\$1,192,070.51	\$172,924.70
Product Sales	\$1,429.30	\$1,010.48
Technology Fee	\$19,700.00	\$19,564.06
Royalty Fee	\$32,210.75	
Other Income	\$293.00	\$15,028.00
Total Revenue	<u>\$1,245,703.56</u>	<u>\$208,527.24</u>
Gross Profit	\$1,245,703.56	\$208,527.24
<u>Expenses</u>		
Advertising & Promotion	\$2,100.00	\$3,860.85
Amortization Expense	\$5,333.33	\$5,333.33
Bad Debt Expense	\$1,800.00	\$2,700.00
Bank Service Charges	\$1,269.16	\$1,175.74
Automobile Expense	\$14,704.77	\$2,477.52
Computer and Internet Expense	\$15,232.99	\$6,867.79
Contributions	\$206.28	
Equipment	\$1,138.73	\$976.90
Federal Unemployment Taxes	\$840.00	\$840.00
Franchise Expense	\$69,201.84	\$16,491.00
Insurance Expense	\$3,566.64	\$3,798.46
Lead Generation	\$27,111.00	\$17,015.87
Marketing	\$0.00	\$368.00
Meals and Entertainment	\$30,056.57	\$21,927.70
Merchandise	\$0.00	\$3,262.34
Microsoft Software	\$0.00	\$3,048.00
Office Supplies	\$3,042.24	\$1,272.50
OTA Mailbox	\$618.36	\$457.00
Payroll Fees	\$3,928.86	\$846.06
Payroll Taxes	\$20,502.00	\$6,701.40
Professional Fees	\$52,962.92	\$7,826.40
Salaries	\$277,320.00	\$87,600.00
Quickbooks Payments Fees	\$1,625.51	\$0.00
Sales Software	\$0.00	\$5,364.59
Shipping & Handling	\$2,037.80	\$2,166.76
Social Media	\$588.00	
State Filing Fee	\$100.00	\$100.00
Storage Unit	\$1,694.50	\$563.51
Stripe Fee	\$3.15	
Taxes and Licenses	\$2,056.44	\$200.00
Telephone	\$6,670.43	\$1,430.56
Training	\$0.00	\$691.29
Transaction Fee	\$2,043.33	
Transportation	\$0.00	\$183.73
Travel Expense	\$10,240.08	\$6,265.98
Total Expenses	<u>\$557,994.93</u>	<u>\$211,813.28</u>
Net Ordinary Income	\$687,708.63	-\$3,286.04
Other Income/Expenses		
Other Income		
Interest Income	<u>\$0.00</u>	<u>\$0.00</u>
Total Other Income	<u>\$0.00</u>	<u>\$0.00</u>
Net Other Income	<u>\$0.00</u>	<u>\$0.00</u>
Net Income	<u>\$687,708.63</u>	<u>-\$3,286.04</u>

Overtime Franchise, LLC
Statements of Stockholders' Equity
as of December 31, 2022 Through December 31, 2020

	<u>Member</u> <u>Contributions</u>	<u>Retained</u> <u>Earnings</u>	<u>Members'</u> <u>Equity</u>
Balances, January 1, 2022	\$30,000.00	-\$1,378.92	\$28,621.08
2022 Net Income	\$0.00	\$687,708.63	\$687,708.63
Stockholder Contributions	\$0.00	\$0.00	\$0.00
Stockholder Draws	\$0.00	\$0.00	\$0.00
Balances, December 31, 2022	<u>\$30,000.00</u>	<u>\$686,329.71</u>	<u>\$716,329.71</u>
Balances, January 1, 2021	\$30,000.00	\$1,907.12	\$31,907.12
2021 Net Loss	\$0.00	-\$3,286.04	-\$3,286.04
Stockholder Contributions	\$0.00	\$0.00	\$0.00
Stockholder Draws	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Balances, December 31, 2021	<u>\$30,000.00</u>	<u>-\$1,378.92</u>	<u>\$28,621.08</u>
Balances, January 1, 2020	\$30,000.00	\$25,412.90	\$55,412.90
2020 Net Loss	\$0.00	-\$23,505.78	-\$23,505.78
Stockholder Contributions	\$0.00	\$0.00	\$0.00
Stockholder Draws	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Balances, December 31, 2020	<u>\$30,000.00</u>	<u>\$1,907.12</u>	<u>\$31,907.12</u>

Overtime Franchise, LLC
Statements Of Cash Flows
as of December 31, 2022 and December 31, 2021

	2022	2021
OPERATING ACTIVITIES		
Net Income/Loss	689,508.63	-3,286.04
Adjustments to reconcile Net Income to net cash provided by operations:		
Accounts Receivable	-845,229.20	9,478.20
BB&T Credit Card	-2,655.26	-1,688.71
SBA Loan	97,398.00	69,780.00
Due to OTA	<u>\$0.00</u>	<u>\$1,931.87</u>
Net cash provided by Operating Activities	-\$60,977.83	\$76,215.32
INVESTING ACTIVITIES		
Franchise Purchase Cost	\$0.00	\$0.00
Accumulated Amortization	\$5,333.33	\$5,333.33
Net cash provided by Investing Activities	<u>\$5,333.33</u>	<u>\$5,333.33</u>
FINANCING ACTIVITIES		
Retained Earnings	<u>\$0.00</u>	<u>\$0.00</u>
Net cash provided by Financing Activities	\$0.00	\$0.00
Net cash increase for period	<u>-\$25,644.49</u>	<u>\$81,548.65</u>
Cash at beginning of period	<u>\$101,455.19</u>	<u>\$19,906.54</u>
Cash at end of period	<u>\$75,810.70</u>	<u>\$101,455.19</u>

**Overtime Franchise, LLC
General Journal
as of December 31, 2022**

	2022	2021
1	Amortization Expense	
	\$5,333.34	
	Accumulated Amortization	
		\$5,333.34
2	Salaries	
	\$86,589.82	
	Payroll Taxes	
		\$60,629.82
	401K	
		\$36,120.00
	Employer 401K Match	
	\$9,320.00	
	FUTA	
	\$840.00	
4	Bad Debt Expense	
	\$1,800.00	
	Accounts Receivable	
		\$1,800.00
	103,883.16	103,883.16

OVERTIME FRANCHISE, LLC

NOTES TO FINANCIAL STATEMENT

Note 1 - Summary of Significant Accounting Policies

Nature of Business:

The company is engaged in the business of selling franchises to franchisees to operate youth athletic programming businesses. The core of the business and programming model is basic – running affordable, safe and fun youth programs that include: After School Programs, Summer Camps, Birthday Parties, Leagues and Clinics.

SBA Loan

An original loan was obtained from the Small Business Administration (SBA) on May 22, 2020 in the amount of \$39,881. at an annual rate of 3.75%. Payment on this loan was to begin 24 months after the date of the loan, over a 30 year period. A modification to such loan was made on March 21, 2021 in the amount of \$69,780 at an interest rate of 3.75%. Monthly payments of \$504.00 on the total amount of \$109,661 will begin on May 22, 2022.

Subsequent to December 31, 2021, the company increased the loan to \$199,400 at the same rate of 3.75%. Monthly payments will be \$1,001 beginning 24 months after the date of the original loan.

On December 31, 2022 the SBA Loan Balance was \$207,059

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting.

Use of 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.

Taxes on Income:

The Company has elected to be taxed as a partnership under applicable provisions of the Internal Revenue Code. Under those provisions, the Company does not pay income tax on its taxable income. Instead, the owners include their pro rata share of the Company's taxable income or loss on their individual income tax returns. Typically, the Company's income tax returns are subject to U.S. federal income tax examination for three years after filing and subject to state examination for four years after filing.

Franchise Purchase Cost:

Franchise Purchase Costs were incurred to enable the Company to market and sell franchises. The organizational costs are being amortized over 180 months using the straight-line method.

Subsequent Sale Entry from 2021

On 8/21/21, the company sold to D&S Athletics OTA Northern VA for: \$1,125,000.00 To be paid over 5 years. The monthly payment is semi-monthly \$9,375.00. The balance at 12/31/22 is : \$1,002,805.51

OVERTIME ATHLETICS®

**EXHIBIT “C”
TO THE DISCLOSURE DOCUMENT**

**LIST OF STATE ADMINISTRATORS AND
LIST OF STATE AGENTS FOR SERVICE OF PROCESS**

LIST OF STATE ADMINISTRATORS

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

<p>CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 / Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov Website: http://www.dfpi.ca.gov</p>	<p>NEW YORK NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl New York, NY 10005 (212) 416-8222</p>
<p>HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p>NORTH DAKOTA North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712</p>
<p>ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>	<p>RHODE ISLAND Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527</p>
<p>INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681</p>	<p>SOUTH DAKOTA Division of Insurance Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563</p>
<p>MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360</p>	<p>VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051</p>
<p>MICHIGAN Michigan Attorney General’s Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567</p>	<p>WASHINGTON Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760</p>
<p>MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600</p>	<p>WISCONSIN Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139</p>

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents in some of the states listed.

<p>CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 / Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov Website: http://www.dfpi.ca.gov</p>	<p>NEW YORK New York Secretary of State One Commerce Plaza 99 Washington Avenue Albany, NY 12231 (518) 473-2492</p>
<p>HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p>NORTH DAKOTA North Dakota Securities Commissioner State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712</p>
<p>ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>	<p>RHODE ISLAND Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527</p>
<p>INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681</p>	<p>SOUTH DAKOTA Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563</p>
<p>MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360</p>	<p>VIRGINIA Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733</p>
<p>MICHIGAN Michigan Attorney General’s Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567</p>	<p>WASHINGTON Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760</p>
<p>MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600</p>	<p>WISCONSIN Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139</p>

OVERTIME ATHLETICS®

**EXHIBIT “D”
TO THE DISCLOSURE DOCUMENT**

CURRENT FORM OF GENERAL RELEASE

RELEASE OF CLAIMS

For and in consideration of the Agreements and covenants described below, Overtime Franchise LLC, (“OVERTIME ATHLETICS”) and _____ (“Franchisee”) enter into this Release of Claims (“Agreement”).

RECITALS

Overtime Franchise LLC and Franchisee entered into an OVERTIME ATHLETICS Franchise Agreement dated _____, _____. [NOTE: Describe the circumstances relating to the release.] Subject to and as addressed with greater specificity in the terms and conditions set forth below, OVERTIME ATHLETICS and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

AGREEMENTS

1. **Release of Claims by Franchisee.** In consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisee, for himself and for each of his heirs, executors, administrators, insurers, attorneys, agents, representatives, successors, and assigns, does hereby release and forever discharge OVERTIME ATHLETICS and each of its respective affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of their past and present directors, officers, employees, attorneys, agents, assigns and representatives in their capacities as such, of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney’s fees), complaints, charges, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, related to the Franchise Agreement.

2. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

3. **Voluntary Nature of Agreement.** The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms.

4. **Governing Law and Jurisdiction.** This Agreement will be construed and enforced in accordance with the law of the State of Virginia.

5. **Attorneys’ Fees.** All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party’s attorneys’ fees and costs incurred by reason of the breach.

[For Washington franchisees add this paragraph:] This Release does not apply to claims arising under the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2).

[For Maryland franchisees add this paragraph:] This Release does not apply to claims arising under the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§14-201 – 14-233, or

the rules adopted thereunder in accordance with Md. Code Ann., Bus. Reg. §14-206, Code of Maryland Regulations, Title 02.02.08.01 – 02.02.08.17.

Dated: _____, 20____

Overtime Franchise LLC

By _____
Its _____

Dated: _____, 20____

FRANCHISEE: _____

By _____
Its _____

OVERTIME ATHLETICS®

EXHIBIT “E”
TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISE LOCATIONS, FORMER FRANCHISEES,
AND FRANCHISE AGREEMENTS BUT UNITS NOT OPENED

FRANCHISED LOCATIONS

<u>Franchise Name</u>	<u>Contact</u>	<u>Operating Area</u>	<u>State</u>	<u>Address</u>	<u>Phone</u>
Suvada Edds Athletics LLC	Karen and Natalie Suvada	Greater Phoenix	AZ	8731 E Vista Dr Scottsdale AZ 85250	480-310-3154
JR and RJ Sports LLC	Eric Bernstein	Inland Empire	CA	28913 Comrade Circle Menifee, CA 92585	951-282-5024
B-3lite Athletics LLC	Bert Beattie	Sacramento	CA	1709 Oakwood Dr Roseville CA 95661	408-396-8083
CLA Sports Inc	Cherysse Victor	Toronto West	Canada	250 Admiral Drive Oakville, Ontario, Canada, L6L 0B9	905 638 3531
EC Sports Inc	Hilton Keeton	Windsor/ London	Canada	847 Cottage Grove Avenue Kingsville, Ontario, Canada, N8Y 3G3	226-788-9910
Mani LaBay INC	Vincent Lagman	Toronto Central	Canada	66 Big Hill cres. Maple, Ontario Canada L6A4K7	416-888-6965
Burrows Family Sports LLC	Spencer Burrows	Aurora CO	CO	4632 South Kalispell Way Aurora, CO 80015	303.842.1362
GenSports LLC	Andrew Gendall	Castle Rock CO	CO	3131 Starry Night Loop Castle Rock CO 80109	303-810-8030
GenSports LLC	Andrew Gendall	Denver/ Boulder CO	CO	3131 Starry Night Loop Castle Rock CO 80109	303-810-8030
Enterprise Explorers LLC	Sarah Smith	Northern CO	CO	4309 Monte Cimone St Evans CO 80620	970-342-6343
Field Luongo LLC	Jack Voigt, Tony Britton, Scott Voigt	Fairfield County CT	CT	62 Allwood Road Darien CT 06820	203-505-3283
Man and Manikin LLC	George and Julie Gillespie	Delaware	DE	25 Ridgewood Circle Wilmington DE 19809	610-506-6827
Young Athletics LLC	Will and Nicole Young	Melbourne FL	FL	5975 Trieda Drive Melbourne, FL 32940	631.219.6458
MFT Childcare	Michael Fay	Atlanta GA	GA	37220 Meadore Lane Geismar LA 70734	781-879-5660
HDS LLC	Liezl and Peter Heaton	Northern Chicago	IL	340 Springside Lane Buffalo Grove IL 60089	(224) 244-1596
Ventures in Motion LLC	Mary Preston	Indiana	IN	110 W Main Street Apt 420 Carmel IN 46032	817-487-1070
Michael J Thomas Enterprises	Michael Thomas	Lake Charles LA	LA	2529 19th St Lake Charles La 70601	337.377.7667
Btucker Investments LLC	Brennan Tucker	Baltimore	MD	1421 Hull Street Baltimore MD 21230	410-940-9337
D&S Athletics, Inc.*	Will Doyle & Azhar Shamsudeen	Howard County MD	MD	15453 Peach Leaf Drive North Potomac, MD 20878	571.228.2882

<u>Franchise Name</u>	<u>Contact</u>	<u>Operating Area</u>	<u>State</u>	<u>Address</u>	<u>Phone</u>
D&S Athletics, Inc.*	Will Doyle & Azhar Shamsudeen	Montgomery County MD	MD	8320 Windfall Rd Springfield VA 22153	571.228.2882
YeggeOTA LLC	Amy and Joe Yegge	Kansas City St Joseph	MO	5401 S 37th Ter Saint Joseph MO 64503	319-310-0735
MFT Childcare	Michael Fay	St Louis	MO	37220 Meadore Lane Geismar LA 70734	781-879-5660
Blaize' n Storm Athletics	Miguelito Mitchell	Omaha Neb	NE	14125 Cedar Circle Omaha NE 68104	402-290-1344
Green Light LLC	Michael Fay & Josh Chernikoff	Central NJ	NJ	37220 Meadore Lane Geismar LA 70734	781-879-5660
Green Light LLC	Michael Fay & Josh Chernikoff	Northern NJ	NJ	37220 Meadore Lane Geismar LA 70734	781-879-5660
Green Light LLC	Michael Fay & Josh Chernikoff	Southern NJ	NJ	37220 Meadore Lane Geismar LA 70734	781-879-5660
Game on Sports LLC	Lance Kegelman	Greater Albuquerque	NM	818 Sierra Verde Way Rio Rancho NM 87124	505-414-2214
RDU Group LLC	Bobby Doyle	The Triangle	NC	10300 Ash Hollow Dr APT 4304 Raleigh NC 27617	703-310-9319
KLE Solutions LLC	Timothy Eldridge	Wilmington NC	NC	609 Tibby's Drive Wilmington NC 28411	910-512-4873
Bag Athletics LLC	Mandy Barney	Cleveland OH	OH	2926 Brookdale Ave Parma OH 44134	440-225-4098
Bag Athletics LLC	Mandy Barney	Columbus OH	OH	2926 Brookdale Ave Parma OH 44134	440-225-4098
Staszak Athletics LLC	Mary and Michael Staszak	Eugene OR	OR	883 Mountaingate Dr Springfield OR 97478	515-915-2218
Bozek LLC	Brandon Bozek	Philadelphia PA	PA	37 Townview Drive Doylestown, PA 18901	315.730.3090
SC Athletics LLC	Sam Hill	Charleston SC	SC	272 Bayview Dr Mount Pleasant SC 29464	843-991-3932
Moore Athletics LLC	Aaron Moore	Myrtle Beach SC	SC	401 Jones Gap Way #4211 Myrtle Beach, SC 29579	304-667-8783
Dixon Athletes LLC	Darren Dixon	North Houston TX	TX	5280 Caroline St Houston TX 77004	646-660-2161
EA Athletics LLC	Suavita Elam-Okoro	Houston TX	TX	15150 Provost Craig Dr Humble TX 77346	832.398.4771
D&S Athletics, INC	Will Doyle & Azhar Shamsudeen	Fairfax & Loudoun Counties	VA	8320 Windfall Rd Springfield VA 22153	571.228.2882
King Murphy LCC	Dyron Murphy	Prince William County	VA	2670 Penbury Ct Apt 203 Woodbridge VA 22191	443.955.2765
Richmond Athletics LLC	William Phillips	Richmond VA	VA	7420 Cotfield Road Richmond VA 23237	804.229.9666
KABB LLC	Kurt Reighard	Tidewater VA	VA	4025 Church Point Road Virginia Beach VA 23455	434-942-7787

<u>Franchise Name</u>	<u>Contact</u>	<u>Operating Area</u>	<u>State</u>	<u>Address</u>	<u>Phone</u>
O'Dell Athletics LLC	Justin O'Dell	Southwest VA	VA	1486 Willow Oak Dr Forest VA 24551	703.678.3749
SMY Athletics LLC	Sean Myler	Seattle WA	WA	2510 Western Ave., Apt 213 Seattle, WA 98121	203.247.1496
Green Light LLC	Michael Fay & Josh Chernikoff	Washington DC	DC	37220 Meadore Lane Geismar LA 70734	781-879-5660

* These two counties are operated under one franchise agreement.

The Following Franchisees Left the System in 2023 Due to Transfer of their Franchise

None

The Following Franchisees Voluntarily Closed in 2023

<u>Franchise Name</u>	<u>Contact</u>	<u>Operating Area</u>	<u>State</u>	<u>Address</u>	<u>Phone</u>
RHA Enterprise LLC	Jeff Sherman	Southern MD	MD	12732 Legacy Dr Dunkirk MD 20754	301-710-2411
Moneyle Investments LLC	Brooks Madden & Chris Harrington	Dallas TX	TX	2320 Candler Club Way Little Elm TX 75068 (CH)	214-542-5981
Marley Athletics LLC	Eric Marley	Wilmington NC	NC	185 Bridlewood Dr Jacksonville NC 28540	336-262-5922
K&R Sports Legacy LLC	Krystal Hansley	Eastern VA	VA	104 Point Hollow Place, Henrico, VA 23227	804-625-1007

The Following Franchisees have Signed Franchise Agreements but Not Yet Opened

<u>Franchise Name / Contact</u>	<u>City/State</u>	<u>Phone</u>
NSL Youth Athletics Delaware County / Victor Lawrence	Aldan, PA	215-253-0602
Ace Fitness LLC / Cheryl McGraw	Moscow, TN	901-488-0044

OVERTIME ATHLETICS®
EXHIBIT “F”
TO THE DISCLOSURE DOCUMENT

CONFIDENTIALITY AGREEMENT FOR REVIEW OF MANUAL

**OVERTIME ATHLETICS
CONFIDENTIALITY AGREEMENT FOR REVIEW OF MANUAL**

In consideration of the willingness of Overtime Franchise LLC (“Overtime”) to permit me to review Overtime’s confidential and proprietary manuals for OVERTIME ATHLETICS franchised businesses (“Manual”) before entering into a Franchise Agreement, I agree, individually and as an officer, partner or member of any corporation, partnership or limited liability company that may enter into an agreement with Overtime, as follows:

1. As used in this Agreement, the term “Confidential Information” means all information contained in the Manual and all other information relating to the OVERTIME ATHLETICS system disclosed to me except: information that is now or hereafter becomes generally known (other than by unauthorized disclosure, whether deliberate or inadvertent, by myself or by any other person or entity with which I am affiliated); information that was in my possession at the time of receipt of the Manual; and information that comes into my possession after the date of this Agreement from a source not under an obligation of secrecy to Overtime.

2. I agree not to make any use of the Confidential Information, not to make any copies of the Confidential Information and not to reveal any of the Confidential Information to any person who has not signed a Confidentiality Agreement with Overtime.

3. I acknowledge that I am in the process of evaluating whether or not to purchase an Overtime franchise from Overtime, which maintains a principal place of business in Virginia. Accordingly, I consent to have this Agreement be governed and construed in accordance with the laws of the state of Virginia.

Signature

Signature

Print Name

Print Name

Date: _____

OVERTIME ATHLETICS®

EXHIBIT “G”
TO THE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA & AGREEMENT AMENDMENTS

STATE-SPECIFIC ADDENDA AND AGREEMENT AMENDMENTS

Each provision of these Addenda to the Disclosure Document and Amendments to the Franchise, Agreement is effective only to the extent (with respect to each provision) that that state franchise law would apply to your franchise or development rights, without reference to the Addenda or Amendments.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF CALIFORNIA**

1. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

See the cover page of the disclosure document for Overtime Franchise, LLC's URL address. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT WWW.DFPL.CA.GOV.

2. **Item 3, Additional Disclosure.** The following statement is added to Item 3:

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

3. **Item 5, Additional Disclosure.** The following statement is added to Item 5:

The Department of Financial Protection and Innovation requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.

4. **Item 6, Additional Disclosure.** The maximum rate of interest in California as of the issuance date of the disclosure document is 10% per annum.

5. **Item 17, Additional Disclosures.** The following statements are added to Item 17:

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

If the franchise agreement provides for termination upon bankruptcy, that provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, *et seq.*).

The franchise agreement provides for application of the laws of Virginia. This provision may not be enforceable under California law.

The franchise agreement contains a choice of forum provision. This provision may not be enforceable under California law.

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

6. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

7. You must sign a general release if you transfer the rights granted under those agreement and if you renew your franchise. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

8. The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

CALIFORNIA FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of California Franchise Investment Law, Cal. Corp. Code §§ 31000 31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the parties to the attached OVERTIME ATHLETICS FRANCHISE AGREEMENT (the “Agreement”) agree as follows:

- 1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of California; **(B)** Franchisee is a resident of the State of California; and/or **(C)** the Franchised Business will be located and/or operated in the State of California.

- 2. The following language is added to the end of Section 2.1 of the Franchise Agreement:

Notwithstanding the foregoing, in the State of California, all initial fees and payments you owe to us under this Agreement shall be deferred until we complete our pre-opening obligations under this Agreement and you open the Franchised Business.

- 3. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee’s investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

- 4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

FRANCHISOR:
OVERTIME FRANCHISE LLC
a Virginia limited liability company

FRANCHISEE:
COMPANY NAME
a state corporation/limited liability company

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF ILLINOIS**

In recognition of the requirements of the Illinois Franchise Disclosure Act (Ill. Comp. Stat. §§ 705/1 to 705/44, the “Act”), the OVERTIME ATHLETICS DISCLOSURE DOCUMENT for use in the State of Illinois is amended to include the following:

Item 17, Additional Disclosures. The following statements are added to Item 17:

Illinois law governs the Franchise Agreement.

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

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

Item 22, Additional Disclosure. The following statement is added to Item 22:

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act (Ill. Comp. Stat. §§ 705/1 to 705/44, the “Act”), the parties to the attached OVERTIME ATHLETICS FRANCHISE AGREEMENT (the “Agreement”) agree as follows:

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Illinois; **(B)** Franchisee is a resident of the State of Illinois; and/or **(C)** the Franchised Business will be located and/or operated in the State of Illinois.
2. Default and Termination. The following sentence is added at the end of Section 22:

Notwithstanding the foregoing, Franchisee’s rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
3. Governing Law. The following sentence is added to the end of Section 25.13:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.
4. Consent to Jurisdiction. The following sentence is added to the end of Section 25.14:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action that otherwise is enforceable in Illinois.
5. Limitations of Claims. The following sentence is added to the end of Section 25.17:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: 3 years of the violation, 1 year after the franchisee becomes aware of the underlying facts or circumstances or 90 days after delivery to the franchisee of a written notice disclosing the violation.
6. Acknowledgments. The following sentence is added to the end of Section 27:

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an

original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

FRANCHISOR:
OVERTIME FRANCHISE LLC
a Virginia limited liability company

FRANCHISEE:
COMPANY NAME
a state corporation/limited liability company

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann. Bus. Reg. §§ 4 201 to 14 233, the OVERTIME ATHLETICS DISCLOSURE DOCUMENT for use in the State of Maryland is amended to include the following:

Item 17, Additional Disclosures. The following statements are added to Item 17:

The Franchise Agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, et seq.).

Any provisions requiring you to sign a general release of claims against Overtime Franchise LLC, including upon execution of the Franchise Agreement, renewal or transfer, does not release any claim you may have under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to these Additional Disclosures.

MARYLAND FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann. Bus. Reg. §§ 4 201 to 14 233, the parties to the attached OVERTIME ATHLETICS FRANCHISE AGREEMENT (the “Agreement”) agree as follows:

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Maryland; **(B)** Franchisee is a resident of the State of Maryland; and/or **(C)** the Franchised Business will be located and/or operated in the State of Maryland.

2. Releases. The following sentence is added to the end of Sections 20.4.6 and 21.4:

This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Governing Law. The following sentence is added to the end of Section 25.13:

Notwithstanding the foregoing, the Maryland Franchise Registration and Disclosure Law shall govern any claim arising under that Law.

4. Consent to Jurisdiction. The following sentence is added to the end of Section 25.14:

Notwithstanding the foregoing, Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. Limitations of Claims. The following sentence is added to the end of Section 25.17:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

6. Acknowledgments. The following sentence is added to the end of Section 27:

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Any such representations in this Agreement are not intended to, nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an

executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

FRANCHISOR:
OVERTIME FRANCHISE LLC
a Virginia limited liability company

FRANCHISEE:
COMPANY NAME
a state corporation/limited liability company

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

VIRGINIA DISCLOSURE ADDENDUM

In recognition of the Virginia Retail Franchising Act, Virginia Code Sections 13,1-557 et seq., (“Franchise Act”), the OVERTIME ATHLETICS DISCLOSURE DOCUMENT for use in the State of Virginia is amended to include the following:

1. Item 17 of the Disclosure Document, “Renewal, Termination, Transfer and Dispute Resolution,” is supplemented by adding the following statement:

Section 13.1-571 of the Franchise Act provides that any condition, stipulation or provision binding any person to waive compliance with any provision of the Franchise Act or of any rule or order under the Franchise Act is void.

2. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

WASHINGTON DISCLOSURE ADDENDUM

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code (“RCW”) §§ 19.100, the OVERTIME ATHLETICS DISCLOSURE DOCUMENT for use in the State of Washington is amended as follows:

1. The following paragraph is added at the end of Item 5:

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the Franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the Franchised Business is open for business.

2. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
3. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
4. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
5. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.
7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

9. The undersigned does hereby acknowledge receipt of this addendum.
10. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
11. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern

**WASHINGTON AMENDMENT TO THE FRANCHISE AGREEMENT
AND RELATED AGREEMENTS**

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code (“RCW”) §§ 19.100.010 through 19.100.940, the parties to the attached OVERTIME ATHLETICS FRANCHISE AGREEMENT (the “Agreement”) agree as follows:

1. The following is added to the end of Section 2.1 of the Franchise Agreement:

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all initial training that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

2. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
3. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
4. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
5. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.
7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
9. The undersigned does hereby acknowledge receipt of this addendum.
10. To the extent this Amendment shall be deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

FRANCHISOR:
 OVERTIME FRANCHISE LLC
 a Virginia limited liability company

FRANCHISEE:
 COMPANY NAME
 a state corporation/limited liability company

By: _____
 Name: _____
 Title: _____
 Date: _____

By: _____
 Name: _____
 Title: _____
 Date: _____

By: _____
 Name: _____
 Title: _____
 Date: _____

By: _____
 Name: _____
 Title: _____
 Date: _____

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, Florida, Hawaii, Kentucky, Indiana, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, 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 if an effective date is noted below for the state:

State	Effective Date
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Virginia	Pending
Washington	Pending

OVERTIME ATHLETICS®
EXHIBIT “H”
TO THE DISCLOSURE DOCUMENT
RECEIPTS

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 Overtime Franchise LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant.

New York requires that Overtime Franchise LLC gives you this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that Overtime Franchise LLC gives you this disclosure document at the earlier of the first personal meeting or fourteen (14) days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan law requires that Overtime Franchise LLC provides this franchise Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Overtime Franchise LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and appropriate state agency listed in Exhibit "C". Overtime Franchise LLC's registered agents authorized to receive service of process are listed in Exhibit "C".

The name, principal business address and telephone number of each franchise seller offering the franchise is:

Chris Horich
Chris Whelan

The principal business address and telephone number for the individuals listed above is: Overtime Franchise LLC, 11654 Plaza America Drive, Suite 628, Reston, Virginia 20190, (720) 689-4133; info@otathletics.com.

Date of Issuance: March 25, 2024

I received a disclosure document dated March 25, 2024, that included the following Exhibits:

- A. FRANCHISE AGREEMENT
- B. FINANCIAL STATEMENTS
- C. LIST OF STATE AGENCIES AND LIST OF STATE AGENTS FOR SERVICE OF PROCESS
- D. COPY OF CURRENT FORM OF GENERAL RELEASE
- E. FRANCHISE LOCATIONS
- F. CONFIDENTIALITY AGREEMENT FOR REVIEW OF MANUAL
- G. STATE SPECIFIC ADDENDA & AGREEMENT AMENDMENTS
- H. RECEIPTS

DATE DISCLOSURE DOCUMENT RECEIVED: _____

Signed: _____

Date Signed: _____

Print Name and Address: _____

Please sign and date this Receipt (with the date you received the Franchise Disclosure Document) and if you received it electronically via email, also: Open the attached Franchise Disclosure Document to verify that you can download it; then immediately Reply to All, stating that you received and downloaded this Franchise Disclosure Document.

Also, print, sign and date a copy of this Receipt (with the date you received this Franchise Disclosure Document), and return the signed Receipt by mail to us at: Overtime Franchise LLC, 11654 Plaza America Drive, Suite 628, Reston, Virginia 20190.

FRANCHISEE'S COPY

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 Overtime Franchise LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant.

New York requires that Overtime Franchise LLC gives you this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that Overtime Franchise LLC gives you this disclosure document at the earlier of the first personal meeting or fourteen (14) days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan law requires that Overtime Franchise LLC provides this franchise Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Overtime Franchise LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and appropriate state agency listed in Exhibit "C". Overtime Franchise LLC's registered agents authorized to receive service of process are listed in Exhibit "C".

The name, principal business address and telephone number of each franchise seller offering the franchise is:

Chris Horich
Chris Whelan

The principal business address and telephone number for the individuals listed above is: Overtime Franchise LLC, 11654 Plaza America Drive, Suite 628, Reston, Virginia 20190, (720) 689-4133; info@otathletics.com.

Date of Issuance: March 25, 2024

I received a disclosure document dated March 25, 2024, that included the following Exhibits:

- A. FRANCHISE AGREEMENT
- B. FINANCIAL STATEMENTS
- C. LIST OF STATE AGENCIES AND LIST OF STATE AGENTS FOR SERVICE OF PROCESS
- D. COPY OF CURRENT FORM OF GENERAL RELEASE
- E. FRANCHISE LOCATIONS
- F. CONFIDENTIALITY AGREEMENT FOR REVIEW OF MANUAL
- G. STATE SPECIFIC ADDENDA & AGREEMENT AMENDMENTS
- H. RECEIPTS

DATE DISCLOSURE DOCUMENT RECEIVED: _____

Signed: _____

Date Signed: _____

Print Name and Address: _____

Please sign and date this Receipt (with the date you received the Franchise Disclosure Document) and if you received it electronically via email, also: Open the attached Franchise Disclosure Document to verify that you can download it; then immediately Reply to All, stating that you received and downloaded this Franchise Disclosure Document.

Also, print, sign and date a copy of this Receipt (with the date you received this Franchise Disclosure Document), and return the signed Receipt by mail to us at: Overtime Franchise LLC, 11654 Plaza America Drive, Suite 628, Reston, Virginia 20190.

FRANCHISOR'S COPY